

**Financial Statements of the Company
and Consolidated**

**Multiplan Empreendimentos
Imobiliários S.A.**

December 31, 2010 and 2009
with Report of Independent Auditors

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Financial statements

December 31, 2010 and 2009

Contents

Report of independent auditors.....	1
Audited financial statements of the company and consolidated	
Balance sheets of the company and consolidated	4
Statements of operations of the company and consolidated	8
Statements of changes in shareholder's equity of the company and consolidated	10
Statements of cash-flow of the company and consolidated.....	12
Statements of value added of the Company and consolidated.....	14
Notes to the financial statements	16

Independent auditor's report on financial statements

The Shareholders, Board of Directors and Officers
Multiplan Empreendimentos Imobiliários S.A.
Rio de Janeiro - RJ

We have audited the accompanying individual and consolidated financial statements of Multiplan Empreendimentos Imobiliários S.A. ("Company"), identified as Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2010 and the related income statement, of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil, and of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil and, as approved by the Brazilian Accounting Pronouncements Committee (CPC), by the Brazilian Securities Commission (CVM) and by the National Association of State Boards of Accountancy (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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Auditor's responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Company's financial statements 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 internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the financial statements prepared in accordance with accounting practices adopted in Brazil

In our opinion, the individual (Company) and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Multiplan Empreendimentos Imobiliários S.A. as at December 31, 2010, and 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 prepared in accordance with International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil and, as approved by the Brazilian Accounting Pronouncements Committee (CPC), by the Brazilian Securities Commission (CVM) and by the National Association of State Boards of Accountancy (CFC)

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Multiplan Empreendimentos Imobiliários S.A. as at December 31, 2010, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil and, as approved by the Brazilian Accounting Pronouncements Committee (CPC), by the Brazilian Securities Commission (CVM) and by the National Association of State Boards of Accountancy (CFC).

Emphasis of a matter

As mentioned in Note 2, the individual (Company) and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil. The consolidated financial statements prepared in accordance with IFRS applicable to real estate development entities also consider OCPC Guideline No. 4, issued by the Brazilian Accounting Pronouncements Committee (CPC), which addresses revenue recognition by this industry segment, as detailed in Note 2.4.

Some matters referring to the meaning and application of the concept of continuous transfer of risks, rewards and control in connection with real estate sales will be analyzed by the International Financial Reporting Interpretation Committee (IFRIC). The outcome of this analysis may lead real estate development entities to review their accounting practices concerning revenue recognition.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added for the year ended December 31, 2010, the presentation of which is required by Brazilian corporation law for publicly held companies, but not required under IFRS. These statements have been subject to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements prepared in accordance with accounting practices adopted in Brazil.

Rio de Janeiro, February 18, 2011

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ



Mauro Moreira
Accountant CRC - 1RJ 072.056/O-2



Roberto Martorelli
Accountant CRC - 1RJ 106.103/O-0

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MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Balance sheets
December 31, 2010 and 2009
(In thousands of reais)

	Company		
	2010	2009 Restated	January 1, 2009 Restated
Assets			
Current			
Cash and cash equivalents (Note 4)	764,694	801,894	146,614
Accounts receivable (Note 5)	167,210	99,591	82,122
Sundry loans and advances (Note 6)	14,808	24,498	9,404
Recoverable taxes and contributions (Note 7)	19,156	35,992	16,846
Others	14,100	3,467	-
Total current assets	979,968	965,442	254,986
Noncurrent			
Long-term receivables			
Accounts receivable (Note 5)	32,676	11,701	11,388
Land and properties held for sale (Note 8)	33,183	141,268	129,457
Sundry loans and advances (Note 6)	76,898	85,387	34,011
Receivables from related parties (Note 20)	149	361	2,039
Deferred income and social contribution taxes (Note 9)	7,545	112,143	185,176
Deposits in court (Note 19)	22,291	20,588	18,187
	172,742	371,448	380,258
Investments (Note 10)	91,164	71,654	140,753
Goodwill (Note 11)	49,400	50,503	51,592
Investment properties (Note 11)	2,191,003	1,719,316	1,341,977
Property and equipment (Note 12)	11,864	8,589	7,549
Intangibles (Note 13)	319,505	308,363	308,749
Total noncurrent assets	2,835,678	2,529,873	2,230,878
Total assets	3,815,646	3,495,315	2,485,864

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MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Balance sheets (Continued)
December 31, 2010 and 2009
(In thousands of reais)

	Consolidated		
	2010	2009 Restated	January 1, 2009 Restated
Assets			
Current			
Cash and cash equivalents (Note 4)	794,839	827,967	167,585
Accounts receivable (Note 5)	180,122	115,117	99,529
Sundry loans and advances (Note 6)	17,177	30,985	18,496
Recoverable taxes and contributions (Note 7)	21,892	38,744	20,198
Others	14,153	3,483	-
Total current assets	1,028,183	1,016,296	305,808
Noncurrent			
Long-term receivables			
Accounts receivable (Note 5)	36,154	18,028	17,762
Land and properties held for sale (Note 8)	33,183	141,268	129,457
Sundry loans and advances (Note 6)	8,658	9,908	10,328
Receivables from related parties (Note 20)	75	74	1,687
Deferred income and social contribution taxes (Note 9)	8,737	113,891	187,105
Deposits in court (Note 19)	23,200	21,539	20,482
Others	11	18	-
	110,018	304,726	366,821
Investments (Note 10)	12,018	15,382	22,847
Investment properties (Note 11)	2,496,675	2,006,505	1,558,283
Property and equipment (Note 12)	18,504	15,582	14,921
Intangibles (Note 13)	320,588	309,475	309,890
Total noncurrent assets	2,957,803	2,651,670	2,272,762
Total assets	3,985,986	3,667,966	2,578,570

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Balance sheets (Continued)
December 31, 2010 and 2009
(In thousands of reais)

	Company		
	2010	2009 Restated	January 1, 2009 Restated
Liabilities and shareholders' equity			
Current			
Loans and financing (Note 14)	61,798	41,660	106,006
Accounts payable	70,158	52,823	45,705
Property acquisition obligations (Note 16)	41,989	62,122	45,222
Taxes and contributions payable	18,918	19,230	18,758
Proposed dividends (Note 22)	51,469	40,521	10,042
Deferred incomes (Note 21)	31,828	43,796	20,604
Payables to related parties (Note 20)	-	16	188
Clients anticipation	10,879	9,559	8,600
Debentures (Note 15)	100,709	386	-
Others	1,901	1,402	1,350
Total current	389,649	271,515	256,475
Noncurrent			
Loans and financing (Note 14)	246,378	130,035	128,912
Debentures (Note 15)	-	100,000	-
Property acquisition obligations (Note 16)	98,961	127,481	90,049
Provision for contingencies (Note 18)	20,852	20,072	19,663
Deferred incomes (Note 21)	113,918	38,935	67,309
Total noncurrent liabilities	480,109	416,523	305,933
Shareholders' equity (Note 22)			
Capital	1,761,662	1,745,097	952,747
Share issue costs	(21,016)	(20,837)	-
Shares in treasury department	(34,769)	(4,624)	(1,928)
Capital reserve	969,186	961,691	958,276
Profit reserve	270,825	125,950	4,319
Proposal for payment of supplementary dividends	-	-	10,042
Total shareholders' equity	2,945,888	2,807,277	1,923,456
Total liabilities and shareholders' equity	3,815,646	3,495,315	2,485,864

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Balance sheets (Continued)
December 31, 2010 and 2009
(In thousands of reais)

	Consolidated		
	2010	2009 Restated	January 1, 2009 Restated
Liabilities and shareholders' equity			
Current			
Loans and financing (Note 14)	61,798	41,660	107,360
Accounts payable	79,384	66,762	55,052
Property acquisition obligations (Note 16)	41,989	62,122	45,222
Taxes and contributions payable	25,900	24,904	25,326
Proposed dividends (Note 22)	51,469	40,521	10,042
Deferred incomes (Note 21)	42,163	54,279	21,264
Payables to related parties (Note 20)	94,274	92,214	23,780
Taxes paid in installments (Note 17)	290	279	267
Clients anticipation	10,879	9,559	8,600
Debentures (Note 15)	100,709	386	-
Others	1,987	1,464	1,510
Total current	<u>510,842</u>	<u>394,150</u>	<u>298,423</u>
Noncurrent			
Loans and financing (Note 14)	246,378	130,035	128,912
Debentures (Note 15)	-	100,000	-
Property acquisition obligations (Note 16)	98,961	127,481	90,049
Taxes paid in installments (Note 17)	1,122	1,359	1,574
Provision for contingencies (Note 18)	21,662	21,435	22,023
Deferred incomes (Note 21)	141,570	77,698	105,034
Total noncurrent liabilities	<u>509,693</u>	<u>458,008</u>	<u>347,592</u>
Shareholders' equity (Note 22)			
Capital	1,761,662	1,745,097	952,747
Share issue costs	(21,016)	(20,837)	-
Shares in treasure department	(34,769)	(4,624)	(1,928)
Capital reserve	969,186	961,691	958,276
Profit reserve	268,060	122,408	465
Proposal for payment of supplementary dividends	-	-	10,042
	<u>2,943,123</u>	<u>2,803,735</u>	<u>1,919,602</u>
Non-controllers' interest	22,328	12,073	12,953
Total shareholders' equity	<u>2,965,451</u>	<u>2,815,808</u>	<u>1,932,555</u>
Total liabilities and shareholders' equity	<u><u>3,985,986</u></u>	<u><u>3,667,966</u></u>	<u><u>2,578,570</u></u>

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of operations

December 31, 2010 and 2009

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

	Company	
	2010	2009 Restated
Gross revenues from sales and services		
Leases	397,890	347,588
Parking	34,072	27,517
Services	72,569	72,481
Key Money	23,354	25,297
Sale of properties	61,428	11,869
Others	2,248	474
	591,561	485,226
Taxes and contributions on sales and services	(49,043)	(44,246)
Net revenues	542,518	440,980
Operating income (expenses)		
General and administrative expenses (headquarters)	(80,147)	(74,890)
General and administrative expenses (shopping malls)	(41,608)	(46,563)
Expenses with projects for lease	(38,992)	(10,810)
Expenses with projects for sale	(4,362)	(1,085)
Management fees (Note 27)	(12,515)	(10,129)
Stock-option-based remuneration expenses (Note 22)	(5,675)	(3,415)
Cost of properties sold	(32,295)	(8,539)
Equity in earnings of affiliates (Note 10)	10,127	(9,161)
Net financial result (Note 23)	41,193	(8,573)
Depreciation and amortization	(38,717)	(32,678)
Other operating income (expenses) (Note 7)	(10,004)	20,577
Income before income and social contribution taxes	329,523	255,714
Income and social contribution taxes (Note 9)	(8,212)	(20,269)
Deferred income and social contribution taxes (Note 9)	(104,599)	(73,293)
Net income for the year	216,712	162,152
Basic earnings per share	1.2192	0.9978
Diluted earnings per share	1.2190	0.9978
Number of outstanding shares at year end	177,752,640	162,505,791

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of operations (Continued)

December 31, 2010 and 2009

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

	Consolidated	
	2010	2009 Restated
Gross revenues from sales and services		
Leases	421,218	366,180
Parking	69,504	54,959
Services	72,926	73,372
Key Money	35,241	26,990
Sale of properties	61,428	11,869
Others	2,307	998
	662,624	534,368
Taxes and contributions on sales and services	(58,249)	(51,634)
Net revenues	604,375	482,734
Operating income (expenses)		
General and administrative expenses (headquarters)	(80,583)	(78,053)
General and administrative expenses (shopping malls)	(65,883)	(61,778)
Expenses with projects for lease	(39,074)	(18,187)
Expenses with projects for sale	(4,362)	(1,085)
Management fees (Note 27)	(12,515)	(10,129)
Stock-option-based remuneration expenses (Note 22)	(5,675)	(3,415)
Cost of properties sold	(32,295)	(8,539)
Equity in earnings of affiliates (Note 10)	(3,511)	(20,031)
Net financial result (Note 23)	43,543	(5,114)
Depreciation and amortization	(44,613)	(35,753)
Other operating income (expenses) (Note 7)	(10,282)	22,438
Income before income and social contribution taxes	349,125	263,088
Income and social contribution taxes (Note 9)	(14,972)	(26,284)
Deferred income and social contribution taxes (Note 9)	(105,155)	(73,476)
Income before non-controllers' interest	228,998	163,328
Non-controllers' interest	(10,615)	11
Net income for the year	218,383	163,339
Basic earnings per share	1.2286	1.0051
Diluted earnings per share	1.2284	1.0051

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of changes in shareholders equity
December 31, 2010 and 2009
(In thousands of reais)

	Company										
	Capital	Share issue costs	Treasury shares	Capital reserve		Goodwill reserve on issuance of shares	Profit reserve		Earnings accumulated	Proposal for payment of supplementary dividends	Total
				Stock options granted	Special goodwill reserve on merger		Legal reserve	Expansion reserve			
Balances at January 1, 2009, before adjustment	952,747	-	(1,928)	25,851	186,548	745,877	2,114	20,084	-	-	1,931,293
Adjustment from first-time adoption of Law - change of accounting practice	-	-	-	-	-	-	-	(17,879)	-	10,042	(7,837)
Balances at January 1, 2009 (restated)	952,747	-	(1,928)	25,851	186,548	745,877	2,114	2,205	-	10,042	1,923,456
Capital increase (Note 21.a)	792,350	-	-	-	-	-	-	-	-	-	792,350
Share issue costs (Note 21.a)	-	(20,837)	-	-	-	-	-	-	-	-	(20,837)
Supplementary dividends	-	-	-	-	-	-	-	-	-	(10,042)	(10,042)
Repurchase of shares to be held in treasury (Note 21.e)	-	-	(2,696)	-	-	-	-	-	-	-	(2,696)
Stock options granted	-	-	-	3,415	-	-	-	-	-	-	3,415
Net income for the year	-	-	-	-	-	-	-	-	162,152	-	162,152
Destination of net income for the year	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	8,531	-	(8,531)	-	-
Expansion reserve	-	-	-	-	-	-	-	113,100	(113,100)	-	-
Proposed dividends	-	-	-	-	-	-	-	-	(40,521)	-	(40,521)
Balances at December 31, 2009 (restated)	1,745,097	(20,837)	(4,624)	29,266	186,548	745,877	10,645	115,305	-	-	2,807,277
Capital increase (Note 21.a)	16,565	-	-	-	-	-	-	-	-	-	16,565
Share issue costs (Note 21.a)	-	(179)	-	-	-	-	-	-	-	-	(179)
Repurchase of shares to be held in treasury (Note 21.e)	-	-	(34,395)	-	-	-	-	-	-	-	(34,395)
Stock options exercise	-	-	4,250	-	-	-	-	-	-	-	4,250
Stock options granted	-	-	-	5,675	-	1,820	-	-	-	-	7,495
Payment of supplementary dividends	-	-	-	-	-	-	-	-	(20,368)	-	(20,368)
Net income for the year	-	-	-	-	-	-	-	-	216,712	-	216,712
Destination of net income of the year	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	10,836	-	(10,836)	-	-
Expansion reserve	-	-	-	-	-	-	-	134,039	(134,039)	-	-
Proposed dividends	-	-	-	-	-	-	-	-	(51,469)	-	(51,469)
Balances at December 31, 2010	1,761,662	(21,016)	(34,769)	34,941	186,548	747,697	21,481	249,344	-	-	2,945,888

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of changes in shareholders equity (Continued)
December 31, 2010 and 2009
(In thousands of reais)

	Consolidated													
	Capital reserve						Profit reserve					Total	Non-controllers' interest	Total
	Capital	Share issue costs	Treasury shares	Stock options granted	Special goodwill reserve on merger	Goodwill reserve on issuance of shares	Legal reserve	Expansion reserve	Quotaholders' déficit of subsidiaries	Earnings accumulated	Proposal for payment of supplementary dividends			
Balances at January 1, 2009, before adjustment	952,747	-	(1,928)	25,851	186,548	745,877	2,114	20,084	(114)	-	-	1,931,179	-	1,931,179
Adjustment from first-time adoption of Law - change of accounting practice	-	-	-	-	-	-	-	(21,619)	-	-	10,042	(11,577)	12,953	1,376
Balances at January 1, 2009 (restated)	952,747	-	(1,928)	25,851	186,548	745,877	2,114	(1,535)	(114)	-	10,042	1,919,602	12,953	1,932,555
Adjustment from first-time adoption of Law - change of accounting practice	-	-	-	-	-	-	-	-	-	349	-	349	(880)	(531)
Capital increase (Note 21.a)	792,350	-	-	-	-	-	-	-	-	-	-	792,350	-	792,350
Share issue costs (Note 21.a)	-	(20,837)	-	-	-	-	-	-	-	-	-	(20,837)	-	(20,837)
Supplementary dividends	-	-	-	-	-	-	-	-	-	-	(10,042)	(10,042)	-	(10,042)
Repurchase of shares to be held in treasury (Note 21.e)	-	-	(2,696)	-	-	-	-	-	-	-	-	(2,696)	-	(2,696)
Stock options granted	-	-	-	3,415	-	-	-	-	-	-	-	3,415	-	3,415
Quotaholders' déficit of subsidiaries	-	-	-	-	-	-	-	-	(37)	-	-	(37)	-	(37)
Net income for the year	-	-	-	-	-	-	-	-	-	162,152	-	162,152	-	162,152
Destination of net income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	8,531	-	-	(8,531)	-	-	-	-
Expansion reserve	-	-	-	-	-	-	-	113,449	-	(113,449)	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-	-	(40,521)	-	(40,521)	-	(40,521)
Balances at December 31, 2009 (restated)	1,745,097	(20,837)	(4,624)	29,266	186,548	745,877	10,645	111,914	(151)	-	-	2,803,735	12,073	2,815,808
Adjustment from first-time adoption of Law - change of accounting practice	-	-	-	-	-	-	-	-	-	626	-	626	10,255	10,881
Capital increase (Note 21.a)	16,565	-	-	-	-	-	-	-	-	-	-	16,565	-	16,565
Share issue costs (Note 21.a)	-	(179)	-	-	-	-	-	-	-	-	-	(179)	-	(179)
Repurchase of shares to be held in treasury (Note 21.e)	-	-	(34,395)	-	-	-	-	-	-	-	-	(34,395)	-	(34,395)
Stock options exercise	-	-	4,250	-	-	-	-	-	-	-	-	4,250	-	4,250
Stock options granted	-	-	-	5,675	-	1,820	-	-	-	-	-	7,495	-	7,495
Quotaholders' déficit of subsidiaries	-	-	-	-	-	-	-	-	151	-	-	151	-	151
Payment of supplementary dividends	-	-	-	-	-	-	-	-	-	(20,368)	-	(20,368)	-	(20,368)
Net income for the year	-	-	-	-	-	-	-	-	-	216,712	-	216,712	-	216,712
Destination of net income of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	10,836	-	-	(10,836)	-	-	-	-
Expansion reserve	-	-	-	-	-	-	-	134,665	-	(134,665)	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-	-	(51,469)	-	(51,469)	-	(51,469)
Balances at December 31, 2010	1,761,662	(21,016)	(34,769)	34,941	186,548	747,697	21,481	246,579	-	-	-	2,943,123	22,328	2,965,451

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statement of cash flows December 31, 2010 and 2009 (In thousands of reais)

	Company	
	2010	2009 Restated
Cash flows from operations		
Income before income and social contribution taxes	329,523	255,714
Adjustments		
Depreciation and amortization	38,717	32,678
Equity pickup	(10,127)	9,161
Stock-option-based remuneration	5,675	3,415
Apropriation of deferred income	(23,354)	(25,297)
Debentures update	11,175	5,389
Interest and monetary variations on loans and financing	20,808	7,025
Interest and monetary variations on proprietary acquisition and obligations	10,686	3,733
Interest and monetary variations sundry loans and advances	(2,318)	(312)
Net adjusted income	380,785	291,506
Variation in operating assets and liabilities		
Lands and properties	108,085	(11,811)
Accounts receivable	(88,594)	(15,745)
Receivable taxes	16,836	(25,390)
Deposit in court	(1,703)	(2,401)
Other assets	(10,633)	(2,565)
Accounts payable	17,335	7,079
Amortization of property acquisition obligations	(59,339)	50,599
Taxes and mandatory contributions payable	(8,524)	(3,049)
Provision for contingencies	780	(477)
Deferred revenue	86,369	18,689
Cientes anticipation	1,320	959
Other obligations	498	32
Cash flows generated by operations	443,215	307,426
Cash flow from investments		
Reduction (increase) in loans and sundry advances	20,141	(66,049)
increase (decrease)in receivable from related parties	212	1,678
Rate receipt on loans and other advances	356	20
Amounts merged from subsidiaries net of cash and cash equivalents	-	(61,302)
Increase (decrease) of investment	(9,383)	60,298
Increase of property, plant and equipment	(4,289)	(1,570)
Investment properties increase	(499,131)	(346,969)
Additions to intangibles	(13,186)	(736)
Cash flow used in investing activities	(505,280)	(414,630)
Cash flow from financing activities		
Loans and financing receipts	177,618	7,156
Loans and financing payments	(42,602)	(71,528)
Rate payment of loans obtained financing	(26,455)	(5,876)
Increase (decrease) in payables to related parties	(16)	(172)
Repurchase of shares to be held in treasury	(34,395)	(2,696)
Stock option exercise	4,250	-
Payment of charges on debentures	(10,852)	(5,003)
Capital increase	16,565	792,350
Share issue cost	(179)	(31,663)
Capital reserve increase	1,820	-
Debentures issue	-	100.000
Paid dividends	(60,889)	(20,084)
Cash flows generated by (used in) financing activities	24,865	762,484
Cash flow	(37,200)	655,280
Cash and cash equivalents at the beginning of the year	801,894	146,614
Cash and cash equivalents at the end of the year	764,694	801,894
Changes in cash	(37,200)	655,280

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statement of cash flows (Continued) December 31, 2010 and 2009 (In thousands of reais)

	Consolidated	
	2010	2009 Reasted
Cash flow from operations		
Income before income and social contribution taxes	349,125	263,088
Adjustment		
Depreciation and amortization	44,613	35,753
Equity pickup	(3,511)	20,031
Stock-option- based remuneration	5,675	3,415
Non-controllers' interest	-	(11)
Apropration of deferred income	(35,241)	(26,990)
Debentures update	11,175	386
Interest and monetary variations on loans and financing	20,808	7,025
Interest and monetary variations on property acquisition obligations	10,686	3,733
Interest and monetary variations on sundry loans and advances	(2,318)	(312)
Earnings from subsidiaries not recognized previously, and capital deficiency of subsidiaries	(985)	(873)
Net adjusted income	400,027	305,245
Variation in operating assets and liabilities		
Lands and properties	108,085	(11,811)
Accounts receivable	(83,131)	(15,854)
Receivable taxes	16,852	(18,546)
Deposit in court	(1,661)	(1,057)
Other assets	(10,664)	(3,504)
Accounts payable	12,622	11,710
Amortization of property acquisition obligations	(59,339)	50,599
Taxes and mandatory contributions payable	(13,976)	(16,130)
Installment taxes	(226)	(203)
Provision for contingencies	227	(588)
Deferred revenue	86,997	32,669
Clients anticipations	1,320	959
Other obligations	614	(46)
Cash flows generated by operations	457,747	333,443
Cash flows from investments		
Increase (decrease) in loans and sundry advances	17,020	(11,777)
increase (decrease)in receivable from related parties	(1)	1,613
Rate receipt on loans and other advances	356	20
Increase (decrease) of investment	6,875	(12,566)
Increase of property and equipment	(4,286)	(1,670)
Increase of investment properties	(524,234)	(481,664)
Additions to intangibles	(13,186)	(887)
Debentures issued	-	-
Cash flows used in investing activities	(517,456)	(506,931)
Cash flows from financing activities		
Loans and financing receipts	177,618	7,156
Loans and financing payments	(42,602)	(72,882)
Rate payment of loans and obtained financing	(26,455)	(5,876)
Increase (decrease) in payables to related parties	2,060	68,434
Repurchase of shares to be held in treasury	(34,395)	(2,696)
Stock option exercise	4,250	-
Payment of charges on debentures	(10,852)	-
Capital increase	16,565	792,350
Share issue costs	(179)	(31,663)
Capital reserve increase	1,820	-
Paid dividends	(60,889)	(20,084)
Debentures issued	-	100,000
Non-controllers' interest	(360)	(869)
Cash flows generated by (used in) financing activities	26,581	833,870
Cash flow	(33,128)	660,382
Cash and cash equivalents at the beginning of the year	827,967	167,585
Cash and equivalents at the end of the year	794,839	827,967
Change in cash	(33,128)	660,382

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statement of value added
December 31, 2010 and 2009
(In thousands of reais)

	Company	
	2010	2009 Restated
Revenues		
Gross revenues from sales and services	591,561	485,226
Others revenues	5,679	20,580
Allowance for doubtful accounts	(618)	(3,493)
	<u>596,622</u>	<u>502,313</u>
Inputs purchased from third parties		
Cost of sales and services	(74,877)	(44,278)
Energy, third party services and others	(103,300)	(52,840)
	<u>(178,177)</u>	<u>(97,118)</u>
Gross value added	<u>418,445</u>	<u>405,195</u>
Withholdings		
Depreciation and amortization	(38,717)	(32,678)
Net value added	<u>379,728</u>	<u>372,517</u>
Value added received in a transfer		
Equity	10,127	(9,161)
Financial revenue	86,159	32,291
	<u>96,286</u>	<u>23,130</u>
Value added to share	<u>476,014</u>	<u>395,647</u>
Value added ditribution		
Personnel		
Direct remuneration	(33,910)	(38,073)
Benefits	(2,781)	(2,385)
FGTS	(884)	(716)
	<u>(37,575)</u>	<u>(41,174)</u>
Taxes, fees and contributions		
Federal	(167,780)	(140,326)
State	(16)	(2)
Municipal	(4,258)	(4,029)
	<u>(172,054)</u>	<u>(144,357)</u>
Third party capital remuneration		
Interests, exchange variation and monetary correction	(42,263)	(40,865)
Leases expenses	(7,410)	(7,099)
	<u>(49,673)</u>	<u>(47,964)</u>
Remuneration of own capital		
Dividends	(54,178)	(40,521)
Interest of non-controlling shareholders in retained earnings	-	-
Retained earnings	(162,534)	(121,631)
	<u>(216,712)</u>	<u>(162,152)</u>
Value added distributed	<u>476,014</u>	<u>(395,647)</u>

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statement of value added (Continued)
 Period ended in December 31, 2010 and 2009
 (In thousands of reais)

	Consolidated	
	2010	2009 Restated
Revenues		
Gross revenues from sales and services	662,624	534,368
Others revenues	5,403	22,438
Allowance for doubtful accounts	(1,201)	(3,512)
	666,826	553,294
Inputs purchased from third parties		
Cost of sales and services	(94,225)	(70,222)
Energy, third party services and others	(104,405)	(49,863)
	(198,630)	(120,085)
Gross value added	468,196	433,209
Withholdings		
Depreciation and amortization	(44,613)	(35,753)
Net value added	423,583	397,456
Value added received in a transfer		
Equity	(3,511)	(20,031)
Receitas financeiras	89,124	35,393
	85,613	15,362
Value added to share	509,196	412,818
Value added ditribution		
Personnel		
Direct remuneration	(35,402)	(38,565)
Benefits	(3,200)	(2,434)
FGTS	(920)	(751)
	(39,522)	(41,750)
Taxes, fees and contributions		
Federal	(178,682)	(149,756)
State	(35)	(6)
Municipal	(11,602)	(10,208)
	(190,319)	(159,970)
Third party capital remuneration		
Interests, exchange variation and monetary correction	(42,879)	(41,419)
Leases expenses	(7,478)	(7,140)
	(50,357)	(48,559)
Remuneration of own capital		
Dividends	(54,178)	(40,521)
Interest of non-controlling shareholders in retained earnings	(10,615)	11
Retained earnings	(164,205)	(122,029)
	(228,998)	(162,539)
Value added distributed	(509,196)	(412,818)

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

1. Company information

The issuance of the consolidated financial statements of Multiplan Empreendimentos Imobiliários S.A. (“Company”, “Multiplan” or “ Multiplan Group” when referred to jointly with its subsidiaries) for the year ended 31 December 2010 were authorized for issue by management on February 17, 2011. The Company was established as a “corporation” (“Sociedade Anônima”) domiciled in Brazil and its shares are traded on the BM&F Bovespa Stock Exchange. The Company's headquarters are located at Avenida das Américas, 4200 - Bloco 2 - 5° andar - Barra da Tijuca - Rio de Janeiro - RJ.

