

## **BRMALLS Announces Greenfield Project in Contagem, Minas Gerais**

**Rio de Janeiro, September 23<sup>rd</sup>, 2011** – **BR MALLS PARTICIPAÇÕES S.A.**, a publicly held company headquartered at Avenida Borges de Medeiros n° 633, 1st floor in the city and state of Rio de Janeiro ("**BRMALLS**"), hereby announces that it has entered a commitment of land swap for the development, management and leasing of a new shopping mall to be developed in the city of Contagem, Minas Gerais.

### **Transaction Overview**

- **BRMALLS** celebrated on September 23, 2011, a commitment of land swap with Cabral Investimentos SPE Ltda., an entity formed by MRV Logística e Participações S.A. and a company linked to Banco BMG ("**Cabral**"). The object of the land swap is an area of 37,800 m<sup>2</sup> in the city of Contagem where the mall will be built. As determined by the land swap, **BRMALLS** will be responsible for 81.49% of the total investment and after the mall opens will have a 70% stake in the venture. The remaining investment of 18.51% will be disbursed by **Cabral**, which will have a 30% ownership in the mall once it opens.
- The mall, which will be located at Av Severino Ballesteros Rodriguez, in the city of Contagem, Minas Gerais, will have a total GLA of approximately 45.0 thousand m<sup>2</sup> to be opened in two phases: the first of 35.0 thousand m<sup>2</sup> and the second of 10.0 thousand m<sup>2</sup>. The inauguration of the first phase is scheduled for the fourth quarter of 2013 and the second phase will be defined according to the project approvals.
- We estimate that the stabilized owned NOI will be \$ 30.0 million with an expected IRR of 17.3%.

Contagem is the second largest city in the state of Minas Gerais due to its strong industrial park. According to IBGE, the city has a population of 610 thousand inhabitants, formal employment increased by 4.9%, above the national average of 4.4% and the city has a GDP per capita of R \$ 24,070.

The development will be a regional mall, attracting the local and surrounding population, covering an influence area that has a population of 505 thousand inhabitants with an average monthly income of R\$3,130. Located just 8 minutes from Lagoa da Pampulha, the location is strategic given that it is close to the BR-040 highway, and there are no other malls in the area of influence.



## Notice to the Market

Due to the demand for leisure, commerce and services, the project prepared by BRMALLS seeks to attract the best brands to the region. The mall will have 35.0 thousand m<sup>2</sup> in its initial phase and will have approximately 250 stores and 2,500 parking spaces. When opened, the mall will be the 8th mall of **BRMALLS** the state of Minas Gerais.

This development brings our total to seven greenfield projects. When opened, the seven greenfield projects, in addition to the nine expansions, will add 215.3 thousand m<sup>2</sup> of owned GLA and 353.6 thousand m<sup>2</sup> of total GLA, an increase of 29.2% and 26.1% to our current portfolio, respectively.



### Mall Information:

**Initial Total GLA:** 35,000 m<sup>2</sup>

**Initial Owned GLA:** 24,500 m<sup>2</sup>

**Ownership interest:** 70.0%

**Stores:** 250

**Parking Spaces:** 2,500

**NOI BRMALLS 1<sup>st</sup> year:** R\$24.4 million

**NOI BRMALLS stabilized:** R\$30.0 million

**IRR (real and unleveraged):** 17.3%



### ABOUT BRMALLS

**BRMALLS** is the largest integrated mall company in Brazil, with a portfolio of 43 malls, comprising 1,355.4 thousand m<sup>2</sup> of GLA and 738.5 thousand m<sup>2</sup> of owned GLA. **BRMALLS** is the only shopping mall company in Brazil with nationwide presence and targeting all income segments.