# Financial Statements

Contents

## Audited Financial Statements of the Company and Consolidated

# Report of Independent Auditors

To the Board of Directors and Shareholders of
Multiplan Empreendimentos Imobiliários S.A.
Rio de Janeiro - RJ

1. We have audited the accompanying balance sheet of Multiplan Empreendimentos Imobiliários S.A. and the accompanying consolidated balance sheet of Multiplan Empreendimentos Imobiliários S.A. and its subsidiaries as of December 31, 2008, and the related statements of operations, changes in shareholders' equity, cash flows and value added for the year then ended. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements.

2. We conducted our audits in accordance with auditing standards generally accepted in Brazil including: (a) the planning of our work, taking into consideration the materiality of balances, the volume of transactions and the accounting and internal control systems of the Company and its subsidiaries; (b) the examination, on a test basis, of the documentary evidence and accounting records supporting the amounts and disclosures in the financial statements; and (c) an assessment of the accounting practices used and significant estimates made by management, as well as an evaluation of the overall financial statement presentation.

3. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Multiplan Empreendimentos Imobiliários S.A. and the consolidated financial position of Multiplan Empreendimentos Imobiliários S.A. and its subsidiaries at December 31, 2008, and the results of their operations, changes in their shareholders' equity, their cash flows and value added in their operations for the year then ended , in accordance with the accounting practices adopted in Brazil.

4. We have previously audited the financial statements of Multiplan Empreendimentos Imobiliários S.A. and the consolidated financial statements of Multiplan Empreendimentos Imobiliários S.A. and its subsidiaries as of December 31, 2007, comprising the balance sheets, the statements of operations, changes in shareholders' equity and changes in financial position for the year then ended, including the statement of cash flows as additional information, on which we issued an unqualified report dated March 10, 2008. As mentioned in Note 3, the accounting practices adopted in Brazil were changed as from January 1st, 2008. The financial statements for the year ended December 31, 2007, except for the statements of changes in financial position, presented in conjunction with the financial statements for the year ended December 31,2008, were prepared in accordance with the accounting practices adopted in Brazil effective up to December 31, 2007 and, as allowed by CPC Technical Pronouncement No. 13 – First-time Adoption of Law No. 11.638/07 and Provisional Measure No. 449/08, have not been restated for comparative purposes.

Rio de Janeiro, February 27, 2009

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6-F-RJ

Paulo José Machado
Accountant CRC - 1RJ 061.469/O - 4

# Balance Sheets
## December 31, 2008 and 2007
(In thousands of reais)

| | 2007 | | 2008 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Assets | | | | |
| Current: | | | | |
| Cash and cash equivalents (Note 4) | **146,614** | **167,585** | 406,745 | 416,444 |
| Accounts receivable (Note 5) | **82,122** | **99,529** | 73,149 | 80,220 |
| Sundry loans and advances (Note 6) | **9,404** | **18,496** | 2,213 | 3,087 |
| Recoverable taxes and contributions (Note 7) | **16,846** | **20,198** | 8,967 | 11,384 |
| Deferred income and social contribution taxes (Note 9) | **38,704** | **38,704** | 18,435 | 18,435 |
| Others | **-** | **-** | 681 | 172 |
| Total current assets | **293,690** | **344,512** | 510,190 | 529,742 |
| | | | | |
| Noncurrent: | | | | |
| Long-term receivables: | | | | |
| Accounts receivable (Note 5) | **11,388** | **17,762** | 9,259 | 16,106 |
| Land and properties held for sale (Note 8) | **129,457** | **129,457** | 76,810 | 76,810 |
| Sundry loans and advances (Note 6) | **34,011** | **10,328** | 1,568 | 1,569 |
| Receivables from related parties (Note 19) | **2,039** | **1,687** | 7,589 | 1,201 |
| Deferred income and social contribution taxes (Note 9) | **137,264** | **137,264** | 164,613 | 164,613 |
| Others | **1,679** | **3,029** | 407 | 1,431 |
| | **315,838** | **299,527** | 260,246 | 261,730 |
| | | | | |
| Investments (Note 10) | **140,753** | **22,847** | 110,841 | 48,561 |
| Goodwill (Note 11) | **51,592** | **-** | 49,435 | - |
| Property and equipment (Note 11) | **1,349,526** | **1,573,204** | 802,173 | 928,440 |
| Intangibles (Note 12) | **308,749** | **309,890** | 427,793 | 427,793 |
| Deferred charges (Note 13) | **27,087** | **32,757** | 10,418 | 14,148 |
| Total noncurrent assets | **2,193,545** | **2,238,225** | 1,660,906 | 1,680,672 |
| | | | | |
| Total assets | **2,487,235** | **2,582,737** | 2,171,096 | 2,210,414 |