The Company was incorporated on December 30, 2005 and is engaged in (a) planning, implementation, development and sale of real estate projects of any kind, whether residential or commercial, including and especially trade centers and urban sites developed from them; (b) buying and selling of real properties and acquisition and disposition of property rights and their exploitation in any manner, including by lease; (c) the provision of own or third-party trade centers management and administration services; (d) technical assistance and consulting in connection with real estate matters; (e) civil construction, execution of works and provision of engineering and related services in the real estate industry; (f) the development, promotion, administration, planning and brokerage related to real property ventures; (g) importing and exporting goods and services related to its activities; and (h) the acquisition of equity interest in and control of other companies as well as holding interest in ventures with other companies, being authorized to enter into shareholders' agreements to meet or complement its business purpose.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

1. Company information (Continued)

After a number of acquisitions and capital reorganizations involving its subsidiaries, the Company started holding direct and indirect interest at December 31, 2010 and 2009, in the following enterprises:

Real estate development	Location	Beginning of operations	% ownership	
			December, 2010	December, 2009
Shopping Centers				
BHShopping	Belo Horizonte	1979	80.0	80.0
BarraShopping	Rio de Janeiro	1981	51.1	51.1
RibeirãoShopping	Ribeirão Preto	1981	76.2	76.2
MorumbiShopping	São Paulo	1982	65.8	65.8
ParkShopping	Brasília	1983	60.0	60.0
DiamondMall	Belo Horizonte	1996	90.0	90.0
Shopping Anália Franco	São Paulo	1999	30.0	30.0
ParkShopping Barigui	Curitiba	2003	84.0	84.0
Shopping Pátio Savassi (a)	Belo Horizonte	2004	96.5	80.9
BarraShopping Sul	Porto Alegre	2008	100.0	100.0
Vila Olímpia	São Paulo	2009	30.0	30.0
New York City Center	Rio de Janeiro	1999	50.0	50.0
Santa Úrsula (b)	São Paulo	1999	62.5	37.5
Others				
Centro Empresarial Barrashopping	Rio de Janeiro	2000	16.67	16.67

(a) On July 22, 2010 the Company acquired a 15.6% equity interest in Shopping Pátio Savassi by exercising the stock option signed with MK Empreendimentos e Participações Ltda. Multiplan invested R\$51,777 to increase its equity interest from 80.9% to 96.5%. The Company also then acquired for R\$4,223 assets and equity interest in plots of land located in the surroundings of the shopping mall, earmarked for future expansion.

(b) On November 5, 2010 the Company acquired 25% interest in Santa Úrsula Shopping mall. Multiplan invested R\$ 45,000 to increase its share from 37.5% to 62.5%. This acquisition resulted in greater control and efficiency in managing this venture, especially as regards renovations, modernizations and expansions.

The majority of the shopping centers are managed in accordance with a structure known as "*Condomínio Pro Indiviso*" - CPI (undivided joint property). The shopping centers are not corporate entities, but units operated under an agreement by which the owners (investors) share all revenues, costs and expenses. The CPI structure is an option permitted by Brazilian legislation for a period of five years, with possibility of renewal. Pursuant to the CPI structure, each co-investor has a participation in the entire property, which is indivisible. On December 31, 2010, the Company holds the legal representation and management of all above mentioned shopping centers.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

1. Company information (Continued)

The activities carried out by the major investees are summarized below:

- a) Multiplan Administradora de Shopping Centers Ltda. - Is committed to management, administration, promotion, installation and development of shopping malls owned by third parties, as well as the management of parking lots in the Company's own shopping malls.
- b) SCP - Royal Green Península - On February 15, 2006, an unconsolidated partnership (Portuguese acronym SCP) was set up by the Company and its parent company Multiplan Planejamento e Participações S.A., for the purpose of developing a residential real estate project named "Royal Green Península". The Company holds 98% of the total capital of SCP.
- c) MPH Empreendimentos Imobiliários Ltda. - The Company holds 41.96% interest in MPH Empreendimentos Imobiliários, which was incorporated on September 1st, 2006 and is specifically engaged in developing, holding interest in and subsequently exploiting a Shopping Mall located at Vila Olímpia district in the city of São Paulo, where it holds 71.50% interest.
- d) Manati Empreendimentos e Participações S.A. ("Manati") - Carries out commercial exploration and management, whether directly or indirectly, of a car park and Santa Úrsula Mall, located in the city of Ribeirão Preto, in the São Paulo State. Manati is jointly controlled by Multiplan Empreendimentos Imobiliários S.A. and Aliance Shopping Centers S.A., as defined in the Shareholders' Agreement dated April 25, 2008.
- e) Haleiwa Empreendimentos Imobiliários S.A. ("Haleiwa") - Committed to the construction and development of real estate projects, including shopping malls, with car parking on land located at Av. Gustavo Paiva s/n, Cruz das Almas, Maceió. Haleiwa is jointly controlled by Multiplan Empreendimentos Imobiliários S.A. and Aliance Shopping Centers S.A., as defined in the Shareholders' Agreement dated May 20, 2008.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

1. Company information (Continued)

In September 2006, the Company entered into an Agreement for the Assignment of Services Agreements with its subsidiaries Renasce - Rede Nacional de Shopping Centers Ltda., Multiplan Administradora de Shopping Centers Ltda., CAA - Corretagem e Consultoria Publicitária S/C Ltda., and CAA - Corretagem Imobiliária Ltda. Under this agreement, beginning October 1, 2006, the aforementioned subsidiaries assigned and transferred to the Company all the rights and obligations resulting from the services agreements executed between those subsidiaries and the shopping centers.

Therefore, the Company also started to perform the following activities: (i) provision of specialized activities related to brokerage, advertising and publicity advisory services, commercial space for lease and/or sale (“merchandising”); (ii) provision of specialized services related to real estate brokerage and business advisory services; e (iii) shopping mall management.

▶ Initial Public Distribution Offer

On September 28, 2009, the Company carried out an Initial Public Distribution Offer in which 26,000,000 new shares were issued. Sales in the initial share offer, not including the follow-on public offer, amounted to R\$ 689,000, which resulted in an increase of R\$ 665,735 in the Company’s capital net of estimated commission and expenses. On October 9, 2009, 3,900,000 shares in a follow-on public offer were sold amounting to R\$ 103,350 resulting in an increase of R\$ 99,938 in the Company’s capital.

In accordance with the Public Offer Prospectus these funds are mainly intended to finance (i) the construction and development of new shopping centers, (ii) the expansion of shopping centers already part of the portfolio, and (iii) new commercial and residential property developments in areas adjacent to already existing shopping centers.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

1. Company information (Continued)

▶ Capital reorganization

In light of the program to simplify the capital structure of the Company and its subsidiaries, on December 10, 2009 the Company and its wholly-owned subsidiaries Indústrias Luna S.A., Cilpar - CIL Participações Ltda., JPL Empreendimentos Ltda, Solução Imobiliária Participações e Empreendimentos Ltda. signed a Rationale for the Merger of these subsidiaries by the parent company.

In connection with the merger, the subsidiaries' assets were dropped down to the Company at book value at November 30, 2009, in accordance with the valuation report on net assets prepared by the independent valuation company Apsis Consultoria Empresarial Ltda. on December 10, 2009, whereby the Company took on all existing rights and obligations. The Company's capital was not changed.

The amounts of the wholly-owned subsidiaries' condensed balance sheet at the base date for merger are as follows:

Indústrias Luna S.A.

Assets		Liabilities	
Current	<u>13,009</u>	Current	<u>3,286</u>
Noncurrent		Noncurrent	
Long-term receivables	<u>1,173</u>		<u>1,865</u>
Property and equipments	<u>46,657</u>	Shareholder's equity	
Total noncurrent assets	<u>47,830</u>	Capital	<u>37,000</u>
		Legal reserve	<u>487</u>
		New investments reserve	<u>10,585</u>
		Retained earnings	<u>7,616</u>
			<u>55,688</u>
Total	<u>60,839</u>	Total	<u>60,839</u>

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

1. Company information (Continued)

► Capital reorganization (Continued)

Cilpar - CIL Participações Ltda.

Assets		Liabilities	
Current	<u>3,961</u>	Current	<u>102</u>
Noncurrent		Noncurrent	
Long-term receivables	<u>133</u>		<u>413</u>
Property and equipments	<u>13,173</u>	Shareholder's equity	
Total noncurrent assets	<u>13,306</u>	Capital	<u>7,991</u>
		Retained earnings	<u>8,761</u>
Total	<u>17,267</u>	Total	<u>16,752</u>
			<u>17,267</u>

JPL Empreendimentos Ltda.

Assets		Liabilities	
Noncurrent		Shareholder's equity	
Investments	<u>16,752</u>	Capital	<u>9,309</u>
		Retained earnings	<u>7,443</u>
Total	<u>16,752</u>	Total	<u>16,752</u>
			<u>16,752</u>

Solução Imobiliária, Participações e Empreendimentos Ltda.

Assets		Liabilities	
Current	<u>1,282</u>	Current	<u>192</u>
Noncurrent		Noncurrent	
Property and equipments	<u>857</u>		<u>35</u>
Total	<u>2,139</u>	Shareholder's equity	
		Capital	<u>1,715</u>
		Retained earnings	<u>197</u>
Total	<u>2,139</u>	Total	<u>1,912</u>
			<u>2,139</u>

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies

The consolidated financial statements were prepared and are presented in accordance with accounting practices adopted in Brazil, which comprise the standards and pronouncements issued by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Accounting Pronouncements Committee (CPC), which are in conformity with the international financial reporting standards (IFRS) applicable to real estate development entities in Brazil and, as approved by the Brazilian Accounting Pronouncements Committee (CPC), by the Brazilian Securities Commission (CVM) and by the National Association of State Boards of Accountancy (CFC).

The consolidated financial statements are represented by the financial statements of the Company and its subsidiaries at December 31, 2010 and 2009, as presented below:

Firm name	% ownership			
	December 31, 2010		December 31, 2009	
	Direct	Indirect	Direct	Indirect
RENASCE - Rede Nacional de Shopping Centers Ltda. (b)	99.00	-	99.00	-
County Estates Limited (a)	-	99.00	-	99.00
Embassy Row Inc. (a)	-	99.00	-	99.00
EMBRAPLAN - Empresa Brasileira de Planejamento Ltda. (c)	100.00	-	100.00	-
CAA Corretagem e Consultoria Publicitária S/C Ltda. (b)	99.00	-	99.00	-
Multiplan Administradora de Shopping Centers Ltda.	99.00	-	99.00	-
CAA Corretagem Imobiliária Ltda. (b)	99.61	-	99.61	-
MPH Empreendimentos Imobiliários Ltda.	41.96	-	41.96	-
Manati Empreendimentos e Participações S.A.	50.00	-	50.00	-
Haleiwa Participações S.A.	50.00	-	50.00	-

(a) Foreign entities.

(b) During 2007, the operations of aforementioned subsidiaries were transferred to the Company.

(c) Dormant company.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company's, using consistently applied accounting practices. All intra-group balances, revenues and expenses deriving from intragroup transactions are completely eliminated.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.1. Financial statement consolidated

For subsidiaries Manati Empreendimentos e Participações S.A. e Haleiwa Participações S.A., whose shareholders agreements foresee shared control, the consolidation implies merging assets, liabilities and P&L accounts proportionally to the total interest held in the capital of the related wholly-owned subsidiary, based on the December 31, 2010 quarterly information of the following companies:

Manati Empreendimentos e Participações S.A.

Assets		Liabilities	
Current	<u>6,866</u>	Current	<u>773</u>
		Noncurrent	<u>22,415</u>
Noncurrent		Shareholders' equity	
Accounts receivable	<u>408</u>	Capital	<u>51,336</u>
Property and equipment	<u>57,165</u>	Retained losses	<u>(7,905)</u>
Intangibles	<u>2,180</u>		<u>43,431</u>
	<u>59,753</u>	Total	<u>66,619</u>
Total	<u>66,619</u>		
Statements of operations			
Gross revenues from sales			
Leases			<u>2,964</u>
Parking revenue			<u>159</u>
Others revenue			<u>99</u>
			<u>3,222</u>
Taxes and contributions on sales			<u>(268)</u>
Net revenues			<u>2,954</u>
General and administrative expenses (shopping malls)			<u>(3,263)</u>
Depreciation and amortization			<u>(1,121)</u>
Net financial result			<u>362</u>
			<u>(4,022)</u>
Loss for the period			<u>(1,068)</u>

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.1. Basis of consolidation

Haleiwa Empreendimentos Imobiliários S.A.

Assets		Liabilities	
Current	<u>66</u>	Current	<u>49</u>
Noncurrent		Shareholders' equity	
Property and equipment	27,578	Capital	28,905
Deferred charges	<u>1,019</u>	Retained losses	<u>(291)</u>
	<u>28,597</u>		<u>28,614</u>
Total	<u><u>28,663</u></u>	Total	<u><u>28,663</u></u>

Reconciliation between net assets and net income for the period of company with the consolidated is as follows:

	December 31, 2010		December 31, 2009		January 1, 2009
	Shareholders' equity	Net income for the period	Shareholders' equity	Net income for the period	Shareholders' equity
Company	2,945,888	216,712	2,807,277	162,152	1,923,456
Quotaholders' deficit of subsidiaries	-	-	(151)	(39)	(114)
Equity in the earnings of County for the period (a)	-	1,045	-	877	-
Deferred asset (b)	<u>(2,765)</u>	<u>626</u>	<u>(3,391)</u>	<u>349</u>	<u>(3,740)</u>
Consolidated	<u><u>2,943,123</u></u>	<u><u>218,383</u></u>	<u><u>2,803,735</u></u>	<u><u>163,339</u></u>	<u><u>1,919,602</u></u>

(a) Adjustment referring to the Company's equity in the earnings of County not reflected on equity in the earnings of Renasce.

(b) Adjustment referring to deferred assets written off in subsidiaries, solely for Consolidated purposes.

2.2. Investment in affiliates

Multiplan's investments in its affiliates are accounted for based on the equity method. An affiliate is an entity on which Multiplan exercises significant influence.

Based on the equity method, the investment in the affiliate is accounted for in the balance sheet at cost, plus changes following the acquisition of equity interest in the affiliate. The goodwill related to the affiliate is included in the carrying value of investment and it is not amortized. Since the goodwill based on future profitability is part of the investment carrying value in the affiliate (not separately recognized), it is not separately tested for impairment.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.2. Investment in affiliates (Continued)

The income statement reflects the amount of the associate's results of operations. When a change is directly recognized in the associate's net equity, the Company will recognize its share of the related changes and disclose that fact, where applicable, in the statement of changes in shareholders' equity. The unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's interest held in the associate.

Interest held in the associate will be shown in the income statement as equity pickup, representing the net income attributable to the associate's shareholders.

The associate's financial statements are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company. After application of the equity method, Multiplan Group determines whether it is necessary to recognize an additional impairment loss on the Company's investment. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement. Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

2.3. Functional currency and presentation of financial statements

The functional currency of the Company and its subsidiaries in Brazil is the Real (BRL or R\$), which is the same currency adopted for preparation and presentation of the financial statements (Company and consolidated).

The assets and liabilities of foreign subsidiaries are translated into Reais at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are separately recognized in net equity.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.4. Revenue recognition

Leases

The tenants of commercial units generally pay a rent consisting of a minimum monthly amount, annually adjusted by the change in the General Price Index - Internal Availability (IGP-DI) or an amount resulting from the application of a percentage on each tenant's gross revenues.

The Company records the rent of stores as operating lease. The minimum amount of rent, including fixed increases from time to time set forth in the contracts and excluding inflation adjustments, is recognized proportionally to the Company's interest in each enterprise, on a straight-line basis during the effectiveness of the related contracts, regardless of the way of receipt.

The difference between the minimum amount and that resulting from the application of percentages on gross sales revenues is deemed to be contingent payments and thus recognized in P&L when actually incurred.

The effects of inflation adjustments are also recognized when incurred.

Key money

Revenues from key money consist of the proportional interest the Company holds in assignment of rights contracts (key money or assignment of technical structure for shopping malls) related to shopping malls, recorded as deferred revenues. P&L from assignment of rights, point-of-sale repurchases and reverse key money are recognized on a straight-line basis, by reference to the rental term of the stores under concern.

Sale of property

For installment sale of completed units, income is recognized upon the sale of such units irrespective of the period for receipt of the contractual amount.

Fixed interest rates set in advance are allocated to profit and loss under the accrual method, irrespective of its receipt.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.4. Revenue recognition (Continued)

Sale of property (Continued)

The Company adopts the accounting practice of recognizing revenues and corresponding costs of real estate development based on OCPC 01, i.e., based on the work progress percentage. According to OCPC 04, a real estate construction contract could fall under the scope of CPC 17 (Construction Contracts) or CPC 30 (Revenue). Should the contract fall under CPC 17, revenue recognition will take place according to the progress of the works. On the other hand, if under CPC 30, the discussion moves to the issue of transfer of significant control, risks and benefits continuously or in a single event (“handover of keys”). If the transfer is continuous, revenue should be recognized according to the progress of the works. Otherwise, revenue recognition occurs only upon handover of keys. After an in-depth analysis of its contracts, the Company confirmed that the transfer of control, risks and benefits occurs during the works. As such, revenue from real estate activities is recognized based on the work progress percentage. The Company conducts the following procedures:

- ▶ The costs incurred are recorded as inventories (construction in progress) and fully allocated to the result of operations as the units are sold. After the sale occurs, the costs to be incurred to conclude the unit’s construction will be allocated to the result of operations as they are incurred.
- ▶ The percentage of costs incurred of sold units, including land, is determined in relation to the total budgeted cost and estimated through to the completion of construction work. This rate is applied to the price of units sold and adjusted for selling expenses and other contractual conditions. The resulting figure is recorded as revenues and matched with accounts receivable or any advances received.

From then through to the completion of construction work, the unit’s sale price that had not been recorded as revenues will be recognized in the result of operations as revenues as the costs required to conclude the unit’s construction are incurred, in relation to the total budgeted cost.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.4. Revenue recognition (Continued)

Sale of property (Continued)

Any changes to the project execution and conditions and in estimated profitability, including changes resulting from contractual fines and settlements that may lead to a review in costs and revenues, are recognized in the period in which such reviews are conducted.

- ▶ Revenues determined from sales, including monetary restatement, net of installments already received, are recorded under accounts receivable or advances from clients, as applicable.

Parking

It consists of revenues from parking lots at shopping malls. These revenues are allocated to P&L on an accrual basis and stated net of amounts transferred to shopping malls.

Services

It consists of revenues from provision of services such as brokerage, advertising and promotion assistance, rent and/or sale of merchandising spaces, revenues from provision of specialized services on brokerage and real estate business assistance in general; revenue from construction work administration and revenues from management of shopping malls. These revenues are allocated to P&L on an accrual basis.

2.5. Expenses recognition

The expenses are recorded on an accrual basis.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.6. Financial Instruments - Initial recognition and subsequent measurement

Financial instruments are recognized when the Company becomes part to the contractual provisions of said instruments. They are initially recognized at fair value plus transaction costs directly attributable to their acquisition or issue, except for financial assets and liabilities classified at fair value through profit or loss, when such costs are directly charged to P&L for the year. Subsequent measurement of financial assets and liabilities is determined by their classification at each balance sheet.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss (FVTPL), loans and receivables, investments held to maturity, available for sale financial assets, or derivatives classified as effective hedging instruments, depending on the situation. The Company determines the classification of its financial assets at the time of their initial recognition, when it becomes part of the contractual provisions of the instrument.

Financial assets are initially recognized at fair value plus - in case of investments not designated at fair value through profit or loss - transaction costs attributable to the acquisition of financial assets.

Main financial assets recognized by the Company are cash and cash equivalents, trade accounts receivable and loans and sundry advances.

Subsequent measurement

The measurement of financial assets depends on their classification, which can be as follows:

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.6. Financial Instruments - Initial recognition and subsequent measurement (Continued)

(i) Financial assets (Continued)

Financial assets measured at fair value through profit or loss (FVTPL)

Include financial instruments held for trading and assets initially recognized at FVTPL. They are classified as held for trading if originated for the purpose of sale or repurchase in the short term. They are measured fair value at each balance sheet date. Interest, monetary variation and foreign exchange gains/losses and fluctuations arising from measurement at fair value are recognized in profit or loss, as incurred, under financial income or financial expenses.

Held-to-maturity financial assets

Include non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Company's management has the positive intention and ability to hold to maturity. After their initial recognition, they are measured at amortized cost using the effective interest rate method. Under this method, the discount rate applied on future estimated receivables over the financial instrument expected term results in their net book value. Interest, monetary variation and foreign exchange gains/losses, less impairment, if applicable, are recognized in profit or loss, as incurred, under financial income or financial expenses.

Loans (granted) and receivables

Include non-derivative financial assets with fixed or determinable payments which, however, are not traded in an active market. After their initial recognition, they are measured at amortized cost using the effective interest rate method. Interest, monetary variation and foreign exchange gains/losses, less impairment, if applicable, are recognized in profit or loss, as incurred, under financial income or financial expenses.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.6. Financial Instruments - Initial recognition and subsequent measurement (Continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and financing, or as derivatives classified as hedging instruments, as the case may be. The Company determines the classification of its financial liabilities at the time of their initial recognition.

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

Main financial liabilities recognized by the Company are loans and financing, debentures and property acquisition obligations

Subsequent measurement

The measurement of financial liabilities depends on their classification, which can be as follows:

Financial liabilities measured at fair value through profit and loss

Include financial liabilities usually traded before maturity, and liabilities designated at fair value through P&L upon first time recognition. They are measured fair value at each balance sheet date. Interest, monetary restatement and foreign exchange gains/loss from fair value measurement, when applicable, are recognized in profit or loss, as incurred.

Financial liabilities not measured at fair value through profit and loss

Include non derivative financial liabilities not usually traded before maturity. They are initially measured at amortized cost using the effective interest rate method. Interest, monetary restatement and foreign exchange gains/loss, when applicable, are recognized in profit or loss, as incurred.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.7. Discount to present value assets and liabilities

The noncurrent monetary assets and liabilities are monetarily restated and, therefore, adjusted to present value. The adjustment to present value of current monetary assets and liabilities is calculated and recorded only if deemed material in relation to the overall financial statements. For purposes of registration and determination of materiality, the adjustment to present value is calculated considering the contractual cash flows and the explicit and sometimes implied interest rates, of the related assets and liabilities.

2.8. Treasury shares

Own equity instruments which are repurchased (treasury shares) are recognized at cost and deducted from shareholders' equity. No gain or loss is recognized in the income statement in the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the book value and the consideration is recognized in other capital reserves.

