

BRMALLS Acquires a 95% Ownership Interest in Shopping Paralela in Salvador

Rio de Janeiro, April 29th, 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 it acquired a 95% ownership interest in Shopping Paralela in Salvador (BA), and it will be responsible for management and leasing the mall.



Opened on April 28, 2009, the mall is located in Salvador, Bahia. The city is the 3rd largest capital in Brazil, the largest city in the northeast, and has 2.7 million of inhabitants. The asset has 39,800 m² of total GLA and is located in an area of strong real estate development, a vector of the city growth. In addition to the 330 stores that make up its diverse mix, the mall also has a 2-floor parking lot and 2,400 parking slots with a 200,000 vehicles/month capacity. The mall also has available area to ensure future expansion.

The asset has relevant anchors such as Fast Shop, Riachuelo, Renner, C&A, Ricardo Eletro, Sleek, Casas Bahia, Lojas Americanas, Scott and UCI movies. Nevertheless, the mall is still undergoing a consolidation phase due to its recent opening, resulting in a vacancy of 8.5%, above the portfolio's average of BRMALLS.

Since its inauguration the asset was managed and leased by an independent company. BRMALLS believes that by enhancing the operational management of the asset in order to reach the standard of our portfolio, the project will provide substantial improvements related to leasing, tenant mix and vacancy reduction. Furthermore, the implementation of BRMALLS management practices is expected to generate efficiency and scale gains, due to its integration to the shared services center (CSC).





The price paid for the mall and administration is R\$237.5 million, of which 40% will be paid in cash and the remainder in four equal annual installments, adjusted by IPCA. The acquisition also involves the payment of R\$47.5 million for 95% of the parking operation, and it will be paid in the same format as the acquisition of the mall. However, the first payment is conditioned on the initiation of parking fees collection in the city.

Considering only the present value of the price paid for the mall and NOI for the next 12 months of R\$22.2 million, the acquisition represents an entry cap rate of 10.1%. The IRR, real and unleveraged, is 15.4%. Furthermore, the present value of the acquisition is equivalent to R\$5,778.8/m², in line with replacement cost and the average investment of our greenfields.

With the acquisition of Shopping Paralela, BRMALLS will have an important platform to expand its presence in the northeast, and consolidating its position in the region. The acquisition increases our owned GLA in 37,800 m², reaching a total of 672.1 thousand m², and its total GLA in 39,800 m², reaching 1,259,000 m², reaching an average ownership stake of 53.4% in our portfolio.

Shopping Center Paralela:

Total GLA: 39,800 m²

Owned GLA: 37,800 m²

Number of stores: 330

Number of parking slots: 2,400

IRR (real and unleveraged): 15.4%

ABOUT BRMALLS

BRMALLS is the largest integrated mall company in Brazil, with a portfolio of 41 malls, comprising 1,259.0 thousand m² of GLA and 672.1 thousand m² of owned GLA. **BRMALLS** is the only shopping mall company in Brazil with nationwide presence and targeting all income segments.