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | Company | Consolidated | Company | Consolidated |
| Liabilities and shareholders' equity | | | | |
| Current: | | | | |
| Loans and financing (Note 14) | 106,006 | 107,360 | 13,843 | 16,333 |
| Accounts payable | 45,705 | 55,052 | 5,879 | 8,934 |
| Property acquisition obligations (Note 15) | 45,222 | 45,222 | 44,775 | 44,775 |
| Taxes and contributions payable | 18,758 | 25,326 | 4,363 | 9,115 |
| Proposed dividends (Note 21) | 20,084 | 20,084 | - | - |
| Deferred incomes (Note 20) | 20,604 | 21,264 | 19,932 | 20,472 |
| Acquisition of shares (Note 16) | - | - | 46,996 | 46,996 |
| Payables to related parties (Note 19) | 188 | 23,780 | 1,488 | 1,488 |
| Taxes paid in installments (Note 17) | - | 267 | - | 263 |
| Clients anticipation | 8,600 | 8,600 | - | - |
| Others | 1,350 | 1,510 | 582 | 6,129 |
| Total current | 266,517 | 308,465 | 137,858 | 154,505 |
| | | | | |
| Noncurrent: | | | | |
| Loans and financing (Note 14) | 128,912 | 128,912 | 20,015 | 21,969 |
| Property acquisition obligations (Note 15) | 90,049 | 90,049 | 77,510 | 77,510 |
| Taxes paid in installments (Note 17) | - | 1,574 | - | 1,755 |
| Provision for contingencies (Note 18) | 3,155 | 4,571 | 1,705 | 3,363 |
| Deferred incomes (Note 20) | 67,309 | 105,034 | 59,865 | 75,909 |
| Total noncurrent liabilities | 289,425 | 330,140 | 159,095 | 180,506 |
| | | | | |
| Minority interest | - | 12,953 | - | 1,317 |
| | | | | |
| Shareholders' equity (Note 21) | | | | |
| Capital | 952,747 | 952,747 | 952,747 | 952,747 |
| Shares in Treasure Department | (1,928) | (1,928) | - | - |
| Capital reserve | 958,276 | 958,276 | 932,425 | 932,425 |
| Profit reserve | 22,198 | 22,084 | (11,029) | (11,086) |
| Total shareholders' equity | 1,931,293 | 1,931,179 | 1,874,143 | 1,874,086 |
| | | | | |
| Total liabilities and shareholders' equity | 2,487,235 | 2,582,737 | 2,171,096 | 2,210,414 |

*See accompanying notes..*

# Statements of Operations

## Year ended December 31, 2008 and 2007

(In thousands of reais, except earnings (loss) per share, in reais)

