

**BRMALLS Announces Partnership with Grupo Catuaí
through the Acquisition of a Portfolio of Four Malls in Paraná**

Rio de Janeiro, August 8th, 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 a partnership with Grupo Catuaí, through the acquisition of 70% of Alvear Participações S.A. (“Alvear”) which holds: (i) 93% of Catuaí Shopping Londrina; (ii) 100% of Catuaí Shopping Maringá; (iii) 100% of Londrina Norte Shopping (scheduled to open in October/2012); (iv) 97% of the land for the construction of Catuaí Shopping Cascavel (scheduled to open in November/2013); and (v) 772.6 thousand m² of building potential, that enable future expansions and mixed-use projects. **BRMALLS** will be responsible for managing and leasing the four malls, which will also be integrated to our shared services center.

Transaction Overview

- **BRMALLS acquired a 70% stake of Alvear which holds: (i) 93% of Catuaí Shopping Londrina; (ii) 100% of Catuaí Shopping Maringá; (iii) 100% of Shopping Londrina Norte (scheduled to open in October/2012); (iv) 97% of the land for the construction of Catuaí Shopping Cascavel (scheduled to open in November/2013); and (v) 772.6 thousand m² of building potential, that enable future expansions and mixed-use projects;**
- **The purchase price of the two existing malls was R\$510.5 million and R\$262.3 million will be invested in the two projects under development, representing R\$5,971 capex/m², in line with the average for BRMALLS. Additionally, the transaction involved R\$18.9 million for the acquisition of 217.0 thousand m² of land with a building potential of 772.6 thousand m²;**
- **From this total amount, R\$334.3 million was paid in the acquisition date and R\$329.0 million will be distributed in three annual installments fixed by CDI. The remaining R\$128.4 million will be disbursed according to the project schedule;**
- **Of the total price to be paid by BRMALLS, R\$105 million will be deducted due to the assumption of debt from Alvear, of which R\$30 million were paid at the acquisition date and an additional R\$40 million will be amortized over the next 30 days;**
- **The acquisition of the existing malls represents an IRR, real and unleveraged, of 14%, a first year NOI of R\$45.2 million, resulting in a 9% cap rate;**
- **The portfolio of four malls shall generate to BRMALLS a stabilized NOI of R\$95.0 million.**

With the acquisition, **BRMALLS** immediately increases the number of malls in its portfolio to 43 and increases its owned GLA by 63.7 thousand m², or 9.4%, reaching a total owned GLA of 737.8 thousand m², and increases its total GLA by 95.4 thousand m², or 7.6%, totaling 1,355.4 thousand m² of total GLA. Thus, we reach an average interest of 54.4% in our portfolio.

The two greenfield projects reinforce our strategy of seeking development opportunities and increases to five our total number of greenfield projects, three of which are scheduled to open in 2012. When opened, the five greenfield projects will add 117.0 thousand m² of owned GLA and 185.4 thousand m² of total GLA to our portfolio.

Synergies

With over 20 years of experience in the shopping mall sector, Grupo Catuaí is a reference in the South of Brazil, additionally it has vast experience in construction, with over 1.8 million m² built in 14 different Brazilian states, being the ideal partner for BRMALLS to expand its presence in the South, a region of strong economic growth and high income per capita, besides contributing towards opportunities for joint development of new projects in shopping centers.

With this acquisition and after the inauguration of the two greenfield projects under development, BRMALLS will increase its number of malls in the state of Paraná to seven and thus establish itself as the largest mall operator in the state.

Since their inauguration, the existing malls were managed and leased by an independent company. BRMALLS believes that by adapting the best practices of the malls to the standard of our portfolio, the assets can experience substantial improvements related to leasing and improving the tenant mix. In addition, implementing our management model can contribute towards efficiency gains and synergies as the malls will be integrated into our shared services center.

Building Potential

The transaction involved the acquisition for R\$18.9 million of 217 thousand m² of land with a building potential of 772.6 thousand m². The building potential surrounding the four malls enable future expansions as well as commercial towers, which offers great synergy with the mall and contributes towards an increase in the number of visitors. The total area of 772.6 thousand m² of building potential consists of 87.9 thousand m² surrounding Catuaí Shopping Londrina, 420.4 thousand m² at Catuaí Shopping Maringá, 248.1 thousand m² at Londrina Norte Shopping and 16.2 thousand m² at Catuaí Shopping Cascavel.