2.9. Investment property

The investment properties are stated at acquisition, buildup or construction cost, less accumulated depreciation calculated by the straight-line method at rates that take into consideration the assets' estimated useful lives. Repair and maintenance expenses are recorded only if the economic benefits associated with these items are likely to occur and the amounts can be measured reliably, while other expenses are directly charged to income when incurred. The recovery of fixed assets through future operations as well as their useful lives and net book value are regularly monitored and adjusted prospectively, if so necessary.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.9. Investment property (Continued)

The Company record its investment properties based on the book value. The Company elected not to measure their investment property at fair value as deemed cost, considering that: (i) the cost method, net of allowance for losses is the best method to measure the investment properties of the Company; (ii) the Company's investment properties are segregated into well-defined classes related to its operational activities; (iii) management often reviews recoverable amounts and estimates of useful lives of investment properties, a procedure that has been consistently applied by the Company over the years; and (iv) the Company has effective controls over properties that enable identification of losses and changes in estimated useful lives.

2.10. Fixed assets

Property and equipment are recorded at acquisition, formation or construction cost, reduced by the related accumulated depreciation, calculated by the straight-line method at rates that consider the economic-useful life of the assets. Expenses incurred with repair and maintenance are recorded if the economic benefits embodied in these assets are likely to be generated and the amounts can be reliably measured, whereas other expenses are charged to P&L directly as incurred. The recovery of property and equipment by means of future operations, their useful lives and the residual value are periodically monitored and adjusted prospectively, if necessary.

2.11. Commercial leasing

Operating lease agreements are recognized as expenses on a systematic basis that represents the period over which the benefit from the leased asset is obtained, even if lease payments are not made on the same basis.

2.12. Cost of loans

Interest and financial charges relating to financing taken out for use in construction in progress are capitalized until the assets start operating and are depreciated considering the same criteria and useful life determined for the fixed asset item or the investment properties item into which they were incorporated. All other borrowing costs are expensed in the period they are incurred.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.13. Intangibles

Intangible assets purchased separately are initially measured at cost and subsequently recognized net of accumulated amortization and impairment losses, as applicable. Goodwill on investment acquisitions and investments fully incorporated through December 31, 2008 based on future profitability were amortized by the straight-line method until December 31, 2008 for the term provided for recovery, over a maximum five-year term. As from January 1, 2009, these are no longer amortized and continue to be submitted to annual impairment testing.

Intangible assets with finite useful life are amortized over their estimated useful life and subject to an impairment test if there is any indication of impairment. Intangible assets with an indefinite useful life are not amortized, but are subject to annual impairment test.

2.14. Land and properties held for sale

Land and properties held for sale are valued at acquisition or construction cost, not exceeding market value.

2.15. Provision for impairment of nonfinancial assets

Management annually reviews the net book value of assets for purposes of evaluating events or changes in economic, operational or technological conditions that may indicate impairment loss. When such evidence is identified and the net book value exceeds the recoverable amount, a valuation allowance is set up, adjusting the net book value to the recoverable amount.

The recoverable amount of an asset or a particular cash generating unit (CGU) is defined as the higher of value in use and net sales value.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.15. Provision for impairment of nonfinancial assets (Continued)

In estimating the value in use of an asset, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital to the industry in which the CGU operates. The net sales value is determined, whenever possible, based on a firm sales contract in a transaction on cumulative bases, between knowledgeable, willing parties, adjusted for expenses attributable to the asset sale, or, when there is no firm sales contract, based on the market price observable in an active market, or the price of the most recent transaction involving similar assets.

2.16. Cash and cash equivalents

These include cash, positive balances held in current accounts, short-term investments redeemable at any time and bearing insignificant risk of change in their market value. Short-term investments included in cash equivalents are classified as “financial assets at fair value through profit or loss.”

2.17. Accounts receivable

These are stated at realizable value. A provision for bad debts was set up in an amount considered sufficient by management in the event of default.

2.18. Provision for contingencies

The Company is part to various judicial and administrative proceedings. Provisions are set up for all contingencies related to lawsuits for which an outflow of funds is likely to occur to settle the contingency/obligation and a reasonable estimate can be made. The assessment of probability of loss includes evaluating available evidence and doctrine, the hierarchy of laws, latest cases formerly adjudged by courts and their relevance within the legal system, and an assessment of outside counsel. Provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statutes of limitation, findings of tax audits or additional exposures identified based on new matters addressed or decisions awarded by courts.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.18. Provision for contingencies (Continued)

The contingencies for which the risks were assessed as possible are disclosed in the accompanying notes.

2.19. Other assets and liabilities

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits. Some liabilities involve uncertainties as to term and amount, and are estimated as incurred and recorded as a provision. Provisions are recorded reflecting the best estimates of the risk involved.

Assets are recognized in the balance sheet when it is likely that their future economic benefits will be generated on the Company's behalf and their cost or value can be safely measured.

Assets and liabilities are classified as current whenever their realization or settlement is likely to occur during the following twelve months. Otherwise, they are recorded as noncurrent.

2.20. Taxation

Revenues from sales and services are subject to the following taxes and contributions, at the following basic tax rates:

Tax	Abbreviation	Rate	
		Company	Subsidiaries
Social Contribution Tax on Gross Revenue	PIS	1.65	0.65
Social Security Financing Tax on Gross Revenue	COFINS	7.6	3.0
Service Tax	ISS	2% to 5%	2 % to 5%

Those charges are presented as deductions from sales in the statement of income. Credits resulting from non-cumulative taxation of PIS/COFINS are presented as deductions from the group of accounts of operating income and expenses in the statement of income. Debits resulting from financial income, as well as credits resulting from financial expenses are presented as deduction from those specific lines in the statement of income.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.20. Taxation (Continued)

Taxation on net profit includes income and social contribution taxes. Income tax is computed on taxable profit at a 25% whereas social contribution is computed at a 9% tax rate on taxable profit, recognized on an accrual basis. Therefore, additions to the book profit of expenses, temporarily nondeductible, or exclusions from revenues, temporarily nontaxable, for computation of current taxable profit generate deferred tax credits or debits.

As provided for in tax legislation, all companies that are part of the Multiplan Group, which had gross annual revenue for the prior year lower than R\$ 48,000 opted for the presumed-profit method. The provision for income tax is set up quarterly, at the rate of 15%, plus 10% surtax (on the portion in excess of R\$ 60 of presumed profit computed as a percentage of gross revenue), applied to the tax base of 32% of revenue from sales. CSLL is computed at the rate of 9% applied to the tax base of 32% of revenue from sales. Financial income and other revenues are fully taxed by IRPJ and CSLL at their normal rates.

Advances or amounts to be offset are presented under current or noncurrent assets, according to their expected realization.

As provided in Law No. 9065 dated June 20, 1995, the Company offset its income and social contribution tax losses with net income adjusted by additions and exclusions as provided for in income and social contribution tax legislation and in observance of the maximum offset limit of 30% (thirty percent) on that net income.

Deferred tax credits deriving from Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) losses are recognized only to the extent that a positive taxable base for which temporary differences may be used is likely to occur.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

2. Accounting policies (Continued)

2.21. Share-based payment

The Company granted administrators, employees and services providers, eligible for the program stock purchase options that are only exercisable after specific grace periods. These options are measured at fair value based on their values determined by the Black-Scholes method and on the dates the compensation programs are granted, and are recorded in operating income under “stock-option-based remuneration expense”, on a straight line basis during the corresponding grace periods, the contra entry being to “share options granted” account in capital reserves in shareholders’ equity. For further details see Note 22.g.

2.22. Significant accounting estimations

Used to measure and recognize certain assets and liabilities in the Company’s and its subsidiaries’ financial statements. These estimates were determined based on past and current events’ experience, assumptions in respect of future events, and other objective and subjective factors. Significant items subject to such estimates include selection of useful lives of property, plant and equipment and intangible assets; allowance for doubtful accounts; the budgeted cost of real estate ventures; analysis of recoverability of property, plant and equipment and intangible assets; deferred income and social contribution taxes; the rates and terms applied in determining the discount to present value of certain assets and liabilities; provision for contingencies; fair value measurement of share-based compensation and financial instruments; and estimates for disclosure in the sensitivity analysis table of derivative financial instruments pursuant to CVM Instruction No. 475/08. Settlement of transactions involving these estimates may result in amounts different from those recorded in the financial statements due to the uncertainties inherent in the estimate process. The estimates and assumptions are based on current expectations and projections of the Company’s management about future events and financial trends that affect or may affect the Company’s business and, consequently, its Financial Statements. Such estimates and assumptions are developed based on information currently available and known by management. Many important factors may adversely impact the Company’s results, and in view of such risks and uncertainties, estimates and future prospects may not materialize. The Company reviews its estimates and assumptions at least quarterly.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements

In all previous periods, including the fiscal year ended December 31, 2009, the Company prepared its financial statements in accordance with accounting practices adopted in Brazil (BRGAAP). These financial statements for the year ended December 31, 2010 are the first ones prepared in accordance with the Brazilian Accounting Pronouncements Committee (CPC) pronouncements.

Accordingly, the Company prepared its financial statements in compliance with the standards prescribed in the CPCs for the periods beginning on or after January 1, 2010, as described in its accounting policies. For these financial statements, the beginning balance considered was that of January 1, 2009, the transition date to the CPCs.

a) Elective exceptions

When preparing the financial statements on the transition date in accordance with CPC 43 - First-time adoption of CPCs 15 to 40, there are mandatory exceptions and certain elective exemptions to retrospectively apply the new accounting pronouncements.

a.1) Exemptions to complete retrospective application elected by Company:

The Company adopted the relative exemption for classification of financial instruments: Company elected to classify and analyze its financial instruments according to CPC 38 on the transition date to the new CPCs. No retroactive analysis was carried out from the execution date of the financial instruments effective on transition date. All financial instruments contracted after transition date were analyzed and classified on the date they were contracted.

The Company adopted the exemption from valuing assets and liabilities at fair value of entities acquired in business combinations prior to January 1, 2009.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

a) Elective exceptions (Continued)

a.2) Reconciliation of balance sheet and statement of operations according to the new accounting pronouncements

For a better presentation of the financial statements, the Company made certain reclassifications and adjustments in the balance sheets published as of 12/31/2008 and 12/31/2009 and P&L for 2009, without, however, impacting the quality of the information presented.

	Company			
	(Stated) 01/01/2009	Reclassification	IFRS adjustments	(Restated) 01/01/2009
Assets				
Current				
Cash and cash equivalents	146,614	-	-	146,614
Accounts receivable	82,122	-	-	82,122
Sundry loans and advances	9,404	-	-	9,404
Recoverable taxes and contributions	16,846	-	-	16,846
Deferred income and social contribution taxes	38,704	(38,704) (1)	-	-
Total current assets	293,690	(38,704)	-	254,986
Noncurrent				
Long-term receivables				
Accounts receivable	11,388	-	-	11,388
Land and properties held for sale	129,457	-	-	129,457
Sundry loans and advances	34,011	-	-	34,011
Receivables from related parties	2,039	-	-	2,039
Deferred income and social contribution taxes	137,264	38,704 (1)	9,208 (7)	185,175
Deposit in court	1,679	16,508 (10)	-	18,187
	315,838	55,212	9,208	380,258
Investments	140,753	-	-	140,753
Goodwill	51,592	-	-	51,592
Investment properties	-	1,341,977 (2)	-	1,341,977
Property and equipment	1,349,526	(1,341,977) (2)	-	7,549
Intangibles	308,749	-	-	308,749
Deferred charges	27,087	-	(27,087) (8)	-
Total noncurrent assets	2,193,545	55,212	(17,879)	2,230,878
Total assets	2,487,235	16,508	(17,879)	2,485,864

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Consolidated			
	(Stated) 01/01/2009	Reclassifications	IFRS adjustments	(Restated) 01/01/2009
Assets				
Current				
Cash and cash equivalents	167,585	-	-	167,585
Accounts receivable	99,529	-	-	99,529
Sundry loans and advances	18,496	-	-	18,496
Recoverable taxes and contributions	20,198	-	-	20,198
Deferred income and social contribution taxes	38,704	(38,704) (1)	-	-
Total current assets	344,512	(38,704)	-	305,808
Noncurrent				
Long-term receivables				
Accounts receivable	17,762	-	-	17,762
Land and properties held for sale	129,457	-	-	129,457
Sundry loans and advances	10,328	-	-	10,328
Receivables from related parties	1,687	-	-	1,687
Deferred income and social contribution taxes	137,264	38,704 (1)	11,137 (1)	187,105
Deposit in court	3,029	17,453 (10)	-	20,482
	299,527	56,157	11,137	366,821
Investments	22,847	-	-	22,847
Investment properties	-	1,558,283 (2)	-	1,558,283
Property and equipment	1,573,204	(1,558,283) (2)	-	14,921
Intangibles	309,890	-	-	309,890
Deferred charges	32,757	-	(32,757) (8)	-
Total noncurrent assets	2,238,225	17,453	(21,620)	2,272,762
Total assets	2,582,737	17,453	(21,620)	2,578,570

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Company			
	(Stated) 01/01/2009	Reclassification	IFRS Adjustments	(Restated) 01/01/2009
Liabilities				
Current				
Loans and financing	106,006	-	-	106,006
Accounts payable	45,705	-	-	45,705
Property acquisition obligations	45,222	-	-	45,222
Taxes and contributions payable	18,758	-	-	18,758
Proposed dividends	20,084	-	(10,042) (9)	10,042
Deferred incomes	20,604	-	-	20,604
Payables to related parties	188	-	-	188
Clients anticipation	8,600	-	-	8,600
Others	1,350	-	-	1,350
Total current	266,517	-	(10,042)	256,475
Noncurrent				
Loans and financing	128,912	-	-	128,912
Property acquisition obligations	90,049	-	-	90,049
Provision for contingencies	3,155	16,508 (10)	-	19,663
Deferred incomes	67,309	-	-	67,309
Total noncurrent liabilities	289,425	16,508	-	305,933
Shareholders' equity				
Capital	952,747	-	-	952,747
Shares in treasury department	(1,928)	-	-	(1,928)
Capital reserve	958,276	-	-	958,276
Profit reserve	22,198	-	(17,879) (9)	4,319
Proposal for payment of supplementary dividends	-	-	10,042	10,042
Total shareholders' equity	1,931,293	-	(7,837)	1,923,456
Total liabilities and shareholders' equity	2,487,235	16,508	(17,879)	2,485,864

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Consolidated			
	(Stated) 01/01/2009	Reclassification	IFRS adjustments	(Restated) 01/01/2009
Liabilities				
Current				
Loans and financing	107,360	-	-	107,360
Accounts payable	55,052	-	-	55,052
Property acquisition obligations	45,222	-	-	45,222
Taxes and contributions payable	25,326	-	-	25,326
Proposed dividends	20,084	-	(10,042) (3)	10,042
Deferred incomes	21,264	-	-	21,264
Payables to related parties	23,780	-	-	23,780
Taxes paid in installments	267	-	-	267
Clients anticipation	8,600	-	-	8,600
Others	1,510	-	-	1,510
Total current	308,465	-	(10,042)	298,423
Noncurrent				
Loans and financing	128,912	-	-	128,912
Property acquisition obligations	90,049	-	-	90,049
Taxes paid in installments	1,574	-	-	1,574
Provision for contingencies	4,571	17,452 (10)	-	22,023
Deferred incomes	105,034	-	-	105,034
Total noncurrent liabilities	330,140	17,452	-	347,592
Minority interest	12,953	(12,953) (3)	-	-
Shareholders' equity				
Capital	952,747	-	-	952,747
Shares in treasure department	(1,928)	-	-	(1,928)
Capital reserve	958,276	-	-	958,276
Profit reserve	22,084	-	(21,619) (3)	465
Proposal for payment of supplementary dividends	-	-	10,042	10,042
	1,931,179	-	(11,577)	1,919,602
Non-controllers' interest	-	12,953 (3)	-	12,953
Total shareholders' equity	1,931,179	12,953	(11,577)	1,932,555
Total liabilities and shareholders' equity	2,582,737	17,452	(21,619)	2,578,570

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Company			
	(Stated) 12/31/2009	Reclassification	IFRS adjustments	(Restated) 12/31/2009
Assets				
Current				
Cash and cash equivalents	801,894	-	-	801,894
Accounts receivable	99,591	-	-	99,591
Sundry loans and advances	24,498	-	-	24,498
Recoverable taxes and contributions	35,992	-	-	35,992
Deferred income and social contribution taxes	68,897	(68,897) (1)	-	-
Others	3,467	-	-	3,467
Total current assets	1,034,339	(68,897)	-	965,442
Noncurrent				
Long-term receivables				
Accounts receivable	11,701	-	-	11,701
Land and properties held for sale	141,268	-	-	141,268
Sundry loans and advances	85,387	-	-	85,387
Receivables from related parties	361	-	-	361
Deferred income and social contribution taxes	35,256	68,897 (1)	7,990 (7)	112,143
Deposits in court	4,664	15,924	-	20,588
	278,637	84,821	7,990	371,448
Investments	71,654	-	-	71,654
Goodwill	50,503	-	-	50,503
Investment properties	-	1,719,316 (2)	-	1,719,316
Property and equipment	1,727,905	(1,719,316) (2)	-	8,589
Intangibles	308,363	-	-	308,363
Deferred charges	23,503	-	(23,503) (8)	-
Total noncurrent assets	2,460,565	84,821	(15,513)	2,529,873
Total assets	3,494,904	15,924	(15,513)	3,495,315

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Consolidated			
	(Stated) 12/31/2009	Reclassification	IFRS adjustments	(Restated) 12/31/2009
Assets				
Current				
Cash and cash equivalents	827,967	-	-	827,967
Accounts receivable	115,117	-	-	115,117
Sundry loans and advances	30,985	-	-	30,985
Recoverable taxes and contributions	38,744	-	-	38,744
Deferred income and social contribution taxes	68,897	(68,897) (1)	-	-
Others	3,483	-	-	3,483
Total current assets	1,085,193	(68,897)	-	1,016,296
Noncurrent				
Long-term receivables				
Accounts receivable	18,028	-	-	18,028
Land and properties held for sale	141,268	-	-	141,268
Sundry loans and advances	9,908	-	-	9,908
Receivables from related parties	74	-	-	74
Deferred income and social contribution taxes	35,256	68,897 (1)	9,738 (7)	113,891
Deposits in court	-	21,539 (10)	-	21,539
Others	5,633	(5,615) (10)	-	18
	210,167	84,821	9,738	304,726
Investments	15,382	-	-	15,382
Investment properties	-	2,006,505 (2)	-	2,006,505
Property and equipment	2,022,087	(2,006,505) (2)	-	15,582
Intangibles	309,475	-	-	309,475
Deferred charges	28,642	-	(28,642) (8)	-
Total noncurrent assets	2,585,753	84,821	(18,904)	2,651,670
Total assets	3,670,946	15,924	(18,904)	3,667,966

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Company			
	(Stated) 12/31/2009	Reclassification	IFRS adjustment	(Restated) 12/31/2009
Liabilities				
Current				
Loans and financing	41,660	-	-	41,660
Accounts payable	52,823	-	-	52,823
Property acquisition obligations	62,122	-	-	62,122
Taxes and contributions payable	19,230	-	-	19,230
Proposed dividends	40,521	-	-	40,521
Deferred incomes	43,796	-	-	43,796
Payables to related parties	16	-	-	16
Clients anticipation	9,559	-	-	9,559
Debentures	386	-	-	386
Others	1,402	-	-	1,402
Total current	271,515	-	-	271,515
Noncurrent				
Loans and financing	130,035	-	-	130,035
Debentures	100,000	-	-	100,000
Property acquisition obligations	127,481	-	-	127,481
Provision for contingencies	4,148	15,924	(10)	20,072
Deferred incomes	38,935	-	-	38,935
Total noncurrent liabilities	400,599	15,924	(10)	416,523
Shareholders' equity				
Capital	1,745,097	-	-	1,745,097
Share issue costs	(31,663)	10,826	(4)	(20,837)
Shares in treasury department	(4,624)	-	-	(4,624)
Capital reserve	961,691	-	-	961,691
Profit reserve	152,289	(10,826)	(4)	125,950
Total shareholders' equity	2,822,790	-	(15,513)	2,807,277
Total liabilities and shareholders' equity	3,494,904	15,924	(15,513)	3,495,315

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Consolidated			
	(Stated) 12/31/2009	Reclassification	IFRS adjustments	(Restated) 12/31/2009
Liabilities				
Current				
Loans and financing	41,660	-	-	41,660
Accounts payable	66,762	-	-	66,762
Property acquisition obligations	62,122	-	-	62,122
Taxes and contributions payable	24,904	-	-	24,904
Proposed dividends	40,521	-	-	40,521
Deferred incomes	54,279	-	-	54,279
Payables to related parties	92,214	-	-	92,214
Taxes paid in installments	279	-	-	279
Clients anticipation	9,559	-	-	9,559
Debentures	386	-	-	386
Others	1,464	-	-	1,464
Total current	394,150	-	-	394,150
Noncurrent				
Loans and financing	130,035	-	-	130,035
Debentures	100,000	-	-	100,000
Property acquisition obligations	127,481	-	-	127,481
Taxes paid in installments	1,359	-	-	1,359
Provision for contingencies	5,511	15,924	(10)	21,435
Deferred incomes	77,698	-	-	77,698
Total noncurrent liabilities	442,084	15,924	(10)	458,008
Minority interest	12,073	(12,073)	(3)	-
Shareholders' equity				
Capital	1,745,097	-	-	1,745,097
Share issue costs	(31,663)	10,826	(4)	(20,837)
Shares in treasure department	(4,624)	-	-	(4,624)
Capital reserve	961,691	-	-	961,691
Profit reserve	152,138	(10,826)	(4)	122,408
	2,822,639	-	(18,904)	2,803,735
Non-controllers' interest	-	12,073	(3)	12,073
Total shareholders' equity	2,822,639	12,073	(18,904)	2,815,808
Total liabilities and shareholders' equity	3,670,946	15,924	(18,904)	3,667,966

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Company			
	(Stated) 12/31/2009	Reclassification	IFRS adjustments	(Restated) 12/31/2009
Gross revenues from sales and services				
Leases	347,588	-	-	347,588
Parking	27,517	-	-	27,517
Services	72,481	-	-	72,481
Key Money	25,297	-	-	25,297
Sale of properties	11,869	-	-	11,869
Others	474	-	-	474
	<u>485,226</u>	-	-	<u>485,226</u>
Taxes and contributions on sales and services	(44,246)	-	-	(44,246)
Net revenues	440,980	-	-	440,980
Operating income (expenses)				
General and administrative expenses (headquarters)	(74,890)	-	-	(74,890)
General and administrative expenses (shopping malls)	(46,553)	-	(10)	(46,563)
Expenses with shopping malls and enterprises under development	(11,895)	11,895	(5)	-
Expenses with projects for lease	-	(10,810)	(6)	(10,810)
Expenses with projects for sale	-	(1,085)	(6)	(1,085)
Management fees	(10,129)	-	-	(10,129)
Stock-option-based remuneration expenses	(3,415)	-	-	(3,415)
Cost of properties sold	(8,539)	-	-	(8,539)
Equity in earnings of affiliates	(9,161)	-	-	(9,161)
Net financial result	(8,573)	-	-	(8,573)
Depreciation and amortization	(36,272)	-	3,594	(32,678)
Goodwill amortization	-	-	-	-
Other operating income (expenses)	20,577	-	-	20,577
Income before income and social contribution taxes	252,130	-	3,584	255,714
Income and social contribution taxes	(9,441)	-	(10,828)	(20,269)
Deferred income and social contribution taxes	(72,077)	-	(1,216)	(73,293)
Income before non-controllers' interest	170,612	-	(8,460)	162,152

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Consolidated			
	(Stated) 12/31/2009	Reclassification	IFRS adjustments	(Restated) 12/31/2009
Gross revenues from sales and services				
Leases	366,180	-	-	366,180
Parking	95,332	(40,373) (5)	-	54,959
Services	73,372	-	-	73,372
Key Money	26,990	-	-	26,990
Sale of properties	11,869	-	-	11,869
Others	998	-	-	998
	<u>574,741</u>	<u>(40,373)</u>	<u>-</u>	<u>534,368</u>
Taxes and contributions on sales and services	(51,634)	-	-	(51,634)
Net revenues	523,107	(40,373)	-	482,734
Operating income (expenses)				
General and administrative expenses (headquarters)	(78,053)	-	-	(78,053)
General and administrative expenses (shopping malls)	(102,385)	40,373 (5)	234	(61,778)
Expenses with shopping malls and enterprises under development	(19,272)	19,272 (6)	-	-
Expenses with projects for lease	-	(18,187) (6)	-	(18,187)
Expenses with projects for sale	-	(1,085) (6)	-	(1,085)
Management fees	(10,129)	-	-	(10,129)
Stock-option-based remuneration expenses	(3,415)	-	-	(3,415)
Cost of properties sold	(8,539)	-	-	(8,539)
Equity in earnings of affiliates	(20,031)	-	-	(20,031)
Net financial result	(5,114)	-	-	(5,114)
Depreciation and amortization	(39,635)	-	3,882 (8)	(35,753)
Other operating income (expenses)	22,438	-	-	22,438
Income before income and social contribution taxes	258,972	-	4,116	263,088
Income and social contribution taxes	(15,458)	-	(10,826)	(26,284)
Deferred income and social contribution taxes	(72,077)	-	(1,399) (7)	(73,476)
Income before non-controllers' interest	171,437	-	(8,109)	163,328
Non-controllers' interest	11	-	-	11
Net income for the year	171,448	-	(8,109)	163,339

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

Description of the main reclassifications and adjustments made in accordance with the new accounting pronouncements affecting Company's financial statements:

- 1) Reclassification of deferred non-current tax asset balances in accordance with CPC 26 - Presentation of Financial Statements;
- 2) According to CPC 28 - Investment Properties, the properties held for obtainment of rent or capital appreciation (or both) will be considered as Investment Properties. Company reclassified the balances referring to the shopping malls from fixed assets as Investment Properties, keeping only headquarters' assets as fixed assets;
- 3) According to CPC 26 - Presentation of Financial Statements, minority shareholders interest was reclassified under equity as non-controllers' interest;
- 4) Reclassification for presentation of net balance of Shares issuance expenses according to CPC 08 - Accounting for third party funds. This classification was required as of December 31, 2009 and has been adjusted for these financial statements;
- 5) Presentation of revenue from parking lot, net of transfers to entrepreneurs in consolidated income statement, as it is the most adequate practice since Company intermediates transactions;
- 6) The Company segregated expenses on shopping malls and ventures under development into lease projects and sale projects for enhanced transparency of the Company's reporting for its results of operations;
- 7) Company set up deferred income tax assets by fully writing off deferred charges in accordance with CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors;

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

- 8) Deferred charges written off - Law No. 11638/07 restricted the recording of expenses as deferred charges. However, Provisional Executive Order No. 449/08, converted into Law No. 11941/09, eliminated these accounts group. Technical Pronouncement CPC 13, on the First-time adoption of Law No. 11638/07, enabled Companies to elected for (i) the maintenance of the balance under this group until it is fully amortized, subject to impairment tests or (ii) full write off in opening balance sheet - on transition date - of part of the balance that could not be reclassified into another group of assets. At the time, Company elected to keep the balance until it is fully amortized. At December 31, 2010, Company reviewed its accounting policy based on Technical Pronouncement CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors and fully wrote off the deferred asset balance in the opening balance sheet. Therefore, Company's accounting practices are totally aligned with IFRS.
- 9) Accounting for Proposed Dividend Distribution (ICPC 08) - This interpretation sets out that the dividends statement, exceeding the mandatory minimum, after the accounting period referred to by the financial statements shall not be recognized as liabilities, since they do not meet the obligation criteria at financial statements date, as defined by Technical Pronouncement CPC 25 - Provisions, Contingent Liabilities and Contingent Assets.
- 10) The Company no longer presents the provision for contingencies net of court deposits.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

Restatement of the Quarterly Information for 2010 in comparison with the prior year, also adjusted to the standards of 2010.