| | 2,008 | | 2,007 | |
|---|---|---|---|---|
| | Company | Consolidated | Company | Consolidated |
| Gross revenues from sales and services | | | | |
| Leases | **279,841** | **295,252** | 233,963 | 239,394 |
| Services | **64,626** | **66,129** | 52,056 | 52,332 |
| Key money | **20,681** | **21,242** | 18,693 | 18,902 |
| Parking | **18,095** | **67,509** | 11,964 | 38,718 |
| Sale of properties | **2,782** | **2,782** | 19,062 | 19,062 |
| Others | **-** | **-** | - | 384 |
| | **386,025** | **452,914** | 335,738 | 368,792 |
| Taxes and contributions on sales and services | **(35,773)** | **(41,683)** | (29,513) | (32,399) |
| Net revenues | **350,252** | **411,231** | 306,225 | 336,393 |
| Operating income (expenses) | | | | |
| General and administrative expenses (headquarters) | **(71,340)** | **(74,770)** | (59,400) | (60,712) |
| General and administrative expenses (shopping malls) | **(43,006)** | **(83,036)** | (44,751) | (66,989) |
| Management fees | **(8,281)** | **(8,281)** | (7,583) | (7,583) |
| Stock-option-based remuneration expenses | **(1,272)** | **(1,272)** | - | - |
| Cost of properties sold | **(1,150)** | **(1,150)** | (12,618) | (12,618) |
| Equity in earnings of affiliates (Note 10) | **14,940** | **7,003** | 12,434 | 8,027 |
| Net Financial result (Note 22) | **4,461** | **3,544** | (24,966) | (22,480) |
| Depreciation and amortization | **(26,358)** | **(31,414)** | (21,596) | (24,167) |
| Goodwill amortization (Note 11 and 12) | **(125,769)** | **(124,708)** | (118,260) | (117,805) |
| Other operating expenses (income) | **810** | **897** | 2,170 | 2,300 |
| Income before income and social contribution taxes | **93,287** | **98,044** | 31,655 | 34,366 |
| Income and social contribution taxes (Note 9) | **(8,316)** | **(12,800)** | - | (1,813) |
| Deferred income and social contribution taxes (Note 9) | **(7,081)** | **(7,081)** | (11,230) | (11,230) |
| Income before minority interest | **77,890** | **78,163** | 20,425 | 21,323 |
| Minority interest | **-** | **(766)** | - | (165) |
| Net income for the year | **77,890** | **77,397** | 20,425 | 21,158 |
| Earnings per share – R$ | **0.53** | | 0.14 | |
| Number of outstanding shares at year end | **147,652,141** | | 147,799,441 | |

*See accompanying notes.*

# Statements of Changes in Shareholders Equity of the Company

## Year ended December 31, 2008 and 2007

(In Thousands of reais)

| | Capital | Treasury shares | Capital reserve: Stock options granted | Capital reserve: Special goodwill reserve on merger | Capital reserve: Goodwill reserve on issuance of shares | Profit reserve: Legal reserve | Profit reserve: Expansion reserve | Retained earnings (accumulated losses) | Total |
|---|---|---|---|---|---|---|---|---|---|
| Balances at December 31, 2006 | 264,419 | - | - | - | 745,877 | - | - | (31,454) | 978,842 |
| Capital increase (Note 21) | 688,328 | - | - | - | - | - | - | - | 688,328 |
| Establishment of special goodwill reserve (Note 9) | - | - | - | 186,548 | - | - | - | - | 186,548 |
| Net income for the year | - | - | - | - | - | - | - | 20,425 | 20,425 |
| Balances at December, 2007 | **952,747** | **-** | **-** | **186,548** | **745,877** | **-** | **-** | **(11,029)** | **1,874,143** |
| Adjustment from first-time adoption of Law No. 11638/07 – stock options granted | **-** | **-** | **24,579** | **-** | **-** | **-** | **-** | **(24,579)** | **-** |
| Stock options granted (Note 21.g) | **-** | **-** | **1,272** | **-** | **-** | **-** | **-** | **-** | **1,272** |
| Repurchase of shares to be held in treasury (Note 21.e) | **-** | **(1,928)** | **-** | **-** | **-** | **-** | **-** | **-** | **(1,928)** |
| Net income for the year | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(77,890)** | **77,890** |
| Destination of net income for the year | | | | | | | | | |
| Legal reserve (Note 21.b) | **-** | **-** | **-** | **-** | **-** | **2,114** | **-** | **(2,114)** | **-** |
| Expansion reserve (Note 21.c) | **-** | **-** | **-** | **-** | **-** | **-** | **20,084** | **(20,084)** | **-** |
| Proposed dividends (Note 21.f) | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(20,084)** | **(20,084)** |
| Balances at December, 2008 | **952,747** | **(1,928)** | **25,851** | **186,548** | **745,877** | **2,114** | **20,084** | **-** | **1,931,293** |

