CASE STUDY

Effect of New Accounting Principles

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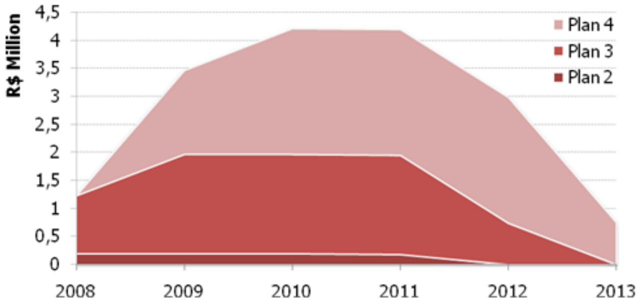
Brazil is changing accounting regulations, converging to national norms

Multiplan endeavors to offer greater transparency and the alignment of expectations, and for this purpose has proactively indicated the effects of changes in Brazilian accounting practices on its financial statements. The objective is to describe some of the most relevant changes implemented in 2009, and to show other factors that may influence our results in years to come.

Stock Options

On December 31, 2008, in complying with CPC10, the stock options program the company launched has been assessed and accounted for and its effects recorded retroactively to the beginning of the fiscal year in which they were granted and recognized by the company throughout the vesting period. The effects of the initial adoption of this CPC, taking the transition date of January 1, 2008, are recorded retroactively regarding the fiscal year in which the granting took place. It is important to notice that the impact, given that this is a stock option program, the amount of the expense determined at the issuance of the option is not readjusted.



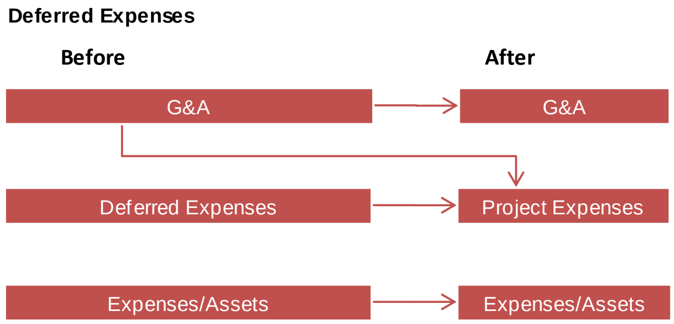
In this context, the effect over the results of fiscal years 2008 and 2009 was of R$ 1.3 million and R$ 3.4 million, respectively. To date, the company has granted four option programs and their impact is demonstrated in the chart.

Amortization of Goodwill impact on Deferred Taxes

The company has goodwill credits as a result of the acquisition of Multishopping Empreendimentos Imobiliários S.A., Bozano Simonsen Centros Comerciais S.A., Realejo Participações S.A., Brazilian Realty, JPL Empreendimentos Ltda., and Solução Imobiliária Ltda., based on future profits. In line with the new principles, as of January 1st, 2009, goodwill is no longer accrued in financial reports, but still being recognized as passive deferred taxes over the difference between the fiscal base and the accounting value of the goodwill. The amortization that was not accrued in 2009 totaled R$ 113.7 million, and deferred taxes added up to R$ 38.7 million.

Deferred Assets

Some expenses with projects that could be capitalized in the deferred assets account now must be accrued as an expense, when incurred. Given the company's strategy of developing new shopping centers, real estate developments and expansions in existing malls, Multiplan saw its expenses increase namely with Marketing, Brokerage fees and feasibility studies. With projects being launched, and more to come, these expenses should increase.



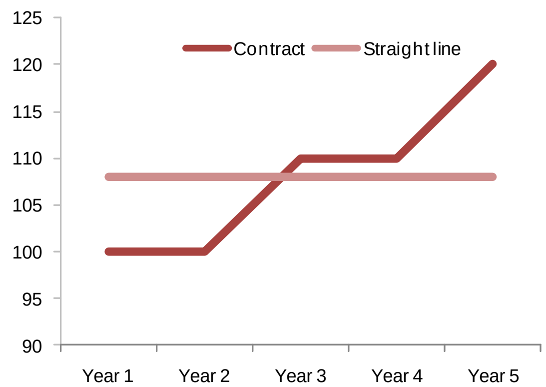
Impact of the extinction of deferred assets

Straight Line Accounting of Rental Revenues

Starting in fiscal year 2009, the company began recording its store rental operations as operational leasing. The minimum rent defined, including periodical fixed increases defined in the contracts and excluding inflation-indexed readjustments, is accrued proportionally to the company's interest in each development using the straight line accounting method regardless of the way payment is received.

Taking into consideration the big number of stores opened recently, this procedure has led the revenues from rentals to increase by R$6.0 million. The spotlight goes to Shopping BarraShoppingSul which, due to its sheer size and because it is in its first full year of operation, represented more than half this amount, contributing with R$3.6 million.

Period	Contract	Straight Line	Time Difference
Year 1	100	108	8
Year 2	100	108	8
Year 3	110	108	-2
Year 4	110	108	-2
Year 5	120	108	-12
Total	**540**	**540**	**0**



Example of straight line accrual and Revenues