	Company					
	03/31/2009	06/30/2009	09/30/2009	03/31/2010	06/30/2010	09/30/2010
Quarter ended						
Shareholders' equity restated	1,973,690	2,019,332	2,732,803	2,886,287	2,923,481	2,966,621
Writeoff deferred charges	(27,087)	(27,087)	(27,087)	(23,503)	(23,503)	(23,503)
Dividends	10,042	-	-	-	-	-
Effect on P&L of amortization of deferred charges	900	1,802	2,699	908	1,804	2,700
Deferred IR and CSLL on write-off and amortization of deferred charges	8,904	8,597	8,292	7,682	7,378	7,073
	(7,241)	(16,688)	(16,096)	(14,913)	(14,321)	(13,730)
Shareholders' equity restated	1,966,449	2,002,644	2,716,707	2,871,374	2,909,160	2,952,891

	Consolidated					
	03/31/2009	06/30/2009	09/30/2009	03/31/2010	06/30/2010	09/30/2010
Quarter ended						
Shareholders' equity restated	1,973,560	2,019,195	2,732,660	2,886,287	2,923,481	2,966,621
Write-off deferred charges	(32,757)	(32,757)	(32,757)	(28,641)	(28,641)	(28,641)
Dividends	10,042	-	-	-	-	-
Effect on P&L of amortization of deferred charges	1,109	2,170	3,107	1,146	2,282	3,415
Deferred IR and CSLL on write-off and amortization of deferred charges	10,760	10,400	10,081	9,348	8,962	8,577
	(10,846)	(20,187)	(19,569)	(18,147)	(17,397)	(16,649)
Shareholders' equity restated	1,962,714	1,999,008	2,713,091	2,868,140	2,906,084	2,949,972

	Company					
	03/31/2009	06/30/2009	09/30/2009	03/31/2010	06/30/2010	09/30/2010
Net income for the period						
Net income restated	44,583	89,418	137,752	45,947	97,427	142,796
Effect on write-off amortization of deferred charges	901	1,802	2,699	908	1,804	2,700
Deferred IR and CSLL on write-off of deferred charges	(306)	(613)	(918)	(309)	(613)	(918)
Current IR and CSLL on share issue expenses	-	-	(8,471)	-	-	-
	595	1,189	(6,690)	599	1,191	1,782
Net income restated	45,178	90,607	131,062	46,546	98,618	144,578

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

	Consolidated					
	03/31/2009	06/30/2009	09/30/2009	03/31/2010	06/30/2010	09/30/2010
Net income for the period						
Net income restated	44,178	89,806	138,515	46,740	98,174	143,781
Effect on write-off amortization of deferred charges	1,109	2,170	3,107	1,147	2,282	3,415
Deferred IR and CSLL on write-off of deferred charges	(376)	(738)	(1,057)	(390)	(776)	(1,161)
Current IR and CSLL on share issue expenses	-	-	(8,471)	-	-	-
	733	1,432	(6,421)	757	1,506	2,254
Net income restated	44,911	91,238	132,094	47,497	99,680	146,035
	Company					
	03/31/2009	06/30/2009	09/30/2009	03/31/2010	06/30/2010	09/30/2010
Net income for the period						
Net income restated	44,583	44,835	48,334	45,947	51,480	45,369
Effect on write-off amortization of deferred charges	901	901	897	908	896	896
Deferred IR and CSLL on write-off of deferred charges	(306)	(307)	(305)	(309)	(304)	(305)
Current IR and CSLL on share issue expenses	-	-	(8,471)	-	-	-
	595	594	(7,879)	599	592	591
Net income restated	45,178	45,429	40,455	46,546	52,072	45,960
	Consolidated					
	03/31/2009	06/30/2009	09/30/2009	03/31/2010	06/30/2010	09/30/2010
Net income for the period:						
Net income restated	44,178	45,628	48,709	46,740	51,434	45,607
Effect on write-off amortization of deferred charges	1,109	1,061	937	1,147	1,135	1,133
Deferred IR and CSLL on write-off of deferred charges	(377)	(362)	(319)	(390)	(386)	(385)
Current IR and CSLL on share issue expenses	-	-	(8,471)	-	-	-
	732	699	(7,853)	757	749	748
Net income restated	44,910	46,327	40,856	47,497	52,183	46,355

These ITR reports were subjected to special review procedures applied by Company's independent auditors according to CVM Rules for Quarterly Information (IBRACON NPA 06), including adjustments arising from the adoption of the new accounting practices. Therefore, not subjected to auditing procedures.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

Find below the main impacts of CPCs First-time Adoption to Company's financial statements:

- (a) CPC 28 - Investment Property, approved by CVM Rule No. 584 of July 31, 2009: CPC 28 addresses, among other things, the procedures applicable to recognition, measurement and disclosure of investment properties. The Shopping malls in operation owned by the Company, future shopping mall projects, mall expansions and office buildings for lease are Investment Properties in nature, and thus require: (i) measurement and recording of the relevant properties through the fair value of assets or, alternatively, (ii) maintenance of assets at cost, disclosing their respective fair values. The Company elected the second option, the disclosure of which can be viewed in Note 2.9.
- (b) CPC 27 - Property, Plant and Equipment, approved by CVM Rule No. 583 of July 31, 2009: This pronouncement applies to all fixed assets of the Company, since Multiplan opted for the maintaining its Investment Properties at cost values. The Company reviewed the useful lives of its fixed assets and its investment properties and did not identify any changes in relation to the rates already applied. Accordingly, based on judgment, it determined that the cost value of its fixed assets and its investment properties was appropriate, not requiring adoption of the deemed cost.
- (c) CPC 20 - Borrowing Costs, approved by CVM Rule No. 577 of June 5, 2009: The Company already capitalized borrowing costs directly attributable to qualifying assets. Additionally, it considered adopting the criteria for capitalization of financial charges raised generally, but used in obtaining qualifying assets. The Company did not identify any other costs to be capitalized, except for those already capitalized by the Company.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

- (d) OCPC 04 - Real Estate Sector Construction Contract, approved by CVM Rule No. 653 of December 16, 2010: OCPC 04 addresses, among other things, the accounting of revenue and the associated costs of entities that carry out the development and/or construction of real properties directly or through subcontractors. The Company follows the accounting practice of recognizing revenue and related costs of real estate development operations based on OCPC 01, i.e. based on the percentage of completion of works. Under OCPC 04, a real estate construction contract may fall within the scope of CPC 17 (Construction Contracts) or CPC 30 (Revenue). If the contract falls within the scope of CPC 17, income (loss) will be recognized according to the progress of the work. Assuming the contract falls within CPC 30, the discussion shifts to the transfer of control, significant risks and rewards in a continuous manner or in a single event (“Handover of Keys”). If the transfer is continuous, income (loss) should be recognized as the work progresses. Otherwise, such recognition will occur only upon handing over the keys. The Company conducted a thorough analysis of its contracts and identified that the control, risks and rewards are transferred as the work progresses. Thus, the result of its real estate activity is recognized under the percentage-of-completion (POC) method, as described in Note 2.4.
- (e) CPC 21 - Interim Financial Statements, approved by CVM Rule No. 581 of July 31, 2009: This standard significantly changes the volume of information to be disclosed in the Company’s Quarterly Information - ITR, since these ITRs were prepared on a summarized basis and did not address all material information necessary and sufficient to provide a fair and complete range of accounting and financial indicators to its ITR users.
- (f) CPC 22 - Segments Information, approved by CVM Rule No. 582 of July 31, 2009: We requested an additional disclosure in the Company’s financial statements as a consequence of data and indicators of assets, liabilities and P&L identifiable to each of its operating segments. See disclosure in Note 24.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

- (g) CPC 37 - First-Time Adoption of International Financial Reporting Standards, approved by CVM Rule No. 609 on December 22, 2009: This CPC requires a higher volume of information disclosed in the opening balance sheet at the IFRS transition date, so that reconciliations include sufficient detail for full understanding of the adjustments made due as a result of the change in the accounting policy (IFRS adoption) and how they affected the financial position (balance sheet) economic performance (income statement) and financial performance (cash flow statement) in relation to the practices that had been adopted.
- (h) CPC 43 - First-time Adoption of Technical Pronouncements CPC 15 to 40, approved by CVM Rule No. 610 of December 22, 2009: This pronouncement is directly related to pronouncement CPC 37 - First-Time Adoption of International Financial Reporting Standards, so that the options adopted for purposes of CPC 37 were also applied for purposes of CPC 43 to minimize any differences between the Company's individual and consolidated financial statements.

New IFRS and IFRIC Interpretations

Certain new IASB accounting procedures and IFRIC interpretations have been published and/or reviewed and have their elective or mandatory adoption for the years beginning on or after January 1, 2010. Company management assessed the impacts of these new pronouncements and interpretations, and at its best judgment as of this date, does not anticipate that their adoption would materially affect the Company's annual information in the year of first-time adoption, as follows:

- ▶ IAS 24 Disclosure Requirements for State-owned Entities and the Definition of Related Party (As Reviewed) - Simplifies the disclosure requirements for state-owned entities and clarifies the definition of related party. The reviewed standard addresses aspects which, according to the previous disclosure requirements and related party definition, were too complex and difficult to apply in practice, especially as regards environments characterized by substantial state control, providing partial exemption to state-owned entities and a revised definition of the party related concept. This amendment was issued in November 2009, coming into effect for fiscal years beginning on or after January 1, 2011, and it will not impact the Company's consolidated financial statements.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

New IFRS and IFRIC Interpretations (Continued)

- ▶ IFRS 9 Financial Instruments - Classification and Measurement - IFRS 9 closes the first part of the project for replacement of "IAS 39 Financial Instruments: Recognition and Measurement." IFRS 9 departs from a simple approach to determine whether a financial asset is measured at amortized cost or fair value, based on the manner by which an entity manages its financial instruments (business model) and the typical contractual cash flow of financial assets. The standard also requires adoption of one single method for determining asset impairment losses. This standard becomes effective for fiscal years beginning on or after January 1, 2013. The Company does not expect that this change impacts its consolidated financial statements.
- ▶ IFRIC 14 Prepayments of a Minimum Funding Requirement - This change solely applies to those situations where an entity is subject to minimum funding requirements and anticipates contributions to cover these requirements. This amendment allows the entity to account for the benefit of such prepayment as an asset. This change is effective for fiscal years beginning on or after January 1, 2011, and it will not impact the Company's consolidated financial statements.
- ▶ IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments - IFRIC 19 was issued in November 2009 and becomes effective from July 1, 2010, early implementation being permitted. This interpretation clarifies the International Financial Reporting Standards (IFRS) requirements when an entity renegotiates terms of a financial obligation with its lender, who agrees to accept the entity's shares or other equity instruments to settle the financial obligation in full or in part. The Company does not expect that IFRIC 19 impacts its consolidated financial statements.

Improvements to IFRS - IASB issued improvements to the IFRS standards and amendments in May 2010, and the amendments will be effective from January 1, 2011. Below are listed the major changes that could impact the Company:

- ▶ IFRS 3 - Business Combinations.
- ▶ IFRS 7 - Financial Instrument Disclosures.
- ▶ IAS 1 - Presentation of Financial Statements.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

3. First-time adoption of CPC technical pronouncements (Continued)

New IFRS and IFRIC Interpretations (Continued)

The Company does not expect that these changes will impact its consolidated financial statements.

There are no other standards and interpretations issued but not yet adopted which, in management's opinion, may significantly affect P&L or equity disclosed by the Company.

4. Cash and cash equivalents

	December 31, 2010		December 31, 2009		January 1, 2009	
	Company	Consolidated	Company	Consolidated	Company	Consolidated
Cash and Banks	18,533	36,222	8,787	21,767	22,714	26,831
Short-term investment - Bank Deposit Certificates	746,161	758,617	793,107	806,200	123,900	140,754
	<u>764,694</u>	<u>794,839</u>	<u>801,894</u>	<u>827,967</u>	<u>146,614</u>	<u>167,585</u>

Short-term investments earn average remuneration, net of taxes, of approximately 100% of CDI and may be redeemed at any time without affecting recognized revenue.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

5. Accounts receivable

	December 31, 2010		December 31, 2009		January 1, 2009	
	Company	Consolidated	Company	Consolidated	Company	Consolidated
Leases	82,282	88,655	69,309	73,655	54,164	56,719
Key Money	85,019	96,621	41,848	60,565	39,070	62,014
Acknowledgment of debt (a)	2,173	2,175	2,423	2,424	2,637	2,650
Parking	4,734	3,673	3,980	2,295	2,342	-
Administration fees (b)	5,319	5,319	4,741	4,741	2,516	2,516
Sales	1,573	1,573	1,919	1,919	2,092	2,092
Advertising	4,108	4,108	1,992	1,992	473	473
Sale of properties (c)	30,254	30,254	164	164	1,037	1,037
Others	1,137	2,317	2,207	3,899	2,040	3,211
	216,599	234,695	128,583	151,654	106,371	130,712
Allowance for doubtful accounts	(16,713)	(18,419)	(17,291)	(18,509)	(12,861)	(13,421)
	199,886	216,276	111,292	133,145	93,510	117,291
Noncurrent	(32,676)	(36,154)	(11,701)	(18,028)	(11,388)	(17,762)
Current	167,210	180,122	99,591	115,117	82,122	99,529

- (a) Refers to balances regarding acknowledgment of debt, rent and others, which were overdue, have been renegotiated and are to be paid in installments.
- (b) Refers to administration fees receivable by the Company and the subsidiary Multiplan Administradora, charged from investors or shopkeepers of the shopping centers administered by them, which correspond to a percentage applied on store rent (7% on the net income of the shopping, or 6% of the minimum rent, plus 15% on the portion exceeding minimum rent or fixed amount), on common shopkeeper charges (5% of expenses incurred), on financial management (variable percentage on expenses incurred in shopping center expansions) and on promotional fund (5% of promotional fund collection).
- (c) Pursuant to CPC 20 - Present Value Adjustment, approved by CVM Rule N° 564, of December 17, 2008, the Company internally assessed some assets and liabilities in order to check whether they should be disclosed at present value. The Discounted Cash Flow (DCF) was the methodology used, at the discount rates reported below.

The model future cash flow was estimated on the grounds of portfolio of receivables from real estate for sale, on the monetary variation assumptions (INCC and IGP-M) and interest (Price table) used in the market. Accordingly, to determine the present value of a cash flow (AVP), three pieces of information were used, namely: (a) the monthly value of the future flow, (b) period of the aforesaid financial flow, and (c) discount rate.

- (i) Monthly value of future flow: Comprised of the receivables portfolio contracted in both real estate undertakings developed by the company (Cristal Tower and Centro Profissional RibeirãoShopping). The flow includes the monthly payment in accordance with the contract of each customer. The portfolio is adjusted by the monetary variation of the INCC (National Civil Construction Cost Index) during the period of the work and of the IGP-M (General Market Price Index) after handover of keys. Besides monetary restatement, the post-handover of keys portfolio bears interest according to the Price table (a fact which has been disregarded, as presented below);
- (ii) Period of the aforesaid financial flow: The flow is monthly projected as from the present date, taking into consideration the monthly and interim installments. Given the interest levy after handover of keys, the company considers conservatively the "prepayment" of the whole balance receivable from all customers upon handover of keys, not including discounts, fines or interest benefit.
- (iii) Discount rate: The discount rate considered to calculate the present value during the work is the SELIC rate in force. This rate was chosen on the grounds that it can be considered as a customer's opportunity cost and is the hinge of the "prepayment" decision-making process.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

5. Accounts receivable (Continued)

Find below the accounts receivable aging list:

Company	Balance still overdue without impairment loss	Overdue balance, without impairment loss					Total
		< 30 Days	30 - 60 days	60 - 90 days	90 - 120 days	>120 days	
2010	196,588	1,347	929	720	397	16,618	216,599
2009	105,161	2,559	1,156	1,577	699	17,431	128,583
January 1, 2009	79,622	1,743	868	646	489	23,003	106,371

Consolidated	Balance still overdue without impairment loss	Overdue balance, without impairment loss					Total
		< 30 Days	30 - 60 days	60 - 90 Days	90 - 120 days	>120 days	
2010	212,389	1,650	1,171	928	579	17,978	234,695
2009	126,661	2,947	1,344	1,707	804	18,191	151,654
January 1, 2009	100,666	2,142	2,892	708	613	23,691	130,712

As supplemental information, since it is not recorded in accounting records in view of the accounting practices mentioned in Note 3a.1, the Company's accounts receivable balance at December 31, 2010, 2009 and January 1, 2009, referring to sale of units under construction of the real estate development "Centro Profissional MorumbiShopping", "Cristal Tower" and "Centro Profissional Ribeirão Shopping", less the installments already received, is broken down as follows, by year of maturity:

	December 31, 2010	December 31, 2009	January 1, 2009
2009	-	-	10,042
2010	-	11,267	7,394
2011	24,033	7,029	5,147
2012	13,839	3,342	1,989
2013 onwards	50,661	13,183	11,153
	88,533	34,821	35,725

These credits mainly refer to real estate developments in progress, whose title deeds are only granted after settlement and/or negotiation of customers' credits and are restated by reference to the National Civil Construction Index - INCC variation through to keys delivery; and afterwards by reference to General Price Index - IGP-DI variation.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

5. Accounts receivable (Continued)

Additionally, the changes in the allowance for doubtful accounts (ADA) are shown below:

	Company			Total
	Leases	Key money	Acknowledgment of debt	
Balances at January 1, 2009	(7,637)	(3,026)	(2,198)	(12,861)
Additions/reversals	(2,153)	(2,447)	170	(4,430)
Balances at December 31, 2009	(9,790)	(5,473)	(2,028)	(17,291)
Additions/reversals	(1,589)	1,816	351	578
Balances at December 31, 2010	(11,379)	(3,657)	(1,677)	(16,713)

	Consolidated			Total
	Leases	Key money	Acknowledgment of debt	
Balances at January 1, 2009	(7,760)	(3,454)	(2,207)	(13,421)
Additions/reversals	(2,127)	(3,140)	179	(5,088)
Balances at December, 2009	(9,887)	(6,594)	(2,028)	(18,509)
Additions/reversals	(2,169)	1,908	351	90
Balances at December, 2010	(12,056)	(4,686)	(1,677)	(18,419)

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

6. Loans and advances

	December 31, 2010		December 31, 2009		January 1, 2009	
	Company	Consolidated	Company	Consolidated	Company	Consolidated
Current						
Shopkeepers	326	326	633	638	267	267
Shopping Centers Condominiums (a)	7,551	8,310	8,844	9,600	7,549	7,561
Barra Shopping Sul Association (b)	5,146	5,146	2,940	2,940	2,036	2,036
Parkshopping Barigui Association (j)	463	463	-	-	-	-
Parkshopping Association	531	531	-	-	-	-
Parkshopping Condominiums (c)	3,781	3,781	2,162	2,162	871	871
Ribeirão Shopping Condominium (d)	1,328	1,328	1,328	1,328	711	711
New York City Center Condominiums (e)	63	63	491	491	510	510
Analia Franco Condominium	121	121	-	-	-	-
Morumbishopping Condominium	57	57	-	-	-	-
Barra Shopping Sul Condominiums (f)	-	-	168	168	661	661
Vila Olimpia Condominiums (g)	-	500	-	1,000	-	-
Vila Olimpia Association (h)	-	1,096	-	1,939	-	-
Advance for suppliers	2,684	2,818	2,531	3,252	2,814	10,876
Advance for ventures (i)	-	522	13,270	13,791	-	-
Loans other	63	63	-	-	-	-
Others	245	362	975	3,276	1,534	2,552
	22,359	25,487	33,342	40,585	16,953	26,045
Provision for losses (a)	(7,551)	(8,310)	(8,844)	(9,600)	(7,549)	(7,549)
	14,808	17,177	24,498	30,985	9,404	18,496
Non current						
Shopkeepers	726	726	719	719	1,220	1,220
Parkshopping Condominiums (c)	1,312	1,312	2,282	2,282	2,861	2,861
Barra Shopping Sul Association (b)	3,439	3,439	4,298	4,298	2,511	2,511
Manati Empreendimentos e Participações S.A. (Note 19)	-	-	8,740	-	806	-
MPH Empreendimentos Imobiliários Ltda.(Note 19)	68,240	-	66,739	-	22,711	-
Parkshopping Barigui Association (j)	3,181	3,181	1,219	1,219	-	-
Advance for ventures	-	-	485	485	-	-
Others	-	-	905	905	3,902	3,736
	76,898	8,658	85,387	9,908	34,011	10,328

- (a) Prepayments to condominiums of shopping malls owned by Multiplan Group. A provision for losses was recognized in the full amount, considering its unlikely realization.
- (b) It consists of advances granted to the Association of Store Owners of Barra Shopping Sul to meet their working capital needs. In 2008 advances granted amounted to R\$ 4,800, which are monthly updated by the 135% change in the Interbank Deposit Certificate (CDI); R\$ 2,800 is refunded in 48 monthly installment beginning January 2010, and the remaining balance of R\$ 2,000 is refunded in 12 monthly installments beginning January 2009. During 2009, three advances were granted in the amounts of R\$ 1,000, R\$ 1,100 and R\$ 1,500, which are monthly updated by the 135% , 117% and 117% change in CDI , respectively, and will be refunded in 24, 12 and 48 monthly installments beginning January 2011.
- (c) Refers to advances granted to Parkshopping condominium to meet its working capital needs. The debit balance is monthly updated by 110% change in the CDI and is being refunded in 48 monthly installments beginning January 2009.
- (d) Refers to advances granted to Ribeirão Shopping condominium to the Park Implementation. These advances granted, in the period, has not being updated.
- (e) Refers to advances granted to New York City Center condominium to meet working capital needs. The debit balance is monthly updated by 110% change in the CDI.
- (f) Refers to advances granted to Barra Shopping Sul condominium to meet working capital needs. The debit was settled on October 13, 2010.
- (g) Refers to advances granted to Shopping Vila Olimpia (controlled by MPH Empreendimentos Imobiliários) condominium to meet working capital needs and has not being updated.
- (h) Refers to advances granted to Shopping Vila Olimpia (controlled by MPH Empreendimentos Imobiliários) association, to meet working capital needs. The debit balance is monthly updated by 8% change in the IPCA plus 8% p.y. and will be refunded as follows: R\$ 1,800 until August 15, 2010, 24 monthly installments beginning on January 15, 2011.
- (i) Refers to investments on Company's expansion Ribeirão Shopping, whose costs will be refunded by the other venturers in November 10, 2010. The remaining balance refers to Renasce (Subsidiaries).
- (j) Refers to advances granted to Parkshopping Barigui Association, to meet capital needs. The debit balance is monthly updated by 117% changed in the CDI and will be refunded in 40 montly installments beginning in July 2011.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

7. Recoverable taxes and contributions

	December 31, 2010		December 31, 2009		January 1, 2009	
	Company	Consolidated	Company	Consolidated	Company	Consolidated
Recoverable PIS/COFINS (a)	18,718	18,718	18,718	18,718	-	-
Provision for tax credits on PIS/COFINS (a)	(12,601)	(12,601)	-	-	-	-
Recoverable Income Tax - IR	3,168	4,636	8,674	9,948	8,126	10,127
Recoverable Social Contribution Tax - CSLL	1,351	1,887	2,339	2,804	949	1,717
IOF overpaid	1,274	1,274	1,274	1,274	1,274	1,274
IRRF on short-term investments	5,864	6,454	2,921	3,440	6,028	6,154
IRRF on services rendered	600	602	793	796	378	380
Recoverable PIS	2	3	252	554	20	358
Recoverable COFINS	0	4	599	695	-	94
Other	780	915	422	515	71	94
	19,156	21,892	35,992	38,744	16,846	20,198

(a) During 2005 Bozano Simonsen Centros Comerciais S. A., a company acquired by Multiplan Empreendimentos on February 24, 2006, filed a writ of mandamus against the Federal Government. Through this writ Bozano requested (i) declaration of unenforceability of tax credits on the difference between the amount that would have been due in COFINS and PIS taxes in accordance with the systematic calculation introduced by Law No. 9718/98 and the amount that would have been due without the aforementioned changes to that law in relation to future payments; and (ii) declaration of the right to offset amounts for COFINS and PIS paid in error from the date of the implementation of the systematic calculation under Law No. 9718/98, restated at the Central Bank Overnight Rate SELIC, in accordance with Law No. 9430/96, with the Company's own tax debts in any tax or contribution administered by the Brazilian IRS, in accordance with article 66, of Law No. 8383/91 and article 74, of Law No. 9430/96. In September 2009, a final decision on the writ of mandamus was handed down. As a consequence, grounded on the legal opinion of its outside lawyers, the Company recorded a tax credit of R\$ 18,718, according to Company's best estimates. On October 4, 2010 the Company applied for credit validation with the Brazilian IRS. During the process to collect the documents necessary to file the application with the Brazilian IRS, the external lawyers retained by the Company specifically to file the application for credit validation carried out an in-depth analysis of the calculations previously made, arriving at R\$6,117. Accordingly, the Company established a provision for R\$ 12,601 at September 30, 2010 under other net operating income (expenses), which should be maintained until the Brazilian IRS validates such credit.

