

BRMALLS Signs MoU for the Development of Greenfield Project in Vila Velha, Espírito Santo

Rio de Janeiro, September 13, 2011 – BR MALLS PARTICIPAÇÕES S.A., a publicly held company headquartered at Avenida Borges de Medeiros nº 633, 1st floor in the city and state of Rio de Janeiro (“BRMALLS”), announces that it has signed a memorandum of understanding for the use of 50.0%, management and leasing of a development in the city of Vila Velha, Espírito Santo.

Transaction Overview

- **BRMALLS** signed a memorandum of understanding for a 50.0% stake in the project under development in the city of Vila Velha. After the due diligence phase is fulfilled satisfactorily, **BRMALLS** will have the right to operate the mall for at least 20 years after the inauguration of the project. The mall will be managed and leased by **BRMALLS**.
- Shopping Vila Velha will have in its first phase a total GLA of approximately 62.9 thousand m² and is expected to open in the 2H13, and may reach in 108 thousand m² of GLA in the coming years, becoming the largest mall in the state and the 3rd largest mall in our portfolio after opened. The total land area is 148.6 thousand m².
- In the agreement for the right to make use of the mall, **BRMALLS** will incur in a total investment of: (i) R\$ 10.0 million when the transaction is closed; (ii) R \$31.0 million one year after closing the transaction; (iii) R\$ 31.0 million once the mall opens; (iv) R\$ 31.0 million one year after the inauguration of the mall; and (v) R \$ 150 million in the 10th year of operation of the mall. The net present value of the investment is R\$ 156.4 million. All values will be adjusted annually by the IGP-DI.
- Once the mall is open, **BRMALLS** will disburse R\$ 6.0 million annually for the contract that will ensure the use of the mall. We estimate that the mall generates an owned stabilized NOI of R\$ 26.5 million and an expected IRR, real and unleveraged, of 22.6%.

The economy of the city of Vila Velha is primarily based on tourism, the port, industry and commerce. According to IBGE, the city holds the largest population of Espírito Santo with 415 thousand inhabitants, has a GDP per capita of R\$ 13,093, besides having the second highest Human Development Index of the state. The population of the Metropolitan Region of Vitória is of 1.7 million inhabitants.

The mall with its 62.9 thousand m² of total GLA will open as a dominant mall in the city. We will have as partners strategic local entrepreneurs. The mall will be located between the Juscelino Kubistchek and Luciano Neves avenues, next to the University of Vila Velha. According to market research prepared by Gismarket, 70.0% of the population in the influence area is located in the primary and secondary areas and 84.0% of the disposable income in the primary area of influence belongs to the A and B income class.



Due to the demand for leisure, commerce and services, the project seeks to attract the best tenants to the region. Shopping Vila Velha will have in its initial phase approximately 274 stores and 3,359 parking spaces. The tenant mix will consist of 220 satellite stores, 11 megastores, 7 anchor stores, hypermarket, in addition to a movie theatre, arcade, food court with 28 operations and a gourmet center with 5 different restaurants.

When opened, the mall will be **BRMALLS** 29th in the Southeast region and the first in the state of Espírito Santo.

Shopping Vila Velha shall raise to six our total number of greenfield projects. When opened, the six greenfield projects, in addition to the nine expansions shall add 190.8 thousand m² of owned GLA and 318.6 m² of total GLA, an increase of 25.9% and 23.5% to our current portfolio, respectively.



Shopping Vila Velha:

Initial Total GLA: 62,860 m²

Initial Owned GLA: 31,430 m²

Ownership interest: 50.0%

Stores: 274

Parking Spaces (1st stage): 3,359

Expected Opening: 2H13

NOI BRMALLS 1st Year: R\$24.3 million

NOI BRMALLS stabilized: R\$26.5 million

IRR (real and unleveraged): 22.6%

ABOUT BRMALLS

BRMALLS is the largest integrated mall company in Brazil, with a portfolio of 43 malls, comprising 1,355.4 thousand m² of GLA and 738.5 thousand m² of owned GLA. **BRMALLS** is the only shopping mall company in Brazil with nationwide presence and targeting all income segments.