*See accompanying notes.*

# Statement of Cash Flows
## Year ended December 31, 2008 and 2007
(In Thousands of reais)

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | Company | Consolidated | Company | Consolidated |
| **Cash Flows from operations** | | | | |
| Net income for the year | **77,890** | **77,397** | 20,425 | 21,158 |
| | | | | |
| Adjustments: | | | | |
| Depreciation and amortization | **26,358** | **31,414** | 21,596 | 24,167 |
| Amortization of goodwill | **125,769** | **124,708** | 118,260 | 117,805 |
| Equity pickup | **(14,940)** | **(7,003)** | (12,434) | (8,027) |
| Stock-option-based remuneration | **1,272** | **1,272** | - | - |
| Minority Interest | **-** | **766** | - | 165 |
| Net Book value of permanent asset disposals | **-** | **-** | (46) | (46) |
| Apropriation of deferred income | **(20,681)** | **(21,242)** | (18,693) | (18,902) |
| Interest and monetary variations on loans and financing | **5,842** | **6,087** | 5,704 | 5,705 |
| Interest and monetary variations on property acquisition obligations | **17,009** | **17,009** | 5,441 | 5,441 |
| Interest and monetary variations on acquisition of shares | **6,364** | **6,364** | - | - |
| Interest and monetary variations on sundry loans and advances | **(427)** | **(427)** | (353) | (353) |
| Interest and monetary variations on receivables from related parties | **(434)** | **(434)** | (269) | (269) |
| Deferred income and social contribution taxes | **27,794** | **27,794** | 13,097 | 13,097 |
| Earnings from subsidiaries not recognized previously, and capital deficiency of subsidiaries | **-** | **437** | - | (791) |
| **Net adjusted income** | **251,816** | **264,142** | 152,728 | 159,150 |
| | | | | |
| Variation in operating assets and liabilities: | | | | |
| Lands and properties | **(52,647)** | **(52,647)** | (50,082) | (50,082) |
| Accounts receivable | **(11,102)** | **(20,965)** | (23,074) | (36,637) |
| Increase of receivable taxes | **(7,879)** | **(8,814)** | (4,672) | (6,160) |
| Deferred taxes | **(20,714)** | **(20,714)** | (188,980) | (188,980) |
| Other assets | **(591)** | **(1,426)** | 1,683 | 2,207 |
| Payament of interests on loans capt from related parties | **-** | **-** | 9 | 9 |
| Accounts payable | **39,826** | **46,118** | 729 | 3,614 |
| Amortization of property acquisition obligations | **(104,023)** | **(104,023)** | (103,347) | (103,347) |
| Procurement of property acquisition obligations | **100,000** | **100,000** | 165,403 | 165,403 |
| Taxes and mandatory contributions payable | **14,395** | **16,211** | (160) | 2,439 |
| Assets aquisition | **(53,360)** | **(53,360)** | (46,970) | (46,970) |
| Installment taxes | **-** | **(177)** | (769) | (923) |
| Provision for contigencies | **1,450** | **1,208** | (933) | (954) |
| Deferred revenue | **28,797** | **51,159** | 41,531 | 58,324 |

| *continuation...* | 2008 | | 2007 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Others obligations | **768** | **(4,619)** | (4,750) | 908 |
| Clients antecipation | **8,600** | **8,600** | - | - |
| **Cash flows generated by (used in) operations** | **195,336** | **220,693** | (61,654) | (41,999) |
| | | | | |
| **Cash flows from investments** | | | | |
| Increase (decrease) in loans and sundry advances | **(38,913)** | **(23,447)** | 2,531 | 2,697 |
| Increase (decrease) in receivables from related parties | **5,984** | **(52)** | (5,906) | 1,400 |
| Rate receipt on loans and other advances | **(294)** | **(294)** | (434) | (434) |
| Increase (decrease) of investments | **(14,972)** | **32,717** | (49,230) | 588 |
| Increase of property, plant and equipment | **(584,854)** | **(686,757)** | (216,131) | (336,925) |
| Additions to deferred charges | **(5,526)** | **(8,011)** | (537) | (3,305) |
| Additions to goodwill | **(3,218)** | **-** | (49,891) | - |
| Additions to intangibles | **(5,664)** | **(6,824)** | (65,528) | (65,528) |
| **Cash flows generated by (used in) investing activities** | **(647,457)** | **(692,668)** | (385,126) | (401,507) |
| | | | | |
| **Cash flows from financing activities** | | | | |
| Decrease in loans and financing | **(13,586)** | **(16,666)** | (200,706) | (196,262) |
| Procurement of loans and financing | **211,653** | **211,653** | 177,000 | 177,000 |
| Rate payment of loans and obtained financing | **(2,849)** | **(3,105)** | (6,166) | (6,166) |
| (Increase) decrease in payables to related parties | **(1,300)** | **22,292** | (1,165) | (1,165) |
| Repurchase of shares to be held in treasury | **(1,928)** | **(1,928)** | - | - |
| Increase in capital reserves | **-** | **-** | 186,548 | 186,548 |
| Minority interest | **-** | **10,870** | - | 1,069 |
| Increase of share capital | **-** | **-** | 688,328 | 688,328 |
| **Cash flows generated by (used in) financing activities** | **191,990** | **223,116** | 843,839 | 849,352 |
| | | | | |
| **Cash Flow** | **(260,131)** | **(248,859)** | 397,059 | 405,846 |
| | | | | |
| **Cash at beginning** | **406,745** | **416,444** | 9,686 | 10,598 |
| **Cash at end** | **146,614** | **167,585** | 406,745 | 416,444 |
| | | | | |
| **Changes in cash** | **(260,131)** | **(248,859)** | 397,059 | 405,846 |