8. Land and properties held for sale

	December 31, 2010	December 31, 2009	January 1, 2009
	Company and Consolidated	Company and Consolidated	Company and Consolidated
Land	23,939	133,780	127,156
Built properties	203	1,419	1,533
Properties under construction	9,041	6,069	768
	33,183	141,268	129,457

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
 December 31, 2010 and 2009
 (In thousands of reais, excepted when indicated)

9. Income tax and social contribution

Deferred Income and Social Contribution Taxes have the follow origin:

	Company		
	December 31, 2010	December 31, 2009	January 1, 2009
Asset			
Provision for contingencies	18,179	17,392	16,978
Allowance for doubtful accounts (a)	14,393	13,240	12,282
Provision for losses on advances on charges (a)	7,551	8,844	7,549
Goodwill at merged company (c)	181,946	339,435	430,060
Annual provision Bond	18,091	16,403	7,969
Deferred charges (f)	19,762	30,671	27,082
Result from real estate projects (b)	-	-	89
Tax loss and negative base	20,665	24,075	42,626
Deferred tax credit base asset	280,587	450,060	544,635
Deferred income tax (25%)	70,147	112,515	136,159
Deferred social contribution tax (9%)	25,253	40,505	49,017
Liabilities			
Future profitability goodwill not amortized (d)	(235,799)	(113,708)	-
Straight-line lease revenue (e)	(8,125)	(6,000)	-
Result from real estate projects (b)	(14,472)	(517)	-
Deferred tax credit base liabilities	(258,396)	(120,225)	-
Deferred income tax (25%)	(64,599)	(30,057)	-
Deferred social contribution tax (9%)	(23,256)	(10,820)	-
Deferred tax credit base	22,191	329,835	544,635
Deferred income tax (25%)	5,548	82,459	136,159
Deferred social contribution tax (9%)	1,997	29,685	49,017
	7,545	112,143	185,176

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

9. Income tax and social contribution (Continued)

	Consolidated		
	December 31, 2010	December 31, 2009	January 1, 2009
Assets			
Provision for contingencies	18,367	17,392	16,978
Allowance for doubtful accounts (a)	14,570	13,240	12,282
Provision for losses on advances on charges (a)	9,069	8,844	7,549
Result from real estate projects (b)	-	-	89
Annual provision Bond	18,091	16,403	7,969
Goodwill at merged company (c)	181,946	339,435	430,060
Deferred charges (f)	19,762	36,874	32,759
Tax loss and negative base	24,397	23,011	42,626
Deferred tax credit base asset	286,202	455,199	550,312
Deferred income tax (25%)	71,551	113,800	137,578
Deferred social contribution tax (9%)	25,758	40,968	49,527
Liabilities			
Future profitability goodwill not amortized (d)	(235,799)	(113,708)	-
Straight-line lease revenue (e)	(10,234)	(6,000)	-
Result from real estate projects (b)	(14,472)	(517)	-
Deferred tax credit base liabilities	(260,505)	(120,225)	-
Deferred income tax (25%)	(65,125)	(30,056)	-
Deferred social contribution tax (9%)	(23,445)	(10,820)	-
Deferred tax credit base	25,697	334,974	550,312
Deferred income tax (25%)	6,424	83,743	137,578
Deferred social contribution tax (9%)	2,313	30,148	49,527
	8,737	113,891	187,105

(a) The balance in the provision for credits for bad debts used for calculating the consolidated fiscal credit had net value in the amount of R\$ 2,320, registered as a write-off to the results of future periods.

(b) According to the tax criteria, the result of the sale of real estate units is determined based on the financial realization of revenues (cash basis) and costs are determined by applying a percentage on revenues recorded until then, and such percentage corresponds to that of total estimated cost in relation to total estimated revenues.

(c) The goodwill recorded in Bertolino Participações Ltda. balance sheet, company merged in 2007 deriving from Multiplan capital participation acquisition in the amount of R\$ 550,330 and based on the investment's expected future profitability, will be amortized by Multiplan premised on said expectations over a term of 4 years and 8 months. In consonance with CVM Instruction No. 349/01, Bertolino set up a provision for net equity make-whole before its merger in the amount of R\$ 363,218, corresponding to the difference between the goodwill amount and the tax benefit deriving from the related amortization. This caused Multiplan to absorb only the assets relating to the goodwill amortization tax-deductible benefit, in the amount of R\$ 186,548. The referred provision will be reversed in proportion of the goodwill fiscal amortization by Multiplan.

(d) Goodwill on acquisition of Multishopping Empreendimentos Imobiliários S.A., Bozano Simonsen Centros Comerciais S.A. and Realejo Participações S.A. is grounded on future profitability. Such companies are later merged, and related goodwill is reclassified as intangible assets. Pursuant to the new accounting standards, beginning January 1, 2009 such goodwill will no longer be amortized, and deferred income tax payable on the difference between the tax base and the book value of related goodwill will be accounted for.

(e) The criterion adopted to account for revenue rent is based on straight-line revenues during the effectiveness of the contract, regardless of the receipt term.

(f) The Company recognized deferred income taxes by fully derecognizing deferred charges, pursuant to CPC Pronouncement 23 - Accounting Policies, Changes in Estimates and Correction of Errors.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

9. Income tax and social contribution (Continued)

Deferred income and social contribution taxes will be realized according to management's expectations, as follows:

	December 31, 2010	December 31, 2009	January 1, 2009
	Company	Company	Company
2010	-	73,121	110,624
2011	75,645	60,142	60,142
2012	5,480	5,480	5,480
2013	6,817	6,817	1,272
2014 onwards	7,458	7,460	7,658
	95,400	153,020	185,176

Reconciliation of income and social contribution tax expense

Reconciliation of the income and social contribution tax expense calculated at the applicable combined statutory rates and the corresponding amounts posted to the statement of income is as follows:

Description	Company			
	December 31, 2010		December 31, 2009	
	Income tax	Social contribution	Income tax	Social contribution
Earnings before income tax and social contribution I	329,523	329,523	255,714	255,714
Rate	25%	9%	25%	9%
Statutory rate	(82,381)	(29,657)	(63,929)	(23,014)
Permanent add-backs and deductions				
Equity pickup	2,532	911	(2,290)	(824)
Business gifts and homage	(147)	(53)	(110)	(39)
Contributions, donations and sponsorship	(2,321)	(835)	(287)	(103)
Compensation expenses (stock option plan)	(20)	(7)	(273)	(98)
Management bonus and 13th monthly salary	(1,419)	(511)	(854)	(307)
Discounted to present value - real state units	(1,964)	-	(1,646)	-
Non-deductible interest and fine related to tax delinquencies	45	16	-	-
Effect of the base of taxable profit of subsidiaries eliminated from the consolidated	(90)	(32)	-	-
Other	2,347	775	215	(4)
	(1,037)	264	(5,245)	1,375
Deferred income tax and social contribution on P&L	(77,064)	(27,535)	(54,063)	(19,230)
Current income tax and social contribution on P&L	(6,354)	(1,858)	(15,110)	(5,159)
Effective rate	(83,418)	(29,393)	(69,173)	(24,389)

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

9. Income tax and social contribution (Continued)

Description	Consolidated			
	December 31, 2010		December 31, 2009	
	Income tax	Social contribution	Income tax	Social contribution
Earnings before income tax and social contribution	349,125	349,125	263,088	263,088
Rate	25%	9%	25%	9%
Statutory rate	(87,281)	(31,421)	(65,772)	(23,678)
Permanent add-backs and deductions				
Equity pickup	(878)	(316)	(5,008)	(1,803)
Business gifts and homage	(147)	(53)	(110)	(39)
Contributions, donations and sponsorship	(2,321)	(835)	(287)	(103)
Amortization of goodwill on appreciation of assets	(20)	(7)	(273)	(98)
Compensation expenses (stock option plan)	(1,419)	(511)	(854)	(307)
Management bonus and 13th monthly salary	(1,964)	-	(1,646)	-
Discounted to present value - real state units	(350)	(126)	-	-
Share issue expenses	45	16	-	-
Non-deductible interest and fine related to tax delinquencies	(90)	(32)	-	-
Effect of the base of taxable profit of subsidiaries eliminated from the consolidated	6,331	2,279	(87)	(31)
Income tax and social contribution on companies whose taxable profit is calculated as a percentage of gross sales	(3,299)	(1,228)	87	31
Other	2,599	901	215	3
	(1,513)	88	(7,963)	(2,347)
Deferred income tax and social contribution on P&L	(77,504)	(27,651)	(54,127)	(19,349)
Current income tax and social contribution on P&L	(11,290)	(3,682)	(19,608)	(6,676)
Effective rate	(88,794)	(31,333)	(73,735)	(26,025)

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

10. Investments in subsidiaries

We set out below significant information on investees:

Subsidiaries	Number of units	% ownership	Capital	December 31, 2010		December 31, 2009		January 1, 2009
				Shareholders' equity	Net income (loss) for the period	Shareholders' equity	Net income (loss) for the period	Shareholders' equity
CAA Corretagem e Consultoria Publicitária S/C Ltda.	5,000	99.00	50	143	(145)	289	(18)	306
RENASCE - Rede Nacional de Shopping Centers Ltda.	45,000	99.99	950	4,365	(322)	4,688	(503)	4,690
CAA Corretagem Imobiliária Ltda.	154,477	99.61	1,544	50	(15)	75	(40)	(115)
MPH Empreendimentos Imobiliários Ltda.	839	41.96	22,000	38,278	17,807	20,471	(1,523)	22,000
Multiplan Admin. Shopping Center	20,000	99.00	20	10,629	4,392	6,237	3,182	3,055
Brazilian Realty	11,081,059	99.99	-	-	-	-	-	48,071
JPL Empreendimentos	9,309,858	100.00	-	-	-	-	-	13,972
Indústrias Luna S.A.	7	0.01	-	-	-	-	-	48,071
Solução Imobiliária	1,715,000	100.00	-	-	-	-	-	1,545
Pátio Savassi Administração de Shopping Center Ltda.	1,000,000	100.00	10	432	2,373	489	254	-
SCP - Royal Green Península	-	98.00	51,582	12,102	(3,585)	15,178	(20,878)	23,046
Manati Empreendimentos e Participações S.A.	(a) 21,442,694	50.00	25,668	66,290	492	44,499	(3,183)	47,683
Haleiwa Participações S.A.	(a) 29,893,268	50.00	13,922	28,978	(164)	27,683	(162)	26,894

The Company maintains shareholders agreements related to all jointly-controlled Manati Empreendimentos e Participações S.A. and Haleiwa Participações S.A. In relation to resolutions about administration of the jointly-controlled subsidiaries, the Company holds a seat in the Board of Directors and/or Executive Board, participating proactively in all strategic business decisions.

Investments of the Company

Subsidiaries	At December 31, 2009		Acquisition	Disposals	Dividends	Equity in subsidiaries	At December 31, 2010
CAA Corretagem e Consultoria Publicitária S/C Ltda.	286	-	-	-	-	(144)	142
CAA Corretagem e Consultoria Imobiliária S/C Ltda.	-	63	-	-	-	(13)	50
RENASCE - Rede Nacional de Shopping Centers Ltda.	4,688	-	-	-	-	(322)	4,366
SCP - Royal Green Península	15,175	5,000	(4,802)	-	-	(3,513)	11,860
Multiplan Admin. Shopping Center	6,174	-	-	-	-	4,348	10,522
MPH Empreendimentos Imobiliários Ltda.	8,590	-	-	-	-	7,471	16,061
Manati Empreendimentos e Participações S.A.	(a) 22,251	10,647	-	-	-	246	33,144
Haleiwa Participações S.A.	(b) 13,982	589	-	-	-	(82)	14,489
Pátio Savassi Administração de Shopping Center Ltda.	410	59	-	(2,173)	-	2,136	432
Others	98	-	-	-	-	-	98
	71,654	16,358	(4,802)	(2,173)	-	10,127	91,164

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

10. Investments in subsidiaries (Continued)

Subsidiaries	At January 1, 2009	Acquisitions	Disposals	Equity in subsidiaries	At December 31, 2010
CAA Corretagem e Consultoria Publicitária S/C Ltda.	303	-	-	(17)	286
RENASCE - Rede Nacional de Shopping Centers Ltda.	4,643	541	-	(496)	4,688
SCP - Royal Green Península	22,585	13,050	-	(20,460)	15,175
Multiplan Admin. Shopping Center	3,025	-	-	3,149	6,174
MPH Empreendimentos Imobiliários Ltda.	9,232	-	-	(642)	8,590
Brazilian Realty LLC.	(c) 48,066	-	(52,726)	4,660	-
JPL Empreendimentos Ltda.	(d) 13,972	-	(16,752)	2,780	-
Indústrias Luna S.A.	(d) 5	52,725	(55,688)	2,958	-
Solução Imobiliária Ltda.	(e) 1,545	-	(1,912)	367	-
Manati Empreendimentos e Participações S.A.	(a) 23,842	-	-	(1,591)	22,251
Haleiwa Participações S.A.	(b) 13,447	617	-	(82)	13,982
Pátio Savassi Administração de Shopping Center Ltda.	-	352	(155)	213	410
Others	88	10	-	-	98
	140,753	67,295	(127,233)	(9,161)	71,654

Investments of the consolidated

Subsidiaries	At December 31, 2010	Acquisition	Disposals	Equity in subsidiaries	At December 31, 2010
SCP - Royal Green Península	15,175	5,000	(4,802)	(3,513)	11,860
Others	207	22	(73)	2	158
	15,382	5,022	(4,875)	(3,511)	12,018

Subsidiaries	At January 1st, 2009	Acquisition	Disposals	Equity in subsidiaries	At December 31, 2009
SCP - Royal Green Península	22,585	13,050	-	(20,460)	15,175
Others	262	305	(789)	429	207
	22,847	13,355	(789)	(20,031)	15,382

(a) On February 7, 2008 the Company entered into a loan agreement with Manati by means of which it lent to the latter the amount of R\$ 23,806. On February 13, 2008, the parties entered into an amendment to this loan agreement based on which the loan amount was increased by R\$ 500. According to the minutes of the Extraordinary General Meeting (EGM) held on April 25, 2008, Manati repaid to Multiplan the total amount borrowed, through conversion of this total loan amount into capital contribution in Manati with the subscription, by Multiplan, of 21,442,694 new registered common shares of Manati, which holds a 75% interest in Shopping Santa Úrsula. The amount paid in this acquisition was R\$ 28,668 and goodwill on the transaction, amounting to R\$ 3,218, which is supported by the assets market value (Note 11).

(b) On May 20, 2008, the Company acquired ownership interest of 50% in Haleiwa, for R\$ 50 (in reais). The Extraordinary Shareholders' Meeting of June 23, 2008, decided to increase capital of Haleiwa from R\$ 1 to R\$ 29,893, through issue of 26,892,266 registered common shares, namely: (a) 13,446,134 shares subscribed and paid by Multiplan in the amount of R\$ 13,446, through capitalization of credits held receivable from the company resulting from loan agreement and advances for future capital increase made on May 28, 2008 and June 2, 2008, for the acquisition of the land described in the business purpose of Haleiwa; (b) 1,500,000 shares subscribed but not yet paid by Multiplan.

(c) On July 16, 2007, the Company acquired 100% of the capital of Brazilian Realty LLC, the company that holds 100% of the capital of Luna, which, in its turn, held 65.19% of Shopping Patio Savassi mall. The amount paid in this acquisition was R\$ 124,134 and goodwill deriving therefrom totaled R\$ 46,438, based on future profitability (Note 12) and R\$ 37,434 for the assets market value (Note 11). On September 13, 2007, the Company acquired 100% of the capital of JPL Empreendimentos, which holds 100% of the capital of Cilpar, which, in its turn, holds 18.61% of Shopping Patio Savassi mall. The amount paid in this acquisition was R\$ 37,826, and goodwill deriving therefrom totaled R\$ 15,912, based on future profitability (Note 12) and R\$ 10,796 for the assets market value (Note 11).

On August 14, 2009, Brazilian Realty LLC ceased to exist and its interest in the capital of Luna was transferred to the Company. As a consequence, from that date on, the Company directly owns 100% of Luna's capital.

(d) As described in Note 1, the agreement for Indústria Luna S.A. and JPL Empreendimentos Ltda. merger into Multiplan as at November 30, 2009 was executed on December 10, 2009.

(e) On October 31, 2007 the Company acquired all the units of interest comprising the capital of Solução Imobiliária Ltda. for R\$ 6,429, which holds 0.58% interest in MorumbiShopping mall, and goodwill deriving therefrom totaled R\$ 3,524, based on future profitability (Note 12) and R\$ 1,660 for the assets market value (Note 11). As described in Note 1, the agreement for Solução Imobiliária Ltda. merger into Multiplan as at November 30, 2009 was executed on December 10, 2009.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

11. Investment properties

The Multiplan internally valued its investment properties at fair value based on the Discounted Cash Flow (DCF) method. The Company calculated the present value using a discount rate following the CAPM (Capital Asset Pricing Model). Risk and return assumptions were considered based on studies conducted by “Damodaran” (NYU professor) involving the stock market performance of shopping malls in Brazil (Beta Adjusted), in addition to market perspectives (Central Bank’s Focus Report) and data on the risk premium of the domestic market (sovereign risk). Based on these assumptions, the Company estimated a nominal unleveraged discount rate of 13.0% for December 31, 2010 and 13.4% for December 31, 2009.

	2010	2009
Shareholders’ capital cost		
Risk free rate	3.7%	3.7%
Market risk premium	5.7%	5.6%
Beta Adjusted	0.72	0.69
Sovereign risk	202	304
Shareholders’ capital cost - US\$	9.8%	10.6%
Inflation assumptions	2010	2009
Inflation (BR)	5.3%	4.5%
Inflation (USA)	2.3%	1.9%
Shareholders’ capital cost - BRL\$	13.0%	13.4%

The model future cash flow was estimated based on the individual cash flows of shopping malls and office towers, including the Net Operating Income (NOI), Recurring Assignment of Rights (based only on “mix” assignment, excluding future projects), Revenue from Mall Services (Given the Company’s control position in its properties), Taxes on Revenues and investments in revitalization and construction in progress. Perpetuity was calculated considering an actual growth rate of 2.0% for malls and of 0.0% for office towers.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

11. Investment properties (Continued)

The Company categorized its investment properties in accordance with their status and used a higher discount rate for projects that are not operational. The nominal discount rate of future projects for lease, whether advertised or not (only expansions in 2010), was increased by 100 basis points, reaching 14.0% in 2010 and 14.4% in 2009. The table below describes the amount identified for each category of property and presents the value of assets in the Company's share and as a whole (100%):

Valuation of investment properties	2010		2009	
	Company	100%	Company	100%
Shopping malls in operation	R\$ 9,690 M	R\$ 15,047 M	R\$ 6,931 M	R\$ 11,033 M
Projects under development (advertised)	R\$ 1,836 M	R\$ 1,951 M	R\$ 947 M	R\$ 1,036M
Projects under development (not advertised)	R\$ 760 M	R\$ 858 M	R\$ 660M	R\$ 681M
Total	R\$ 12,286 M	R\$ 17,856 M	R\$ 8,538 M	R\$ 12,750 M

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

	Company							
	Annual depreciation rates (%)	December 31, 2009	Acquisitions	Disposal	Capitalized interest	Depreciation	Transferences	December 31, 2010
Cost								
Land	-	473,043	174,837	-	-	-	-	647,880
Improvements	2 a 4	1,133,748	56,022	(13,347)	-	-	163,894	1,340,317
Accumulated depreciation		(167,962)	-	304	-	(25,879)	-	(193,537)
Net		965,786	56,022	(13,043)	-	(25,879)	163,894	1,146,780
Installations	2 a 10	104,991	5,276	(1,888)	-	-	14,785	123,164
Accumulated depreciation		(40,536)	-	122	-	(7,458)	-	(47,872)
Net		64,455	5,276	(1,766)	-	(7,458)	14,785	75,292
Machinery, equipment, furniture and fixtures	10	7,380	3,747	(19)	-	-	124	11,232
Accumulated depreciation		(2,287)	-	2	-	(1,009)	5	(3,289)
Net		5,093	3,747	(17)	-	(1,009)	129	7,943
Other	10 a 20	2,323	841	-	-	-	488	3,652
Accumulated depreciation		(673)	-	-	-	(131)	(5)	(809)
Net		1,650	841	-	-	(131)	483	2,843
Construction in progress	-	209,289	278,617	(5,378)	7,028	-	(179,291)	310,265
		1,719,316	519,340	(20,204)	7,028	(34,477)	-	2,191,003

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

11. Investment properties (Continued)

	Company								
	Annual depreciation rates (%)	January 1, 2009	Acquisitions	Disposal	Depreciation	Capitalized interest	Transferences	Merger operation effects	December 31, 2009
Cost									
Land	-	311,883	141,484					19,676	473,043
Improvements	2 a 4	1,018,295	12,161	(2,132)	-	-	60,436	44,988	1,133,748
Accumulated depreciation		(138,332)		4	(22,035)	-	-	(7,599)	(167,962)
Net		879,963	12,161	(2,128)	(22,035)	-	60,436	37,389	965,786
Installations	2 a 10	87,814	3,944	(1,965)			11,385	3,813	104,991
Accumulated depreciation		(31,581)		66	(7,017)	-	-	(2,004)	(40,536)
Net		56,233	3,944	(1,899)	(7,017)	-	11,385	1,809	64,455
Machinery, equipment, furniture and fixtures	10	5,352	1,205	-	-	-	144	679	7,380
Accumulated depreciation		(1,163)			(695)	-	-	(429)	(2,287)
Net		4,189	1,205	-	(695)	-	144	250	5,093
Other	10 a 20	2,050	245	-			-	28	2,323
Accumulated depreciation		(477)			(179)	-	-	(17)	(673)
Net		1,573	245	-	(179)	-	-	11	1,650
Construction in progress	-	88,136	193,883	(2,138)		199	(71,965)	1,174	209,289
		<u>1,341,977</u>	<u>352,922</u>	<u>(6,165)</u>	<u>(29,926)</u>	<u>199</u>	<u>-</u>	<u>60,309</u>	<u>1,719,316</u>

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

11. Investment properties (Continued)

	Consolidated							December 31, 2010
	Annual depreciation rates (%)	December 31, 2009	Acquisitions	Disposal	Capitalized interest	Depreciation	Transferences	
Cost								
Land	-	572,113	176,329	-	-	-	7,436	755,878
Improvements	2 a 4	1,295,077	56,137	(13,381)	-	-	175,803	1,513,636
Accumulated depreciation		(176,081)	-	304	-	(28,363)	-	(204,140)
Net		1,118,996	56,137	(13,077)	-	(28,363)	175,803	1,309,496
Installations	2 a 10	133,206	5,277	(1,888)	-	-	24,325	160,920
Accumulated depreciation		(42,865)	-	122	-	(10,146)	-	(52,889)
Net		90,341	5,277	(1,766)	-	(10,146)	24,325	108,031
Machinery, equipment, furniture and fixtures	10	10,245	4,042	(19)	-	-	542	14,810
Accumulated depreciation		(2,734)	-	2	-	(1,306)	5	(4,033)
Net		7,511	4,042	(17)	-	(1,306)	547	10,777
Other	10 a 20	2,581	933	-	-	-	488	4,002
Accumulated depreciation		(639)	-	-	-	(155)	(5)	(799)
Net		1,942	933	-	-	(155)	483	3,203
Construction in progress	-	165,099	301,735	(5,378)	7,028	-	(208,594)	259,890
		1,956,002	544,453	(20,238)	7,028	(39,970)	-	2,447,275
Fair value of assets								
Brazilian Realty LLC								
Land		10,106	-	-	-	-	-	10,106
Improvements		27,324	-	-	-	-	-	27,324
Accumulated amortization		(1,891)	-	-	-	(762)	-	(2,653)
Net		25,433	-	-	-	(762)	-	24,671
Indústrias Luna S.A.								
Land		1	-	-	-	-	-	1
Improvements		3	-	-	-	-	-	3
Accumulated amortization		-	-	-	-	-	-	-
Net		3	-	-	-	-	-	3
JPL Empreendimentos Ltda.								
Land		2,915	-	-	-	-	-	2,915
Improvements		7,881	-	-	-	-	-	7,881
Accumulated amortization		(537)	-	-	-	(220)	-	(757)
Net		7,344	-	-	-	(220)	-	7,124
Solução Imobiliária Ltda.								
Land		398	-	-	-	-	-	398
Improvements		1,262	-	-	-	-	-	1,262
Accumulated amortization		(83)	-	-	-	(41)	-	(124)
Net		1,179	-	-	-	(41)	-	1,138
Manati								
Land		837	-	-	-	-	-	837
Improvements		2,381	-	-	-	-	-	2,381
Accumulated amortization		(94)	-	-	-	(80)	-	(174)
Net		2,287	-	-	-	(80)	-	2,207
(a)		50,503	-	-	-	(1,103)	-	49,400
		2,006,505	544,453	(20,238)	7,028	(41,073)	-	2,496,675