Catuaí Shopping Londrina

Opened in November 1990, Catuaí Shopping Londrina is located in the city of Londrina, Paraná. The city is the 4th largest in the South region of the country and has a population of 506,700 inhabitants. The mall has 134.7 thousand m² of GCA and 63.1 thousand m² of GLA, and is located along one of the main highways of the city and is surrounded by premium residential condominiums. In addition to the 299 stores that make up its diverse tenant mix, of which 16 are anchor stores, the malls has 2,798 parking spaces and a flow of approximately 150,000 vehicles/month.

Of the anchor stores, we highlight C&A, Riachuelo, Renner, Magazine Luiza, Lojas Americanas, Zara, Pernambucanas, Lojas Colombo and Catuaí movie theatre.

We estimate that the asset will generate R\$32.4 million of NOI (including service revenues) to BRMALLS over the next 12 months and a stabilized NOI of R\$38.8 million.



Catuaí Shopping Londrina:

Total GLA: 63,089 m²

Owned GLA: 41,071 m²

Ownership interest: 65.1%

Stores: 299

Parking Spaces: 3,250

NOI BRMALLS 1st year: R\$32.4 million

Catuaí Shopping Maringá

Catuaí Shopping Maringá was inaugurated in November 2010. The mall has 32.3 thousand m² of GLA and is located in Maringá, Paraná at the intersection of BR 376 and PR 317 highways, the city's main link with the west and south of the state of Paraná. The mall is located near the Federal University of Maringá and is integrated with the main residential areas of the city. Maringá has a total of 357,100 inhabitants with a qualified demand of R\$1.3 billion. The mall has 216 stores and 1,650 parking spaces.

The main anchor stores of the mall include Centauro, Riachuelo, Lojas Colombo, Havan, Pernambucanas, Hipermercado BIG, Magazine Luize and movie theater with 5 rooms.

Over the next 12 months we estimate that the mall generates R\$12.8 million in NOI (including service revenues) to BRMALLS. Since the mall opened less than a year ago we expect a strong revenue growth, as a result of the assets ramp up, contributing to an estimated R\$21.7 million of stabilized NOI.



Catuaí Shopping Maringá:

Total GLA: 32,329 m²

Owned GLA: 22,631 m²

Ownership interest: 70%

Stores: 216

Parking Spaces: 1,650

NOI BRMALLS 1st year: R\$12.8 million

Londrina Norte Shopping (under development)

Londrina Norte Shopping will have a total GLA of 32.6 thousand m² and is scheduled to open in October 2012. The project is strategically located at the intersection of two main avenues in the northern area of Londrina, Paraná, in an area of easy access, surrounded by a bus terminal, stadium and race track, which will contribute to the mall's number of visitors. The mall will be part of a multi-use commercial complex, targeting the middle income class.

The mix will consist of 195 stores. The anchors and megastores have already been negotiated and leasing for the satellites are at an advanced stage.

We estimate that the mall will generate a stabilized NOI of R\$16.3 million to BRMALLS.



Londrina Norte Shopping:

Total GLA: 32,601 m²

Owned GLA: 22,821 m²

Ownership interest: 70.0%

Stores: 195

Parking Spaces: 1,500

NOI BRMALLS stabilized: R\$16.3 million

Inauguration: October 2012

Catuaí Shopping Cascavel (under development)

Catuaí Shopping Cascavel is scheduled to open in November 2013. The project will be developed, leased and managed by BRMALLS. It will be located near the Paulo Gorski Park, between Avenida Brasil, the main access to the city, and the Municipal Lake, the main leisure area of the city.

The mix will consist of 165 stores, including 24 food court operations, an entertainment center, movie theatre and anchors and megastores which have already been negotiated.

We estimate that the mall generates a stabilized NOI of R\$18.1 million to BRMALLS.



Catuaí Shopping Cascavel:

Total GLA: 31,080 m²

Owned GLA: 21,103 m²

Ownership interest: 67.9%

Stores: 165

Parking Spaces: 1,800

NOI BRMALLS stabilized: R\$18.1 million

Inauguration: November 2013

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 737.8 thousand m² of owned GLA. **BRMALLS** is the only shopping mall company in Brazil with nationwide presence and targeting all income segments.