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

11. Investment properties (Continued)

	Consolidated							
	Annual depreciation rates (%)	January 1, 2009	Acquisitions	Disposal	Capitalized interest	Depreciation	Transferences	December 31, 2009
Cost								
Land	-	376,164	195,949			-	-	572,113
Improvements	2 a 4	1,078,141	50,393	(2,225)	-	-	162,062	1,288,371
Accumulated depreciation		(146,040)	-	4	-	(23,314)	-	(169,350)
Net		932,101	50,393	(2,221)	-	(23,314)	162,062	1,119,021
Installations	2 a 10	94,093	6,133	(1,965)	-	-	33,322	131,583
Accumulated depreciation		(33,548)	-	66	-	(7,754)	-	(41,236)
Net		60,545	6,133	(1,899)	-	(7,754)	33,322	90,347
Machinery, equipment, furniture and fixtures	10	7,574	1,822	-	-	-	499	9,895
Accumulated depreciation		(1,466)	-	-	-	(954)	-	(2,420)
Net		6,108	1,822	-	-	(954)	499	7,475
Other	10 a 20	2,293	291	-	-	-	-	2,584
Accumulated depreciation		(289)	(17)	-	-	(331)	-	(637)
Net		2,004	274	-	-	(331)	-	1,947
Construction in progress	-	129,769	233,152	(2,138)	199	-	(195,883)	165,099
		1,506,691	487,723	(6,258)	199	(32,353)	-	1,956,002
Fair value of assets								
Brazilian Realty LLC								
Land		10,106	-	-	-	-	-	10,106
Improvements		27,324	-	-	-	-	-	27,324
Accumulated amortization		(1,129)	-	-	-	(762)	-	(1,891)
Net		26,195	-	-	-	(762)	-	25,433
Indústrias Luna S.A.								
Land		1	-	-	-	-	-	1
Improvements		3	-	-	-	-	-	3
Accumulated amortization			-	-	-	-	-	
Net		3	-	-	-	-	-	3
JPL Empreendimentos Ltda.								
Land		2,915	-	-	-	-	-	2,915
Improvements		7,881	-	-	-	-	-	7,881
Accumulated amortization		(317)	-	-	-	(220)	-	(537)
Net		7,564	-	-	-	(220)	-	7,344
Solução Imobiliária Ltda.								
Land		398	-	-	-	-	-	398
Improvements		1,262	-	-	-	-	-	1,262
Accumulated amortization		(42)	-	-	-	(41)	-	(83)
Net		1,220	-	-	-	(41)	-	1,179
Manati								
Land		837	-	-	-	-	-	837
Improvements		2,381	-	-	-	-	-	2,381
Accumulated amortization		(28)	-	-	-	(66)	-	(94)
Net		2,353	-	-	-	(66)	-	2,287
(a)		51,592	-	-	-	(1,089)	-	50,503
		1,558,283	487,723	(6,258)	199	(33,442)	-	2,006,505

(a) The goodwill deriving from the difference between market and book values of the assets of acquired investments, has been amortized as the related assets are realized by the subsidiaries, either by depreciation or write-off as a result of asset disposal. For consolidation purposes, and in accordance with article 26 of CVM Instruction No. 247/96, goodwill resulting from the difference between market and book values of assets has been classified in the account used by the parent company to record the related asset, under property, plant and equipment.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

12. Property and equipment

	Company				
	Annual depreciation rates (%)	December 31, 2009	Acquisitions	Depreciation	December 31, 2010
Cost					
Land	-	1,209	-	-	1,209
Improvements	2 a 4	4,438	34	-	4,472
Accumulated depreciation		(238)	-	(178)	(416)
Net		4,200	34	(178)	4,056
Installations	2 a 10	397	2,111	-	2,508
Accumulated depreciation		(123)	-	(94)	(217)
Net		274	2,111	(94)	2,291
Machinery, equipment, furniture and fixtures	10	3,166	735	-	3,901
Accumulated depreciation		(1,327)	-	(453)	(1,780)
Net		1,839	735	(453)	2,121
Other	10 a 20	1,598	1,289	-	2,887
Accumulated depreciation		(531)	-	(289)	(820)
Net		1,067	1,289	(289)	2,067
Construction in progress	-	-	120	-	120
		8,589	4,289	(1,014)	11,864

	Company					
	Annual depreciation rates (%)	January 1, 2009	Acquisitions	Disposals	Depreciation	December 31, 2009
Cost						
Land	-	1,209	-	-	-	1,209
Improvements	2 a 4	3,718	807	(87)	-	4,438
Accumulated depreciation		(83)	-	1	(156)	(238)
Net		3,635	807	(86)	(156)	4,200
Installations	2 a 10	308	89	-	-	397
Accumulated depreciation		(97)	-	-	(26)	(123)
Net		211	89	-	(26)	274
Machinery, equipment, furniture and fixtures	10	2,783	389	(6)	-	3,166
Accumulated depreciation		(937)	-	1	(391)	(1,327)
Net		1,846	389	(5)	(391)	1,839
Other	10 a 20	1,221	377	-	-	1,598
Accumulated depreciation		(573)	-	-	42	(531)
Net		648	377	-	42	1,067
Construction in progress	-	-	-	-	-	-
		7,549	1,662	(91)	(531)	8,589

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

12. Property and equipment (Continued)

	Consolidated				
	Annual depreciation rates (%)	December 31, 2009	Acquisitions	Depreciation	December 31, 2010
Cost					
Land	-	3,113	-	-	3,113
Improvements	2 a 4	10,309	34	-	10,343
Accumulated depreciation		(1,770)	-	(368)	(2,138)
Net		8,539	34	(368)	8,205
Installations	2 a 10	1,654	2,111	-	3,765
Accumulated depreciation		(919)	-	(197)	(1,116)
Net		735	2,111	(197)	2,649
Machinery, equipment, furniture and fixtures	10	4,852	735	-	5,587
Accumulated depreciation		(2,848)	-	(499)	(3,347)
Net		2,004	735	(499)	2,240
Other	10 a 20	2,171	1,289	-	3,460
Accumulated depreciation		(980)	-	(300)	(1,280)
Net		1,191	1,289	(300)	2,180
Construction in progress	-	-	117	-	117
		15,582	4,286	(1,364)	18,504

	Consolidated					
	Annual depreciation rates (%)	January 1, 2009	Acquisitions	Disposals	Depreciation	December 31, 2009
Cost						
Land	-	3,113	-	-	-	3,113
Improvements	2 a 4	9,412	984	(87)	-	10,309
Accumulated depreciation		(1,333)	-	1	(438)	(1,770)
Net		8,079	984	(86)	(438)	8,539
Installations	2 a 10	1,536	118	-	-	1,654
Accumulated depreciation		(747)	-	-	(172)	(919)
Net		789	118	-	(172)	735
Machinery, equipment, furniture and fixtures	10	4,467	391	(6)	-	4,852
Accumulated depreciation		(2,297)	-	1	(552)	(2,848)
Net		2,170	391	(5)	(552)	2,004
Other	10 a 20	1,785	386	-	-	2,171
Accumulated depreciation		(1,015)	-	-	35	(980)
Net		770	386	-	35	1,191
Construction in progress	-	-	-	-	-	-
		14,921	1,879	(91)	(1,127)	15,582

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

13. Intangible assets

Intangible assets comprise systems use rights and goodwill recorded by the Company upon the acquisition of new investments during 2007 and 2008, with part of these investments being later merged.

	Annual amortization rate (*)	Company			
		December 31, 2009	Acquisition	Amortization	December 31, 2010
Goodwill at merged company (a)					
Bozano		307,067	-	-	307,067
Accumulated amortization	20	(188,457)	-	-	(188,457)
Realejo		86,611	-	-	86,611
Accumulated amortization	20	(34,645)	-	-	(34,645)
Multishopping		169,849	-	-	169,849
Accumulated amortization	20	(85,754)	-	-	(85,754)
		254,671	-	-	254,671
Goodwill upon acquisition of ownership interest (b)					
Brazilian Realty LLC.		46,434	-	-	46,434
Accumulated amortization	20	(13,232)	-	-	(13,232)
Indústrias Luna S.A.		4	-	-	4
Accumulated amortization	20	-	-	-	-
JPL Empreendimentos Ltda.		15,912	-	-	15,912
Accumulated amortization	20	(3,329)	-	-	(3,329)
Solução Imobiliária Ltda.		3,524	-	-	3,524
Accumulated amortization	14	(554)	-	-	(554)
		48,759	-	-	48,759
Copyright systems					
Software license (c)	20	6,206	13,186	-	19,392
Accumulated amortization		(1,273)	-	(2,044)	(3,317)
		4,933	13,186	(2,044)	16,075
		308,363	13,186	(2,044)	319,505

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

13. Intangible assets (Continued)

	Annual amortization rate (*)	Company			December 31, 2009
		January 1, 2009	Acquisition	Amortization	
Goodwill at merged company (a)					
Bozano		307,067	-	-	307,067
Accumulated amortization	20	(188,457)	-	-	(188,457)
Realejo		86,611	-	-	86,611
Accumulated amortization	20	(34,645)	-	-	(34,645)
Multishopping		169,849	-	-	169,849
Accumulated amortization	20	(85,754)	-	-	(85,754)
		254,671	-	-	254,671
Goodwill upon acquisition of ownership interest (b)					
Brazilian Realty LLC.		46,434	-	-	46,434
Accumulated amortization	20	(13,232)	-	-	(13,232)
Indústrias Luna S.A.		4	-	-	4
Accumulated amortization	20	-	-	-	-
JPL Empreendimentos Ltda.		15,912	-	-	15,912
Accumulated amortization	20	(3,329)	-	-	(3,329)
Solução Imobiliária Ltda.		3,524	-	-	3,524
Accumulated amortization	14	(554)	-	-	(554)
		48,759	-	-	48,759
Copyright systems					
Software license (c)	20	5,319	887	-	6,206
Accumulated amortization		-	-	(1,273)	(1,273)
		5,319	887	(1,273)	4,933
		308,749	887	(1,273)	308,363

	Annual amortization rate (*)	Consolidated				December 31, 2010
		December 31, 2009	Acquisition	Disposal	Amortization	
Goodwill at merged company (a)						
Bozano		307,067	-	-	-	307,067
Accumulated amortization	20	(188,457)	-	-	-	(188,457)
Realejo		86,611	-	-	-	86,611
Accumulated amortization	20	(34,645)	-	-	-	(34,645)
Multishopping		169,849	-	-	-	169,849
Accumulated amortization	20	(85,754)	-	-	-	(85,754)
		254,671	-	-	-	254,671
Goodwill upon acquisition of ownership interest (b)						
Brazilian Realty LLC.		46,434	-	-	-	46,434
Accumulated amortization	20	(13,232)	-	-	-	(13,232)
Indústrias Luna S.A.		4	-	-	-	4
Accumulated amortization	20	-	-	-	-	-
JPL Empreendimentos Ltda.		15,912	-	-	-	15,912
Accumulated amortization	20	(3,329)	-	-	-	(3,329)
Solução Imobiliária Ltda.		3,524	-	-	-	3,524
Accumulated amortization	14	(554)	-	-	-	(554)
		48,759	-	-	-	48,759
Copyright systems						
Software license (c)	20	6,206	13,186	-	-	19,392
Accumulated amortization		(1,273)	-	-	(2,044)	(3,317)
		4,933	13,186	-	(2,044)	16,075
Others		1,150	-	-	-	1,150
Accumulated amortization		(38)	-	-	(29)	(67)
		1,112	-	-	(29)	1,083
		309,475	13,186	-	(2,073)	320,588

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

13. Intangible assets (Continued)

	Annual amortization rate (*)	Consolidated				
		January 1, 2009	Acquisition	Disposal	Amortization	December 31, 2009
Goodwill at merged company (a)						
Bozano		307,067	-	-	-	307,067
Accumulated amortization	20	(188,457)	-	-	-	(188,457)
Realejo		86,611	-	-	-	86,611
Accumulated amortization	20	(34,645)	-	-	-	(34,645)
Multishopping		169,849	-	-	-	169,849
Accumulated amortization	20	(85,754)	-	-	-	(85,754)
		254,671	-	-	-	254,671
Goodwill upon acquisition of ownership interest (b)						
Brazilian Realty LLC.		46,434	-	-	-	46,434
Accumulated amortization	20	(13,232)	-	-	-	(13,232)
Indústrias Luna S.A.		4	-	-	-	4
Accumulated amortization	20	-	-	-	-	-
JPL Empreendimentos Ltda.		15,912	-	-	-	15,912
Accumulated amortization	20	(3,329)	-	-	-	(3,329)
Solução Imobiliária Ltda.		3,524	-	-	-	3,524
Accumulated amortization	14	(554)	-	-	-	(554)
		48,759	-	-	-	48,759
Copyright systems						
Software license (c)	20	5,319	887	-	-	6,206
Accumulated amortization		-	-	-	(1,273)	(1,273)
		5,319	887	-	(1,273)	4,933
Others		1,141	-	-	-	1,141
Accumulated amortization		-	-	-	(29)	(29)
		1,141	-	-	(29)	1,112
		309,890	887	-	(1,302)	309,475

(*) For goodwill amortization until December 31, 2008.

- (a) The goodwill recorded upon the merger of subsidiaries results from the following operations: (i) On February 24, 2006, the Company acquired all the shares of Bozano Simonsen Centros Comerciais S.A and Realejo Participações S.A. These investments were acquired for R\$ 447,756 and R\$ 114,086, respectively, and goodwill was recorded in the amount of R\$ 307,067 and R\$ 86,611, respectively in relation to the book value of the referred companies as of that date; (ii) On June 22, 2006, the Company acquired all the shares of Multishopping Empreendimento Imobiliário S.A. held by GSEMREF Emerging Market Real Estate Fund L.P, for R\$ 247,514 as well as the shares held by shareholders Joaquim Olímpio Sodré and Manoel Joaquim Rodrigues Mendes for R\$ 16,587, and goodwill was recorded in the amount of R\$ 158,931 and R\$ 10,478, respectively, in relation to the book value of Multishopping as of that date. In addition, on July 8, 2006 the Company acquired the shares of Multishopping Empreendimento Imobiliário S.A. held by shareholders Ana Paula Peres and Daniela Peres, for R\$ 900, resulting in goodwill of R\$ 448. The referred to goodwill was based on expected future profitability of these investments.
- (b) As a result of investments acquired in 2007, the Company recorded goodwill based on future profitability in the total amount of R\$ 65,874, which were amortized until December 31, 2008 considering the term, extent and rate of results estimated in the report prepared by independent experts, not exceeding ten years.
- (c) Aimed to strengthen its internal control system while sustaining a well structured growth strategy, the Company started implementing SAP R/3 System. To enable implementation, the Company executed a service agreement in the amount of R\$ 3,300 with IBM Brasil - Indústria, Máquinas e Serviços Ltda. on June 30, 2008. Additionally, the Company entered into two software licensing and maintenance agreements with SAP Brasil Ltda., both dated June 24, 2008, whereby SAP granted the Company a non-exclusive software license for an indefinite period of time. The license purchase amount was set at R\$ 1,795.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

14. Loans and financing

	Index	Average annual Interest rate	December 31, 2010		December 31, 2009		January 1, 2009	
			Company	Consolidated	Company	Consolidated	Company	Consolidated
Current								
BNDES (a)	TJLP e UMBNDES	5.2%	1,455	1,455	4,404	4,404	14,040	15,394
Bradesco (d)	CDI	129.2% CDI	15,509	15,509	15,772	15,772	82,361	82,361
Real (b)	TR	10%	18,906	18,906	18,000	18,000	8,518	8,518
Itaú (c)	TR	10%	2,319	2,319	2,187	2,187	-	-
Banco IBM (e)	CDI	0.79%	1,290	1,290	1,271	1,271	1,061	1,061
Banco IBM (i)	CDI	1.48%	1,903	1,903	-	-	-	-
BNDES PKS Expansão (g)	TJLP	3.53%	9,465	9,465	-	-	-	-
Real BHS Expansão V (h)	TR	10%	11,213	11,213	-	-	-	-
Real BHS EXP raising costs			(148)	(148)	-	-	-	-
Itaú PSC raising costs			(140)	(140)	-	-	-	-
Companhia Real de Distribuição (f)	-	-	26	26	26	26	26	26
			61,798	61,798	41,660	41,660	106,006	107,360
Non current								
BNDES (a)	TJLP e UMBNDES	5.2%	-	-	1,448	1,448	5,754	5,754
Bradesco (d)	CDI	129.2% CDI	-	-	15,000	15,000	-	-
Real (b)	TR	10%	85,075	85,075	99,000	99,000	110,721	110,721
Itaú PSC (j)	TR	9.75%	36,687	36,687	-	-	-	-
Itaú SAF (c)	TR	10%	9,084	9,084	10,747	10,747	7,558	7,558
Banco IBM (e)	CDI	0.79%	1,720	1,720	3,035	3,035	4,034	4,034
Banco IBM (i)	CDI	1.48%	5,162	5,162	-	-	-	-
BNDES PKS Expansão (g)	TJLP	3.53%	24,105	24,105	-	-	-	-
Real BHS Expansão V (h)	TR	10%	85,966	85,966	-	-	-	-
Real BHS EXP raising costs			(756)	(756)	-	-	-	-
Itaú PSC raising costs (j)			(1,426)	(1,426)	-	-	-	-
Companhia Real de Distribuição (f)	-	-	761	761	805	805	845	845
			246,378	246,378	130,035	130,035	128,912	128,912

Noncurrent loans and financing mature as follows:

- (a) Loans and financing with BNDES, obtained for the construction of shopping mall MorumbiShopping, on may 2005, is secured by mortgaged of 25% of the undivided interest of Parkshopping. Loans raised to build ParkShopping Barigui have already been settled, remaining only a balance regarding the loan for construction for social purposes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

14. Loans and financing (Continued)

- (b) On September 30, 2008, the Company entered into a financing agreement with Banco ABN AMRO Real S.A. to build a shopping mall located in Porto Alegre, in the amount of R\$ 122,000. This financing bears 10% interest p.a. plus the variation in the Referential Rate (TR), and it is amortizable in 84 monthly consecutive installments, the first of which maturing July 10, 2009. This effective interest rate contractually provided was renegotiated at November 5, 2010, if either of the following conditions materializes: (a) pricing (interest rate + TR) lower than 95% of the average CDI for the last 12 months; or (b) pricing (interest rate + TR) higher than 105% of the average CDI for the last 12 months. After this, interest on this financing reached 9.30% p.a. plus Referential rate (TR). As loan guarantee, the Company provided statutory lien on the property subject matter of financing, including all of its accessions and improvements that come to be made, and constituted fiduciary assignment of the credits referring to receivables from rent contracts and assignment of rights in connection with the property subject matter of financing, which shall correspond to at least 150% of the amount of a monthly installment until full debt settlement.

This financing agreement has covenants determining that the Company must comply with leverage index equal to or below 1(one), also total bank debt must be equal to or lower than 4 times EBITDA, to be computed annually based on the Company's financial statements. At December 31, 2010, the Company was in full compliance with all of the contractual conditions.

- (c) On May 28, 2008, the Company and the other Shopping Anália Franco venturers entered into a credit facility agreement with Banco Itaú S.A. to renovate and expand the respective real property in the total amount of R\$ 45,000, of which 30% are under the Company's responsibility. This facility bears 10% interest p.a. plus TR and is amortizable in 71 monthly consecutive installments, the first of which maturing January 15, 2010. As collateral for this debt, the Company assigned Shopping Center Jardim Anália Franco in trust to Banco Itaú.
- (d) In October and December 2008, the Company executed three unsecured credit certificates with Banco Bradesco in the total amount of R\$ 30,000 to strengthen its cash management, as follows:

Initial date	Renegotiation		Amount	Interest rate
	date			
10/09/2008	04/07/2009		30,000	129,2% CDI

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

14. Loans and financing (Continued)

On April 7, 2009, the Company entered into a Private Instrument for Amendment to the bank credit bill, which extended the original bill maturity date of April 7, 2009 to the following maturities: R\$ 15,000 - September 29, 2010 and R\$ 15,000 - March 28, 2011, and also changed interest rate from 135% of CDI to 129.2% of CDI. The payable amount was R\$ 15,509, on December 31, 2010.

- (f) As mentioned in Note 12.c, the Company executed a service agreement with IBM Brasil - Indústria. Máquinas e Serviços Ltda., on June 30, 2008, and entered into two software licensing and maintenance agreements with SAP Brasil Ltda., both dated June 24, 2008. Pursuant to the 1st Addendum to the respective agreements, executed in July 2008, the amount of services related therewith was the subject of lease financing by the Company to Banco IBM S.A. whereby the Company assigned to Banco IBM S.A the obligation to pay for the services under such conditions as established in the agreements. As consideration therefore, the Company will refund Banco IBM for all amounts spent in connection with the implementation, in 48 monthly successive installments of approximately 2.1% of the total cost plus accrued DI-Over rate daily variation, the first installment falling due in March 2009. To date, total amount under lease is R\$ 5,095.
- (g) The balance payable to Companhia Real de Distribuição relates to the intercompany loan agreement with subsidiary Multishopping for the beginning of construction of BarraShopping Sul, payable in 516 monthly tranches of R\$ 4, as from the hipermarket inauguration date in November 1998, with no indexation.
- (h) On December 21, 2009 the Company entered into Loan Facility Agreement No. 09.2.1096.1 with the National Bank for Economic and Social Development (BNDES) in order to raise funds to expand the façade of ParkShopping. Such loan was subdivided into R\$ 36,624 for sub-loan "A" and R\$ 1,755 for sub-loan "B". Long-term interest rate (TJLP), plus 3.53% p.a. (BNDES's fund-raising cost), will be levied on sub-loan "A", whilst interest of 4.5% p.a. will be levied on sub-loan "B", which is intended for purchase of machinery and equipment. On January 18, 2010 the Company was granted R\$36,624 regarding sub-loan "A". on March 30, 2010 received R\$ 700 regarding sub-credit "B". Both sub-credits will be amortized in 48 monthly and consecutive installments, the first maturing on August 15, 2010. will be paid in 48 monthly and consecutive installments, the first falling due on August, 15, 2010.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

14. Loans and financing (Continued)

- (i) On November 19, 2009 the Company signed with Banco ABN AMRO Real S.A. a private agreement to raise funds to expand BH Shopping, for R\$ 102,400. The charges levied on such fund-raising are 10% p.a. plus Referential Rate (TR), repayable in 106 monthly and consecutive installments, the first falling due on December 15, 2010. As a guarantee for the funds, the Company chattel mortgaged 35.31% of the property subject matter of the fund-raising and assigned in trust receivables from rent contracts and assignment of rights on the real estate subject matter of fund-raising the Company is entitled to, which shall consist of at least 120% of the amount of a monthly installment until the debt is fully repaid. On December 31, 2010 Banco ABN AMRO Real S.A. released a tranche of R\$ 97,280. The contract includes an acceleration clause in case the total debt exceeds the amount equivalent to four times EBITDA (earnings before interest, taxes, depreciation and amortization). As of December 31, 2010 the Company was in full performance of all contractual conditions.
- (j) On January 28, 2010 the Company signed with Banco IBM S.A. a loan facility agreement for a cap amount of R\$ 15,000 to purchase IT equipment and/or software programs and IT-related products and/or services. The charges levied on this loan are CDI + 1.48% p.a., as from the date of release of each tranche. Repayment will be in 8 semi-annual installments, in a total of 48 months. As of December 31, 2010, Banco IBM S.A had released R\$ 7,095 relating to this contract.
- (k) On August 10, 2010 the Company entered into with Banco Itaú Unibanco S.A. a bank credit certificate for construction of ParkShoppingSãoCaetano for R\$ 140,000. Charges on such loan consist of TR plus 9.75% p.a., to be amortized in 99 monthly and consecutive installments, the first of which maturing on June 15, 2012. As a loan guarantee, the Company entered into an assignment in trust of credits on receivables from rent contracts and assignment of rights for use of stores of the undertaking subject matter of the loan, which should consist of at least 120% of the amount of a monthly installment until the debt is fully settled. Until December 31, 2010 no amount was released. The Company incurred costs to raise R\$ 1,550, equivalent to 1% of the total loan, plus related taxes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

14. Loans and financing (Continued)

Additionally, on November 30, 2010, the Company entered into a bank credit certificate with Banco Itaú Unibanco S.A. for construction of Shopping VillageMall in the amount of R\$ 270,000. The charges on this financing correspond to Referential Rate (TR) plus 9.75% interest per annum, and its amortization will be in 114 consecutive monthly installments, the first of which maturing on March 15, 2013. As collateral for the loan, the Company will mortgage the land and all accessions, buildings, facilities and improvements within the venture and which may be added thereto until August 1, 2011. In addition, the Company established a fiduciary assignment of receivables from lease contracts and assignment of usage rights to the shops of the venture being financed, which should represent at least 100% of the amount of one monthly installment until the debt is fully settled. Until December 31, 2010 there was no release of any amount. The Company will incur borrowing costs equivalent to 1% of the total loan plus taxes.

Long-term loans and financing mature as follows:

	December 31, 2010		December 31, 2009		January 1, 2009	
	Company	Consolidated	Company	Consolidated	Company	Consolidated
2010	-	-	-	-	23,743	23,743
2011	-	-	38,020	38,020	20,808	20,808
2012	46,808	46,808	21,572	21,572	18,828	18,828
2013	48,205	48,205	19,866	19,866	18,741	18,741
2014	43,364	43,364	20,213	20,213	18,337	18,337
2015 onwards	108,001	108,001	30,364	30,364	28,455	28,455
	246,378	246,378	130,035	130,035	128,912	128,912

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

15. Debentures

On June 19, 2009, the Company completed the 1st Issue of Primary Public Distribution Debentures, involving issue of 100 simple uncertified registered unsecured debentures not convertible into shares, with a sole series, for public distribution with restricted efforts, with firm guarantee, with nominal unit value of R\$ 1,000,000.00 (one million reais). The additional and supplementary lots of up to 35% have not been exercised. The operation matures within 721 (seven hundred and twenty-one) days, also the debentures will be remunerated at 117% (one hundred and seventeen percent) of the accumulated variation of the average daily rates for one-day financial deposits, "over extra group", calculated and disclosed daily by CETIP, in the daily bulletin on its Internet page ("DI-Over Rate") per year, considering 252 business days. Amortization of the amount of principal related to the debentures will be fully made on maturity date and remuneration payment will be made according to the following table as from the issue date.

1st Remuneration payment date - December 17, 2009 (181 days as from the issue date)

2st Remuneration payment date - June 15, 2010 (361 days as from the issue date)

3st Remuneration payment date - December 12, 2010 (541 days as from the issue date)

4st Remuneration payment date - June 10, 2011 (721 days as from the issue date)

Under the debentures deed, the Company must comply with the following financial indices, to be verified quarterly based on the Company's consolidated quarterly information: Net Debt /EBITDA equal to or lower than 2.75 and EBITDA/Net Financial Expense, related to the four quarters immediately before, equal to or higher than 2.75. At December 31, 2010, the Company was in full compliance with all the contractual conditions.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

16. Property acquisition obligations

	December 31, 2010	December 31, 2009	January 1, 2009
	Company and Consolidated	Company and Consolidated	Company and Consolidated
Current			
Land Barra (a)	5,848	22,143	20,956
PSS - Seguridade Social (b)	22,608	20,656	19,133
Land Morumbi (c)	-	2,550	2,550
Land São Caetano (d)	6,766	5,520	-
Land Jundiá (e)	6,498	10,984	-
Others	269	269	2,583
	41,989	62,122	45,222
Non current			
Land Barra (a)	-	5,536	26,195
PSS - Seguridade Social (b)	30,056	48,199	63,854
Land São Caetano (d)	59,157	58,822	-
Land Jundiá (e)	9,748	14,924	-
	98,961	127,481	90,049

- (a) With the public title registration dated March 11, 2008, the Company acquired a plot of land located in Barra da Tijuca - Rio de Janeiro, destined for the construction of a shopping mall and other integrated structures. The value of the acquisition was R\$ 100,000, to be settled in the following manner: (a) R\$ 40,000 upon the act of signing the public title for purchase and sale; (b) R\$ 60,000, in 36 equal monthly installments, plus interest in the amount of 12% per annum, with the first installment being due 30 days after the signing date of the public title.
- (b) In December, 2006, the Company acquired from PSS, the total number shares issued by SC Fundo de Investimento Imobiliário, for R\$ 40,000, from which R\$ 16,000 were to be paid up front in 60 monthly and consecutive installments of R\$ 494, already including annual interest of 9% by French amortization method, plus monthly monetary restatement according to the variation of National Consumer Price Index (IPCA), the first of which was falling due on January 20, 2007 and the remaining, on the same day of subsequent months. Additionally, the Company acquired from PSS 10.1% of ownership interest in MorumbiShopping for R\$ 120,000. The amount of R\$ 48,000 was paid on the deed date and the remaining balance will be settled in seventy-two consecutive monthly installments, plus annual interest of 7% based on the French amortization method and adjustments for the IPCA variation.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

16. Property acquisition obligations (Continued)

- (c) In December 2006, the Company entered into an irrevocable private agreement with several individuals and legal entities for sale and purchase of two plots of land in São Paulo for R\$ 19,800, of which R\$ 4,000 were paid upon execution of the agreement and R\$ 13,250 on February 20, 2007. The amount of R\$ 2,550 was paid through assignment of the units under construction of “Centro Empresarial MorumbiShopping”. The Company also acquired four plots of land adjacent to the venture for R\$ 2,694, already fully paid.
- (d) Through a purchase and sale agreement dated July 9, 2008, the Company acquired land in the city of São Caetano do Sul. The conclusion of negotiations and the effective acquisition of the property are subject to certain contractual obligations imposed by the selling party. The acquisition amounted to R\$ 81,000, with R\$10,000 paid on signature of the contract. On September 8, 2009, through a partial renegotiation purchase and sale private instrument agreement, among others, the parties recognized the outstanding balance to be R\$ 71,495, partially adjustable to be settled as follows: (i) R\$ 4,000 on September 11, 2009; (ii) R\$ 4,000 on December 10, 2009; (iii) R\$ 247 on October 10, 2012 adjusted in accordance with the variation in the IGP-M index plus interest at 3% per year as from the instrument signature date; (iv) R\$ 31,748 in 64 monthly installments, adjusted in accordance with the variation in the IGP-M index, amounting to R\$ 540 with the first installment maturing on January 10, 2010; and (v) R\$ 31,500 adjustable (if the amount is paid in cash), that should be made through payment in kind of a 6,600 m² constructed area in a utilized part of a specific building as specified in the instrument. In the event that the Company does not inaugurate the shopping center in the 36 month period from the date of the agreement signature it will be bound, as from the thirty seventh month, to make payment of R\$ 31,500 in cash, in 36 adjustable monthly installments in accordance with the IGP-M index, to be increased by 3% per year, and from the date of the instrument’s signature. This clause is no longer in force since the mall was launched on November 5, 2009.
- (e) Through a public deed of December 16, 2009 the Company purchased a plot of land in the city of Jundiaí for R\$46,533, R\$ 700 paid in 2008, and R\$ 20,000 on the date the deed was entered into. The remaining R\$ 25,833 will be settled as follows: R\$ 1,665 on February 11, 2010, R\$ 1,665 in April 2010, R\$ 1,670 in June 2010, and 42 monthly installments of R\$ 496, the first falling due on January 11, 2010 and the others on the same days of subsequent months. All payments will be updated by the change in IPCA, plus interest on arrears of 7.2% p.a., as from the date of the deed.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

16. Property acquisition obligations (Continued)

Noncurrent property acquisition obligations mature as follows:

	December 31, 2010	December 31, 2009	January 1, 2009
	Company and Consolidated	Company and Consolidated	Company and Consolidated
2010	-	-	40,089
2011	-	38,182	24,372
2012	32,257	28,388	13,350
2013	36,496	33,090	12,238
2014	18,873	16,932	-
2015	11,335	10,889	-
	98,961	127,481	90,049

17. Taxes paid in installments

	Consolidated		
	December 31, 2010	December 31, 2009	January 1, 2009
Current			
Tax assessments (a)	290	279	267
	290	279	267
Non current			
Tax assessments (a)	1,122	1,359	1,574
	1,122	1,359	1,574

- (a) Refers to tax delinquency notices received in July 2003 resulting from underpayment of income and social contribution taxes in 1999. The subsidiaries Multishopping and Renasce opted to participate in the installment payment plan of Law No. 10684/03. and the amount of the obligation was divided into 180 monthly installments beginning in July 2003. In addition, subsidiary Renasce opted to participate in the installment payment plan of the debt referring to the tax claim of the National Institute of Social Security - INSS, due to lack of payment of INSS on third party labor, which was secured by the bank guarantee contract with Banco ABC Brasil S.A. up to 2004. The installment payment is restated by the Long-term Interest Rate - TJLP.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

18. Contingencies

Contingencies	Company			December 31, 2010
	December 31, 2009	Additions	Discharges	
Pis and Cofins (a)	12,199	-	-	12,199
Civil Contingencies (c)	5,225	28	(1)	5,252
Labor Contingencies	1,412	768	-	2,180
Provision for Pis e Cofins (b)	1,064	-	-	1,064
Provision for IOF (b)	158	6	(21)	143
Tax Contingencies	14	-	-	14
	<u>20,072</u>	<u>802</u>	<u>(22)</u>	<u>20,852</u>

Contingencies	Company				December 31, 2009
	January 1, 2009	Additions	Discharges	Merger	
Pis and Cofins (a)	12,920	-	(1,594)	873	12,199
Civil Contingencies (c)	5,129	936	(840)	-	5,225
Labor Contingencies	354	1,291	(244)	11	1,412
Provision for Pis and Cofins (b)	1,064	-	-	-	1,064
Provision for IOF (b)	175	158	(175)	-	158
Tax Contingencies	21	8	(15)	-	14
	<u>19,663</u>	<u>2,393</u>	<u>(2,868)</u>	<u>884</u>	<u>20,072</u>

Contingencies	Consolidated			December 31, 2010
	December 31, 2009	Additions	Discharges	
Pis and Cofins (a)	12,168	-	-	12,168
INSS	31	-	-	31
Civil Contingencies (c)	5,290	58	(1)	5,347
Labor Contingencies	1,504	802	(92)	2,214
Provision for Pis and Cofins (b)	1,064	-	-	1,064
Provision for IOF (b)	946	6	(571)	381
Tax Contingencies	432	25	-	457
	<u>21,435</u>	<u>891</u>	<u>(664)</u>	<u>21,662</u>

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

18. Contingencies (Continued)

Contingências	Consolidated				December 31, 2009
	January 1, 2009	Additions	Discharges	Merger	
Pis and Cofins (a)	13,793	-	(752)	(873)	12,168
INSS	63	-	(32)	-	31
Civil Contingencies (c)	5,167	963	(840)	-	5,290
Labor Contingencies	516	1,303	(304)	(11)	1,504
Provision for Pis and Cofins (b)	1,064	-	-	-	1,064
Provision for IOF (b)	1,402	946	(1,402)	-	946
Tax Contingencies	18	426	(12)	-	432
	<u>22,023</u>	<u>3,638</u>	<u>(3,342)</u>	<u>(884)</u>	<u>21,435</u>

Provisions for contingencies were established to cover probable losses in administrative and legal proceedings related to tax and labor issues, with expectation of probable losses, in an amount considered sufficient by Company Management, based on the legal advice and assessment, as follows:

- In 1999, the Company started to question in court PIS and COFINS levy on the terms of Law 9718 of 1998. The payments related to COFINS have been calculated according to ruling legislation and deposited in court. In September 2009, a final decision on this case was handed down with the Supreme Court partially finding in favor of the Company, judging that the levy of COFINS on revenues other than those stemming from sales of goods and services is unconstitutional. It also found that the levy of COFINS on revenues from the sale of property leases is constitutional. Accordingly, the Company recorded a reversal in the provision amounting to R\$ 1,594.
- The provisions for PIS, COFINS and IOF result from financial transactions with related parties until December 2006. As from 2007, the Company has been paying IOF normally.
- In March 2008, based on the opinion of its legal advisors, the Company established a provision for contingencies, amounting to R\$ 3,228, and made a judicial deposit in the same amount. Such provision consists of claims for damages filed by relatives of victims of a homicide on the premises of Cinema V at Morumbi Shopping at November 03, 1999.

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

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

18. Contingencies (Continued)

In addition to the above proceedings the Company is defendant in several other civil proceedings assessed by the legal advisors as involving possible losses estimated at R\$ 38,690 on December, 2010 (R\$ 32,430 on December 31, 2009).

Taxes and social contributions determined and paid by the Company and your subsidiaries are subject to review by the tax authorities for different statute barring periods.

On June 26, 1995, the consortium formed by the company (successor to Multishopping Empreendimentos Imobiliários S.A.) and the companies 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. This amount should be deducted from the income earned by the Club after opening the shopping mall located in Gávea, Rio de Janeiro, which was the object of the consortium. However, the project was cancelled, and Clube de Regatas do Flamengo did not return the amount advanced. The consortium members then decided to start a lawsuit demanding due compensation. The court decision, which became final, ordered the execution of the mentioned amount, including any applicable adjustments. As the Company is waiting for the exactly determination of the amounts to be reimbursed, as well as of its realization, this contingent asset was not accounted for.

19. Deposits in court

Deposit in court	Company			December 31, 2010
	December 31, 2009	Addition	Discharge	
Pis and Cofins	12,199	-	-	12,199
Civil deposits	3,683	-	-	3,683
Labor deposits	42	-	-	42
Others	4,664	1,703	-	6,367
	<u>20,588</u>	<u>1,703</u>	<u>-</u>	<u>22,291</u>

Deposit in court	Company				December 31, 2009
	January 1, 2009	Addition	Discharge	Merger	
Pis e Cofins	12,920	-	(1,594)	873	12,199
Civil deposits	3,554	129	-	-	3,683
Labor deposits	30	12	-	-	42
Others	1,683	2,981	-	-	4,664
	<u>18,187</u>	<u>3,122</u>	<u>(1,594)</u>	<u>873</u>	<u>20,588</u>

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

19. Deposits in court (Continued)

Deposit in court	Consolidated			December 31, 2010
	December 31, 2009	Addition	Discharge	
Pis and Cofins	12,920	-	-	12,920
INSS	31	-	-	31
Civil deposits	3,683	-	-	3,683
Labor deposits	42	-	-	42
Others	4,863	1,661	-	6,524
	<u>21,539</u>	<u>1,661</u>	<u>-</u>	<u>23,200</u>

Deposit in court	Consolidated				December 31, 2009
	January 1, 2009	Addition	Discharge	Merger	
Pis and Cofins	13,793	-	-	(873)	12,920
INSS	63	-	(32)	-	31
Civil deposits	3,554	129	-	-	3,683
Labor deposits	41	1	-	-	42
Others	3,031	1,843	(11)	-	4,863
	<u>20,482</u>	<u>1,973</u>	<u>(43)</u>	<u>(873)</u>	<u>21,539</u>

20. Transactions and balances with related parties

Company	December 31, 2010	
	Amounts receivable	Sundry loans and advances
	Noncurrent	Noncurrent
MPH Empreend. Imob. Ltda.	-	68,240
Manati Empreendimentos e Participações S.A.	149	-
Total at December 31, 2010	<u>149</u>	<u>68,240</u>

Company	December 31, 2009			
	Amounts receivable	Sundry loans and advances	Amounts payable	Financial income
	Noncurrent	Noncurrent	Current	
RENASCE - Rede Nacional de Shopping Centers Ltda.	1	-	-	-
JPL Empreendimentos Ltda.	-	-	16	-
CAA - Corretagem Imobiliária Ltda.	211	-	-	14
MPH Empreend. Imob. Ltda.	-	66,739	-	-
Multiplan Admin. Shopping Center	1	-	-	-
WP Empreendimentos Participações Ltda.	-	-	-	183
Manati Empreendimentos e Participações S.A.	148	8,740	-	-
Total at december 31, 2009	<u>361</u>	<u>75,479</u>	<u>16</u>	<u>197</u>

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

20. Transactions and balances with related parties

Company	January 1, 2009				Financial income
	Amounts receivable	Sundry loans and advances		Amounts Payable	
	Noncurrent	current	Noncurrent	Current	
RENASCE - Rede Nacional de Shopping Centers Ltda.	1	-	-	-	-
JPL Empreendimentos Ltda.	25	25	-	188	-
CAA - Corretagem Imobiliária Ltda.	196	7	-	-	34
MPH Empreend. Imob. Ltda.	-	14	22,711	-	-
Multiplan Admin. Shopping Center	8	4	-	-	-
WP Empreendimentos Participações Ltda.	1,687	-	-	-	330
Manati Empreendimentos e Participações S.A.	-	48	806	-	-
Brazilian Realty	73	73	-	-	-
Solução Imobiliária Ltda.	49	5	-	-	-
Haleiwa	-	-	166	-	-
Total at January 1, 2009	2,039	176	23,683	188	364

Consolidated	December 31, 2010	
	Amounts receivable	Amounts payable
	Noncurrent	Current
Helper Comércio e Participações Ltda.	-	26,034
Plaza Shopping Trust SPCO Ltda.	-	68,240
Manati Empreendimentos e Participações S.A.	75	-
Total at December 31, 2010	75	94,274

Consolidado	December 31, 2009	
	Amounts receivable	Amounts payable
	Noncurrent	Current
Helper Comércio e Participações Ltda.	-	25,459
Plaza Shopping Trust SPCO Ltda.	-	66,739
WP Empreendimentos Participações Ltda.	-	16
Manati Empreendimentos e Participações S.A.	74	-
Total at December 31, 2009	74	92,214

Consolidado	January 1, 2009	
	Amounts receivable	Amounts payable
	Noncurrent	Current
Helper Comércio e Participações Ltda.	-	8,581
Plaza Shopping Trust SPCO Ltda.	-	15,034
WP Empreendimentos Participações Ltda.	1,687	-
Others	-	165
Total at January 1, 2009	1,687	23,780

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

20. Transactions and balances with related parties (Continued)

Until December 31, 2010 the company made several advances to its subsidiary MPH Empreendimentos Imobiliários, in a total amount of R\$ 68,240, for the purpose of financing the costs of the construction of the Vila Olímpia project, in which MPH held a 71.5% share. These amounts are not being updated, and the Company intention is that the related balance will be capitalized in the future. The Company has ownership interest of 41.96% in MPH Empreendimentos Imobiliários.

The balances payable to Helper Comércio e Participações Ltda. And Plaza Shopping Trust SPCO Ltda. (consolidated) refer to advances made by these companies to subsidiary MPH Empreendimentos Imobiliários for future capitalization purposes, in order to finance Vila Olímpia venture works, in which MPH holds interest of 71.5%.

Some related party transactions are carried out under specific conditions and may not be equivalent to those that prevail in arm's length transactions.

21. Deferred income

	December 31, 2010		December 31, 2009		January 1, 2009	
	Company	Consolidated	Company	Consolidated	Company	Consolidated
Revenue related to assignment of rights	165,299	205,469	98,316	149,444	86,362	125,679
Unallocated costs of sales	(21,207)	(23,390)	(17,279)	(19,161)	(195)	(1,127)
Other revenues	1,654	1,654	1,694	1,694	1,746	1,746
	<u>145,746</u>	<u>183,733</u>	<u>82,731</u>	<u>131,977</u>	<u>87,913</u>	<u>126,298</u>
Current	31,828	42,163	43,796	54,279	20,604	21,264
Noncurrent	<u>113,918</u>	<u>141,570</u>	<u>38,935</u>	<u>77,698</u>	<u>67,309</u>	<u>105,034</u>

22. Shareholders' equity

a) Capital

On September 28, 2009, the Company completed its Initial Public Distribution Offer in which 26,000,000 new shares were issued. Sales in the initial share offer, not including the follow-on public offer, amounted to R\$ 689,000, which resulted in an increase of R\$ 665,735 in the Company's capital, net of estimated commission fees and expenses. On October 9, 2009, 3,900,000 shares in a follow-on public offer were issued for R\$ 103,350 resulting in an increase of R\$ 99,938 in the Company's capital.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

22. Shareholders' equity (Continued)

a) Capital (Continued)

The Board of Directors' Meeting held on January 18, 2010, approved private issue of 1,497,773 registered common shares, with no par value, for issue price of R\$ 11.06 per share, to increase Company capital by R\$ 16,565. This share issue resulted from exercise of the share purchase option granted to the Company's CEO, Mr. José Isaac Peres, under the Company's Share Purchase Plan, approved by the Common Shareholders' Meeting of July 6, 2007, as described in Note 21(g). Share issue observed authorized capital limit provided for by article 8, paragraph 1 of the Company's articles of incorporation

At December 31, 2010 and 2009 the parent company's capital is represented by 179,197,214 and 177,699,441 total. The total amount consists in common and preferred, registered and book entry shares, with no par value. distributed as follows:

Shareholder	Number of shares					
	December 31, 2010			December 31, 2009		
	Common	Preferred	Total	Common	Preferred	Total
Multiplan Planejamento, Participações e Administração S.A.	55,866,130	-	55,866,130	57,587,470	-	57,587,470
1700480 Ontário Inc.	40,285,133	11,858,345	52,143,478	40,285,133	11,858,345	52,143,478
José Isaac Peres	200,000	-	200,000	2,247,782	-	2,247,782
Maria Helena Kaminitz Peres	100,000	-	100,000	650,878	-	650,878
Shares Outstanding	69,783,734	-	69,783,734	64,665,971	-	64,665,971
Board of Directors and Officers	52,494	2	52,496	63,860	2	63,862
Total of shares outstanding	166,287,491	11,858,347	178,145,838	165,501,094	11,858,347	177,359,441
Shares in Treasury Department	1,051,376	-	1,051,376	340,000	-	340,000
	167,338,867	11,858,347	179,197,214	165,841,094	11,858,347	177,699,441

b) Legal reserve

Legal reserve is determined based on 5% of net profit as prescribed by prevailing legislation and the Company's bylaws, capped at 20% of capital.

c) Expansion reserve

In accordance with provisions set forth in the Company's bylaws, the remaining portion of net profit after absorption of accumulated losses, establishment of legal reserve and distribution of dividends was earmarked for expansion reserve, which is intended to secure funds for new investments in capital expenditures, current capital, and expanded corporate activities.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

22. Shareholders' equity (Continued)

d) Special goodwill reserve - merger

As explained in Notes 9, upon Bertolino's merger into the Company, the goodwill recorded on Bertolino's balance sheet deriving from the purchase of Multiplan capital participation, net of provision for net equity make-whole, was recorded on the Company's books, after said merger, under a specific asset account - deferred income and social contribution taxes, as per contra to special goodwill reserve upon merger, pursuant to the provisions set forth in article 6°, paragraph 1° of CVM Instruction No. 319/99. This goodwill will be amortized according with the same expected future profitability that gave rise to it, over a term of 5 years.

e) Treasury shares

On February 3, 2010 the Company's board of directors approved the renewal of the share issue repurchase program, matured in November 2009, having maintained the same characteristics of the previous program. The program intends to invest a portion of the Company's funds to maximize the shareholder value, as well as support stock option exercises, if any.

The Company has then decided to invest a portion of its funds available in the repurchase of shares in order to maximize shareholder's value, and support stock option exercises, if any. Therefore, to date the Company purchased 1,316,400 common shares (340,000 on December 31, 2009). In the year of 2010, 265,024 shares were used for settlement of options exercise. At December 31, 2010, the number of treasury shares corresponds to 1,051,376 shares. For further detail, see Note 22 (g).

At December 31, 2010, the percentage of outstanding shares is 38.94% (36.39% at December 31, 2009). The shares were purchased at a weighted average cost of R\$ 29.64 at a minimum cost of R\$ 9.80, and a maximum cost of R\$ 37.94 (amounts in reais). The share market value calculated by reference to the last price quotation before year end was R\$ 36.90 (amount in reais).

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

22. Shareholders' equity (Continued)

f) Dividends

As per the Company's bylaws, the minimum mandatory dividend corresponds to 25% of net profit, as adjusted pursuant to the Brazilian legislation.

	<u>2010</u>
Net profit	<u>216,712</u>
Aproportionation to legal reserve	<u>(10,836)</u>
Proposed dividends	<u>51,469</u>
Destination percentage	<u>25%</u>
Dividends per share	R\$ 28.89

g) Stock options plan

The Extraordinary Shareholders' Meeting of July 6, 2007, approved the terms and conditions of the Company's Stock Options Plan to become effective from this date, for Company's administrators, employees and service providers. The Plan is administered by the Company's board of directors.

The Stock Option Plan is limited to a maximum amount of options resulting in a dilution of 7% of the Company' capital on the date of creation of each Annual Program. The dilution consists of the percentage represented by the number of stock options shared by the total number of shares issued by the Company. The percentage of dilution at December 31, 2010 is 2.65%. The percentage of dilution did not consider the issue of new shares.

The Stock Option Plan beneficiaries are allowed to exercise their options in a four years' time from the date of granting. Vesting period will be of up to two years, with releases of 33.34% as from the second anniversary, 33.33% as from the third anniversary, and 33.33% as from the fourth anniversary.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

22. Shareholders' equity (Continued)

g) Stock options plan (Continued)

Shares price shall be based on average quotation on the São Paulo Stock Exchange (Bovespa) of the Company's shares of the same class and type for the 20 (twenty) days immediately before option granting date, weighted by trading volume, monetarily restated by reference to the Amplified National Consumer Price Index (IPCA) variation published by the Brazilian Institute of Geography and Statistics (IBGE), or by any other index determined by the Board of Directors, until effective option exercise date.

Five stock option distributions were made, distributed over the years, in 2007, 2008, 2009 and 2010 which observe the maximum limit of 7% provided for by the plan, as summarized below:

- a. Program 1 - On July 6, 2007, the Company's Board of Directors approved the 1st Stock Options Plan for purchase of 1,497,773 shares, which may be exercised after 180 days as from the first public offering of shares made by the Company. Despite the aforementioned Plan's general provisions, the option exercise price is of R\$ 9,80 restated by reference to IPCA variation, published by IBGE, or another index chosen by the Board of Directors.
- b. Program 2 - On November 21, 2007, the Company's Board of Directors approved the 2nd Stock Options Plan for purchase of 114,000 shares. Out of this total, 16,000 shares were granted to an employee who left the Company before the minimum term to exercise the option. The stock option exercise price is R\$ 22.84, restated by the Extended Consumer Price Index (IPCA) announced by the IBGE, from the grant date to the date the stock option is exercised.
- c. Program 3 - On June 4, 2008, the Company's Board of Directors approved the 3rd Stock Options Plan for purchase of 1,003,400 shares. Out of this total, 68,600 shares were granted to an employee who left the Company before the minimum term to exercise the option. The stock option exercise price is R\$ 20.25, restated by the Extended Consumer Price Index (IPCA) announced by the IBGE, from the grant date to the date the stock option is exercised.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

22. Shareholders' equity (Continued)

g) Stock options plan (Continued)

- d. Program 4 - On April 13, 2009, the Company's board of directors approved the 4th Share Purchase Option Plan related to shares issued by the Company, approving granting of 1,300,100 such shares. Out of these, 44,100 shares were granted to an employee who left the Company before the minimum period to exercise the option. The stock option exercise price is R\$ 15.13, restated by the Extended Consumer Price Index (IPCA) announced by the IBGE, from the grant date to the date the stock option is exercised.
- e. Program 5 - On March 4, 2010, the Company's Board of Directors approved the 5th Share Purchase Option Program of the Company, involving 966,752 shares. The stock option exercise price is R\$ 30.27, restated by the Extended Consumer Price Index (IPCA) announced by the IBGE, from the grant date to the date the stock option is exercised.

The distributions in (b), (c), (d) and (e) follow the parameters defined by the Stock Options Plan described above.

On January 7, 2010 the President Director Mr. José Isaac Peres exercised 1,497,773 call options. Additionally, throughout the year of 2010, certain beneficiaries have exercised 265,024 stock purchase options related to programs 2 and 3. Accordingly, on December 31, 2010, the shares making up the Company Stock Option Plan reached the amount of 2,990,528, which consist of 1.67% of total stock.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

22. Shareholders' equity (Continued)

g) Stock options plan (Continued)

The vesting period to exercise the options is as follows:

<u>Vesting period as from granting</u>	<u>% of options released for exercise</u>	<u>Maximum number of shares</u>	<u>Number of shares during December 31, 2010</u>
Program 1			
180 days after the Initial Public Offering - 01/26/08	100%	1,497,773	1,497,773
Program 2			
As from the second anniversary - 11/21/09	33.4%	32,732	31,204
As from the third anniversary - 11/21/10	33.3%	32,634	-
As from the fourth anniversary - 11/21/11	33.3%	32,634	-
Program 3			
As from the second anniversary - 06/04/10	33.4%	312,224	233,820
As from the third anniversary - 06/04/11	33.3%	311,288	-
As from the fourth anniversary - 06/04/12	33.3%	311,288	-
Program 4			
As from the second anniversary - 04/13/11	33.4%	419,504	-
As from the third anniversary - 04/13/12	33.3%	418,248	-
As from the fourth anniversary - 04/13/13	33.3%	418,248	-
Program 5			
As from the secondary anniversary - 03/04/12	33.4%	322,986	-
As from the third anniversary - 03/04/13	33.3%	321,883	-
As from the third anniversary - 03/04/14	33.3%	321,883	-

The average weighted fair value of call options at at the granted dates, described below. was estimated using the Black-Scholes options pricing model, assuming the assumptions listed below:

	<u>Volatility</u>	<u>Risk free rate</u>	<u>Average of maturity</u>	<u>Fair value</u>
Program 1	48.88%	12.10%	3.25 anos	R\$ 16.40
Program 2	48.88%	12.50%	4.50 anos	R\$ 7.95
Program 3	48.88%	12.50%	4.50 anos	R\$ 7.57
Program 4	48.79%	11.71%	4.50 anos	R\$ 7.15
Program 5	30.90%	6.60%	3.00 anos	R\$ 7.28

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

22. Shareholders' equity (Continued)

g) Stock options plan (Continued)

Share-based payments outstanding at December 31, 2008 were measured and recognized by the Company in accordance with CPC 10, and related effects were recorded retroactively at the beginning of the year in which such payments were granted through the transition date. Related effects on shareholders' equity and P&L based on the options' fair value on the granting date are as follows:

	<u>Income</u>	<u>Shareholders equity</u>
First-time Adoption of Law N° 11638/07	24,579	24,579
2008	1,272	25,851
2009	3,415	29,266
2010	5,675	34,941
2011	5,952	40,893
2012	4,741	45,634
2013	2,508	48,142
2014	293	48,435

The effect on the year 2010 from recognizing share-based payment in net assets and in P&L was R\$ 5,675, R\$ 2,599 of which consists of the administrators' installment. In 2009 the effect on net assets and on P&L was R\$3,415, R\$ 1,629 being the administrators' installment.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

23. Financial income (expenses), net

	December 31, 2010		December 31, 2009	
	Company	Consolidated	Company	Consolidated
Income from short-term investments	80,046	80,774	25,921	28,432
Interest on loans and financing	(30,313)	(30,313)	(27,900)	(27,936)
Interest on loans property	53	53	91	91
Bank fees and other charges	(3,733)	(4,019)	(1,080)	(1,324)
Foreign exchange fluctuations	(16)	1,031	(26)	840
Monetary variations (assets)	1,216	1,924	708	995
Monetary variations (liabilities)	(4,100)	(4,159)	(5,398)	(5,552)
Fines and interest on tax violations	(133)	(136)	(212)	(249)
Fine and interest on rental	2,522	2,655	2,583	2,731
Revenue of shares	-	-	38	53
Interest on loans	1,874	2,039	2,855	2,965
Interest on property acquisition obligations	(5,607)	(5,607)	(6,058)	(6,062)
Bank fees	(730)	(822)	(173)	(195)
Discounts earned	114	123	78	97
Total	41,193	43,543	(8,573)	(5,114)

24. Segments information

For management purposes, the company recognizes four business segments that account for its revenues and expenses. Segment information is required, considering that margins, appropriation of revenues and expenses and the final products are different among them. The company identified and distinguished four segments:

Shopping malls

This refers to the company's share in the civil condominium of shopping centers and in their respective parking lots. This is the Company's major revenue segment, accounting for 74.0% of its total revenue for 2010. The determining factor for the amount of revenues and expenditures in this segment is the company's share in each venture. The company believes that the major contributors to the growth of its results are the other three activities performed by the company, as described later in this report. A description of its revenues and expenses is detailed below:

Revenue: Revenue derives mainly from payments for the lease of stores and parking revenue. Such revenue is appropriated to the proportional share of venturers in each condominium.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

24. Segments information (Continued)

Shopping malls (Continued)

Lease revenue: This refers to amounts collected by mall owners (the Company and its partners) for areas leased in its shopping malls. Revenue includes four types of lease: Minimum Lease (based on a commercial agreement indexed to IGP-DI), Supplementary Lease (percentage of sales made by shopkeepers), Merchandising (lease of area in the venture's mall) and straight-line lease revenues (remove volatility and seasonality of minimum lease revenue).

Parking: Revenue from payments made by customers for the time their vehicles remain in the venture's parking lot.

Expenses: These include vacant stores, contributions to the promotion fund, legal fees, lease, brokerage fees, and other expenses relating to interest held in the shopping mall. It is worth noting that the mall's maintenance and operating expenses (mixed-property condominium) are to be supported by the shopkeepers.

Other: This item includes depreciation expenses.

The shopping mall's assets substantially comprise permanent assets of operational malls and lease payments receivable.

Real estate

Real estate operations include revenue and expenses from the sale of properties regularly developed around the shopping mall. As previously mentioned, this activity contributes to generating customer flows to the mall, increasing its results. Additionally, the appreciation and convenience brought by a mall to its surroundings enable the company to reduce risks and increase revenues from properties sold. Revenues are derived from the sale of properties and their related construction costs. Both are appropriated pursuant to the percentage of completion (POC) of the construction work. Expenses refer mostly to brokerage and marketing costs. Finally, the account "other" is largely related to a real estate project that has been recognized in the company's balance sheet and income statement as investment and equity pickup, respectively.

This segment's assets are concentrated in the company's inventory of land and construction in progress and trade accounts receivable.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

24. Segments information (Continued)

Projects

Project operations include revenue and expenses from the development of shopping malls. Development costs are recorded in the balance sheet, but expenses on marketing, brokerage, feasibility studies and other items are posted to the company's income statement. Similarly, the company believes that most of its revenue from Assignment of Rights derives from projects initiated over the last 5 years (average period to recognize revenue from Assignment of Rights), thus resulting from the lease of stores during the lease process. In developing its projects, the company can ensure the quality of the malls in which it will hold future interests.

Project's assets mainly comprise permanent assets of construction in progress and trade accounts receivable from leased stores.

Administration and other

The company provides administration services to its partners and shopkeepers and charges for these services. Additionally, the Company charges brokerage fees from its partners for the lease of stores. The administration of malls is essential for their success and is a major area of concern in the company. On the other hand, the company incurs headquarter costs in these and other services that are considered in this segment. This also includes tax, financial income and expenses and other results as they depend on the company's structure and not only on the operation of each segment previously described.

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

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

24. Segments information (Continued)

	December 31, 2010				
	Shoppingmall	Real state	Projects	Management and others	Total
Revenue	490,723	61,428	35,241	75,232	662,624
Cost	-	(32,295)	-	-	(32,295)
Expenses	(65,883)	(4,003)	(39,433)	(98,773)	(208,092)
Others	(44,613)	(3,511)	-	(24,988)	(73,112)
Earnings before income taxes and social contribution	380,227	21,619	(4,192)	(48,529)	349,125
Operational assets	2,192,175	77,519	813,321	902,971	3,985,986

	December 31, 2009				
	Shoppingmall	Real state	Projects	Management and others	Total
Revenue	421,139	11,869	26,990	74,368	534,366
Costs	-	(8,539)	-	-	(8,539)
Expenses	(61,778)	(1,085)	(18,187)	(91,597)	(172,647)
Others	(35,753)	(20,031)	-	(34,308)	(90,092)
Earnings before income taxes and social contribution	323,608	(17,786)	8,803	(51,537)	263,088
Operational assets	1,762,369	156,814	423,685	1,325,098	3,667,966

25. Financial instruments and risk management

The amounts recorded in the asset and liability accounts as financial instruments are restated as contractually provided for at September 30, 2010 and correspond, approximately to their market value. These amounts are substantially represented by cash and cash equivalents trade accounts receivable, sundry loans and advances, loans and financing, and property acquisition liabilities. The amounts recorded are equivalent to market values.

The Company's major financial instruments are as follows:

- i) Cash and cash equivalents - stated at market value, which is equivalent to their book value;

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

25. Financial instruments and risk management (Continued)

- ii) Trade accounts receivable and sundry loans and advances - classified as financial assets held to maturity and accounted for at their contractual amounts, which are equivalent to market value.
- iii) Property acquisition liabilities, loans and financing and debentures - classified as financial liabilities held to maturity and accounted for at their contractual amounts.

For disclosure purposes, the market value of debts that include borrowing costs was calculated considering the borrowing costs over the life of the debt rather than at inception. Thus, the borrowing costs were diluted over the number of months of the operation plus the monthly rate of each debt, and then brought to present value at the reporting date.

The carrying value and the market value of the Company's financial instruments at December 31, 2010 and 2009 are as follows:

Category		Company assets (liabilities)					
		December 31, 2010		December 31, 2009		January 1, 2009	
		Book value	Market	Book value	Market	Book value	Market
Assets							
Cash and cash equivalents	Held for Sales	764,694	764,694	801,894	801,894	146,614	146,614
Accounts receivable	Held-to-maturity	199,886	199,886	111,292	111,292	93,510	93,510
Sundry loans and advances	Loans (granted) and receivables	91,706	91,706	109,885	109,885	43,415	43,415
Liabilities							
Loans and financing	Measured at fair value	308,176	304,640	171,695	170,309	234,918	231,952
Property acquisition obligation	Not measured at fair value	140,950	140,950	189,603	189,603	135,271	135,271
Debentures	Not measured at fair value	100,709	100,709	100,386	100,386	-	-
Category		Consolidated assets (liabilities)					
		December 31, 2010		December 31, 2009		January 1, 2009	
		Book value	Market	Book value	Market	Book value	Market
Assets							
Cash and cash equivalents	Held for Sales	794,839	794,839	827,967	827,967	167,585	167,585
Accounts receivable	Held-to-maturity	216,276	216,276	133,145	133,145	117,291	117,291
Sundry loans and advances	Loans (granted) and receivables	25,835	25,835	40,893	40,893	28,824	28,824
Liabilities							
Loans and financing	Measured at fair value	308,176	304,640	171,695	170,309	236,272	231,952
Property acquisition obligation	Not measured at fair value	140,950	140,950	189,603	189,603	135,271	135,271
Debentures	Not measured at fair value	100,709	100,709	100,386	100,386	-	-

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

25. Financial instruments and risk management (Continued)

Risk factors

The main risk factors to which the subsidiary companies are exposed are the following:

(i) Interest rate risk

Interest rate risk refers to:

- ▶ Possibility of variation in the fair value of their financings at fixed rates, if such rates do not reflect current market conditions. While constantly monitoring these indexes, to the present date the Company does not have any need to take out hedges against interest rate risks.
- ▶ Possibility of unfavorable change in interest rates, which would result in increase in financial expenses as a consequence of the debt portion under variable interest rates. At December 31, 2010 the Company and its subsidiaries invested their financial resources mainly in Interbank Deposit Certificates (CDI), which significantly reduces this risk.
- ▶ Inability to obtain financing in the event that the real estate market presents unfavorable conditions, not allowing absorption of such costs.

(ii) 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 referring to rents, property sales, key money, administration fees and brokerage commissions. This type of risk is substantially reduced owing to the possibility of repossession of rented stores as well as sold properties, which historically have been renegotiated with third parties on a profitable basis.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

25. Financial instruments and risk management (Continued)

Risk factors (Continued)

(iii) Credit risk

The risk is related to the possibility of the Company and its subsidiaries posting losses resulting from difficulties in realizing short-term financial investments. The risk inherent to such financial instruments is minimized by keeping such investments with highly-rated banks.

In accordance with CVM Rule No. 550 of October 17, 2008, which provides for disclosure of information about derivative financial instruments in notes to financial statements, the Company informs that it does not have any policy on the use of derivative financial instruments. Accordingly, no risks arising from possible exposure associated with these instruments were identified.

Sensitivity analysis

In order to check the financial asset and liability indexes to which the Company is exposed at December 31, 2010 for sensitivity, 5 different scenarios were defined and an analysis of sensitivity to fluctuations in these instruments' indexes was prepared. Based on FOCUS report dated December 31, 2010, CDI, IGP-DI, and IPCA indexes were projected for year 2010 - set as the probable scenario - from which decreasing and increasing variations of 25% and 50%. Respectively, were calculated.

Financial assets and liabilities indexes

<u>Index</u>	<u>50% decrease</u>	<u>25% decrease</u>	<u>Probable scenario</u>	<u>25% increase</u>	<u>50% increase</u>
CDI	5.38%	2.69%	10.75%	13.44%	16.13%
IGP-DI	5.79%	2.89%	11.57%	14.46%	17.36%
IGP - M	5.72%	8.58%	11.44%	14.30%	17.16%
IPCA	2.95%	1.48%	5.90%	7.38%	8.85%
UMBNDDES	0.85%	1.28%	1.70%	2.13%	2.55%
TJLP	3.00%	4.50%	6.00%	7.50%	9.00%

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

25. Financial instruments and risk management (Continued)

Financial assets

Gross financial income was calculated for each scenario as at December 31, 2010, based on one-year projection and not taking into consideration any tax levies on earnings. The Interbank Deposit Certificate (CDI) index was checked for sensitivity at each scenario.

Financial income projection - 2010:

Company

	Remuneration rate	December 31, 2010	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents							
Cash and Banks	N/A	18,533	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	746,161	40,106	20,053	80,212	100,265	120,318
		764,694	40,106	20,053	80,212	100,265	120,318
Accounts receivable							
Trade accounts receivable - leases	IGP-DI	70,903	4,102	2,051	8,203	10,254	12,305
Trade accounts receivable - key money	IGP-DI	81,363	4,707	2,353	9,414	11,767	14,121
Trade accounts receivable - Sales of properties	IGP-DI	30,254	1,750	875	3,500	4,375	5,251
Others trade accounts receivable	N/A	17,366	N/A	N/A	N/A	N/A	N/A
		199,886	10,559	5,279	21,117	26,396	31,677
Sundry loans and advances							
Barra Shopping Sul Association	135% CDI	8,585	623	311	1,246	1,557	1,869
Parkshopping Barigui Association	117% CDI	3,644	229	115	458	573	687
Parkshopping Association	110% CDI	531	31	16	63	78	94
Parkshopping Condominium	110% CDI	5,093	301	151	602	753	903
Ribeirão Shopping Condominium	110% CDI	1,328	79	39	157	196	236
New York City Center Condominium	110% CDI	63	4	2	7	9	11
Anália Franco Condominium	N/A	121	N/A	N/A	N/A	N/A	N/A
Morumbi Shopping Condominium	N/A	57	N/A	N/A	N/A	N/A	N/A
MPH Empreendimentos Imobiliários Ltda.	N/A	68,240	N/A	N/A	N/A	N/A	N/A
Advances for suppliers	N/A	2,659	N/A	N/A	N/A	N/A	N/A
Advances for entrepreneur	N/A	-	N/A	N/A	N/A	N/A	N/A
Other sundry loans and advances	N/A	1,385	N/A	N/A	N/A	N/A	N/A
		91,706	1,267	634	2,533	3,166	3,800
Total		1,056,286	51,932	25,966	103,862	129,827	155,795

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

25. Financial instruments and risk management (Continued)

Financial income projection - 2010: (Continued)

Consolidated

	Remuneration rate	December 31, 2010	50% decrease	25% decrease	Probable provável	25% increase	50% increase
Cash and cash equivalents							
Cash and Banks	N/A	36,222	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	758,617	40,776	61,163	81,551	101,939	122,327
		794,839	40,776	61,163	81,551	101,939	122,327
Accounts receivable							
Trade accounts receivable - leases	IGP-DI	76,510	4,426	6,639	8,852	11,065	13,278
Trade accounts receivable - key money	IGP-DI	91,936	5,318	7,978	10,637	13,296	15,955
Trade accounts receivable - sales of properties	IGP-DI	30,254	1,750	2,625	3,500	4,375	5,251
Others trade accounts receivable	N/A	17,576	N/A	N/A	N/A	N/A	N/A
		216,276	11,494	17,242	22,989	28,736	34,484
Sundry loans and advances							
Barra Shopping Sul Association	135% CDI	8,585	623	934	1,246	1,557	1,869
Parkshopping Barigui Association	117% CDI	3,644	229	344	458	573	687
Parkshopping Association	110% CDI	531	31	47	63	78	94
Shopping Vila Olímpia Association	8% IPCA	1,096	3	4	5	6	8
Parkshopping Condominium	110% CDI	5,093	301	452	602	753	903
Ribeirão Shopping Condominium	110% CDI	1,328	79	118	158	196	236
New York City Center Condominium	110% CDI	63	4	6	8	9	11
Anália Franco Condominium	N/A	121	N/A	N/A	N/A	N/A	N/A
Morumbishopping Condominium	N/A	57	N/A	N/A	N/A	N/A	N/A
Shopping Vila Olímpia Condominium	N/A	500	N/A	N/A	N/A	N/A	N/A
Advances for suppliers	N/A	2,793	N/A	N/A	N/A	N/A	N/A
Advances for entrepreneur	N/A	522	N/A	N/A	N/A	N/A	N/A
Others sundry loans and advances	N/A	1,502	N/A	N/A	N/A	N/A	N/A
		25,835	1,270	1,905	2,540	3,172	3,808
Total		1,036,950	53,540	80,310	107,080	133,847	160,619

Financial liabilities

Gross financial expense was calculated for each scenario as at December 31, 2010, based on the indexes' one-year projection and not taking into consideration any tax levies and the maturities flow of each contract scheduled for 2010. The indexes were checked for sensitivity at each scenario.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)

December 31, 2010 and 2009

(In thousands of reais, excepted when indicated)

25. Financial instruments and risk management (Continued)

Projected financial expenses - 2010:

Company and Consolidated

	Remuneration rate	December 31,			Probable		
		2010	50% decrease	25% decrease	scenario	25% increase	50% increase
Loans and financing							
Bradesco	129.5%CDI	15,509	1,080	1,619	2,159	2,699	3,239
BNDES - Parkshopping Barigui	TJLP e UMBNDES	12	-	-	-	-	-
BNDES - Morumbi Shopping	TJLP	1,443	43	65	87	108	130
BNDES - PKS Exp	TJLP	33,570	1,007	1,511	2,014	2,518	3,021
Real	N/A	103,981	N/A	N/A	N/A	N/A	N/A
Real BHS Exp V	N/A	97,179	N/A	N/A	N/A	N/A	N/A
Itaú	N/A	11,403	N/A	N/A	N/A	N/A	N/A
Itaú PSC	N/A	36,687	N/A	N/A	N/A	N/A	N/A
Banco IBM	CDI + 0.79% a.a.	3,010	162	243	324	404	485
Banco IBM	CDI + 1.48% a.a.	7,065	380	570	759	949	1,139
Banco Itaú raising costs	N/A	(1,566)	N/A	N/A	N/A	N/A	N/A
Real BHS Exp raising costs	N/A	(904)	N/A	N/A	N/A	N/A	N/A
Cia Real de Distribuição	N/A	787	N/A	N/A	N/A	N/A	N/A
		308,176	2,672	4,008	5,343	6,678	8,014
Property aquisition and obligation							
PSS - Seguridade Social	IPCA + 9%	52,665	6,293	7,070	7,847	8,624	9,401
Land Barra	N/A	5,848	N/A	N/A	N/A	N/A	N/A
Land São Caetano	IGPM + 3% a.a.	65,923	5,748	7,634	9,519	11,405	13,290
Land Jundiaí	IPCA + 7.2%	16,245	1,649	1,888	2,129	2,368	2,608
Others	N/A	269	N/A	N/A	N/A	N/A	N/A
		140,950	13,690	16,592	19,495	22,397	25,299
Debentures							
	CDI + 117% a.a.	100,709	5,413	8,120	10,826	13,533	16,239
		100,709	5,413	8,120	10,826	13,533	16,239
Total		549,835	21,775	28,720	35,664	42,608	49,552

26. Administrative funds

The Company is in charge of management of funds of investors for the following shopping malls: BarraShopping, MorumbiShopping, BHShopping, DiamondMall, ParkShopping, RibeirãoShopping, New York City Center, Shopping Anália Franco, BarraShopping Sul, ParkShopping Barigui, Shopping Pátio Savassi, Shopping Santa Úrsula and Vila Olimpia. The company manages funds comprising advances from said investors and rents received from shopkeepers at the shopping malls, which are deposited in bank accounts of the Company in the name of the investment, to finance the expansion and the operating expenses of the shopping malls.

At December 31, 2010, the balance of administrative funds amounted to R\$ 13,754 (R\$ 13,832 in December 31, 2009), which is not presented in the consolidated financial statements because it does not representing rights or obligations of the subsidiary.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

27. Management fees

The Company is managed by a Board of Directors and an Executive Board. In the period ended in December 31, 2010, these administrators' compensation, recorded under management fees expenses totaled R\$ 12,515 (R\$ 10,129 in December 31, 2009), which is deemed a short term benefit.

As described in Note 22.g, the Company shareholders approved a stock option plan for the Company's administrators and employees.

Additionally, the company directors and employees have the right to health care plan and life insurance.

28. Profit per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary and preferred shares outstanding during the year. The Company opted to include preferred shares on the profit per share calculation, once the preferred shares have the same rights on the dividends distribution. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary and preference equity holders of the parent by the weighted average number of ordinary and preferred shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The Company's exercisable options in its option plan were included as dilutive shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

		Company	
		December 31, 2010	December 31, 2009
A	Total shares issued	179,197,214	177,699,441
B	Treasury	1,051,376	340,000
C=B-A	Average common shares	177,752,640	162,505,791
D	Dilutive potencial shares	31,393	843
E	Total net income	216,712	162,152
E/C	Earnings per share (Common shares)	1.2192	0.9978
E/(C+D)	Adjusted earnings per share	1.2190	0.9978

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Notes to financial statements (Continued)
December 31, 2010 and 2009
(In thousands of reais, excepted when indicated)

28. Profit per share (Continued)

		Consolidated	
		December 31, 2010	December 31, 2009
A	Total shares issued	179,197,214	177,699,441
B	Treasury	1,051,376	340,000
C=A-B	Average common shares	177,752,640	162,505,791
D	Dilutive potencial shares	31,393	843
E	Total net income	218,383	163,339
E/C	Earnings per share (Common shares)	1.2286	1.0051
E/(C+D)	Adjusted earnings per share	1.2284	1.0051

29. Insurance

The Company holds an insurance program for the shopping centers in which it holds interest with CHUBB do Brasil Cia. de Seguros, in force from November 30, 2010 to November 30, 2011 ("Insurance Program"). The Insurance Program provides three insurance policies for each development as follows: (i) comprehensive type property insurance to insure against property risk in the risk portfolio (ii) commercial establishment type insurance to insure against commercial general liability and (iii) commercial general liability insurance to insure against risks associated with the safekeeping of vehicles. Risk cover is subject to conditions and exclusions provided for in the respective policies, within which we stress the exclusion of damages stemming from acts of terrorism. In addition, the Company has contracted an engineering risks policy for any expansion, refurbishment, improvement or construction work to insure the execution of the respective development.

As well as the policies mentioned above the Company has contracted a commercial general liability insurance policy in the Company's name with a limit greater than those contracted for each individual shopping center. The policy is intended to protect the interests of our shareholders against third party claims.

In addition to these policies, the Company holds three D&O insurance policies under a 1º, 2º and 3º risk arrangement among insurers Chubb do Brasil, Itaú Seguros and Liberty Paulista Seguros. The effectiveness of these policies spans the period from July 4, 2010 to July 4, 2011.