*See accompanying notes.*

# Statements of Value Added
## Year ended December 31, 2008
(In Thousands of reais)

| | 2008 | |
|---|---|---|
| | **Company** | **Consolidated** |
| Revenues | | |
| From sales and services | **386,025** | **452,914** |
| Other revenues | **1,045** | **1,674** |
| Allowance for doubtful accounts | **(1,494)** | **(1,691)** |
| | **385,576** | **452,897** |
| Inputs acquired from third parties | | |
| Cost of goods and services sold | **(42,663)** | **(52,389)** |
| Energy, third-party services and others | **(42,917)** | **(43,961)** |
| | **(85,580)** | **(96,350)** |
| Gross value added | **299,996** | **356,547** |
| | | |
| Retentions | | |
| Depreciation and amortization | **(152,127)** | **(156,122)** |
| | | |
| Net value added generated by the Company | **147,869** | **200,425** |
| | | |
| Transferred value added received | | |
| Equity pickup | **14,940** | **7,003** |
| Financial income | **34,375** | **34,762** |
| | **49,315** | **41,765** |
| Value added to be distributed | **197,184** | **242,190** |
| | | |
| Distribution of value added | | |
| Personnel | | |
| Direct compensation | **(25,269)** | **(26,483)** |
| Benefits | **(2,166)** | **(2,450)** |
| FGTS (federally managed Severance Pay Fund) | **(644)** | **(672)** |
| | **(28,079)** | **(29,605)** |
| Taxes, levies and contributions | | |
| Federal | **(51,328)** | **(58,509)** |
| State | **-** | **(2)** |
| Local | **(2,727)** | **(7,524)** |
| | **(54,055)** | **(66,035)** |

| *continuation...* | 2008 | |
|---|---|---|
| | **Company** | **Consolidated** |
| Third-party capital remuneration | | |
| Interest, exchange and monetary variation | **(29,914)** | **(31,218)** |
| Rental expenses | **(7,246)** | **(37,169)** |
| | **(37,160)** | **(68,387)** |
| Dividends and interest on equity | | |
| Dividends | **(20,084)** | **(20,084)** |
| Non-controlling shareholders interest in retained earnings | **-** | **(766)** |
| Retained earnings | **(57,806)** | **(57,313)** |
| | **(77,890)** | **(78,163)** |
| | | |
| Value added distributed | **(197,184)** | **(242,190)** |

*See accompanying notes.*

(In thousands of reais)

## 1. Operations

The Company was incorporated on December 30, 2005 and is engaged in real estate related activities, including the development of and investment in real estate projects, purchase and sale of properties, purchase and disposal of rights related to such properties, civil construction, and construction projects. The Company also provides engineering and related services, advisory services and assistance in real estate projects, development, promotion, management, planning and intermediation of real estate projects. Additionally, the Company holds investments in other companies.

After a number of acquisitions and capital reorganizations involving its subsidiaries, the Company started holding direct and indirect interest at December 31, 2008 and 2007 in the following enterprises:

| Real estate development | Location | Beginning of operations | % ownership | |
|---|---|---|---|---|
| | | | December 31. 2008 | December 31. 2007 |
| Shopping Centers: | | | | |
| BH Shopping | Belo Horizonte | 1979 | **80.0** | 80.0 |
| BarraShopping | Rio de Janeiro | 1981 | **51.1** | 51.1 |
| RibeirãoShopping | Ribeirão Preto | 1981 | **76.2** | 76.2 |
| MorumbiShopping | São Paulo | 1982 | **65.8** | 65.8 |
| ParkShopping | Brasília | 1983 | **60.0** | 60.0 |
| DiamondMall | Belo Horizonte | 1996 | **90.0** | 90.0 |
| ShoppingAnáliaFranco | São Paulo | 1999 | **30.0** | 30.0 |
| ParkShoppingBarigüi | Curitiba | 2003 | **84.0** | 84.0 |
| Shopping Pátio Savassi | Belo Horizonte | 2004 | **83.8** | 83.8 |
| BarraShoppingSul | Porto Alegre | 2008 | **100.0** | 100.0 |
| Vila Olímpia | São Paulo | 2009(*) | **30.0** | 30.0 |
| New York City Center | Rio de Janeiro | 1999 | **50.0** | 50.0 |
| Santa Úrsula | São Paulo | 1999 | **37.5** | - |
| | | | | |
| Others: | | | | |
| Centro Empresarial BarraShopping | Rio de Janeiro | 2000 | **16.67** | 16.67 |

*(*) Start-up of operations expected for November 2009.*

The majority of the shopping centers are managed in accordance with a special structure known as "Condomínio Pro Indiviso" – CPI (undivided joint property). The shopping centers are not corporate entities, but units operated under an agreement by which the owners (investors) share all revenues, costs and expenses. The CPI structure is an option permitted by Brazilian legislation for a period of five years, with possibility of renewal. Pursuant to the CPI structure, each co-investor has a participation in the entire property, which is indivisible. On December 31, 2008, the Company holds the legal representation and management of the shopping centers.

The commercial unit tenants generally pay the higher of a minimum monthly rent restated annually according to the IGP-DI (General Price Index – Domestic Supply) inflation index and a rent based on percentages of each tenant's monthly gross sales ranging from 4% to 8%.

Please find below a summary of the main activities involving real estate developments as of 2007.

• **MorumbiShopping**

On October 31, 2007, the Company acquired 0.58% of the real estate development after its acquisition of Solução Imobiliária Ltda. for R$ 6,429. On November 21, 2007, the Company acquired 10.1% of the development held by PSS – Seguridade Social for R$ 120,000. After these transactions, the Company has holds a 65.8% interest in the development as a whole.

• **ParkShoppingBarigui**

On December 18, 2007, the Company and Deneli Administração e Participações Ltda. executed a deed involving the exchange of a 6% undivided interest of the 90% interest held by Multiplan in all ParkShoppingBarigui stores for 94% of three adjoining real estate properties, which were recorded as fixed asset costs. Accordingly, as of that date, the Company has held an 84% interest in ParkShoppingBarigui.

In connection with this exchange transaction, the Company will transfer to Deneli, over a period of five years beginning September 28, 2007, 6% of monthly net revenues recorded by ParkShoppingBarigui at a minimum R$ 100 for the first twenty-four months and R$ 120 for the remaining period.

• **RibeirãoShopping**

On December 20, 2006, the Company acquired from PSS - Seguridade Social 14,475 shares issued by SC Fundo de Investimento Imobiliário, which represent all of its shares, which holds a 20% ownership interest in the RibeirãoShopping project for R$ 40,000. This investment was recorded at cost on the date of acquisition. In light of the fund's cessation to exist, formalized in the minutes of the Annual and Special General Meeting of Members on March 25, 2008, the investment was transferred to fixed assets as cost of acquisition from Ribeirão Shopping enterprise.

• **Pátio Savassi Shopping Mall**

On May 9, 2007, the Company entered into a call option agreement to buy, for US$ 65 million, the total capital of Brazilian Realty (based in Delaware - USA), which, together with Commander José Afonso Assunção, held 100% capital of Indústrias Luna S.A., a company holding a 65.2% interest in Shopping Pátio Savassi. The amount of US$ 500 thousand was paid on that date, and the amount of US$ 15 million was deposited in guarantee on May 23, when the call option was exercised. On July 16, 2007, the acquisition price was fully settled and the Company took control over Shopping Pátio Savassi.

Also, as defined in the contract, the Company exercised the option to acquire a property adjoining Shopping Mall Pátio Savassi. In connection with this option, the Company paid an additional amount of US$ 720 thousand.

On September 13, 2007 the Company completed the acquisition of 18.61% interest in Shopping Mall Pátio Savassi from JPL Empreendimentos, whose agreement of intent had been signed on June 6, 2007 for total price of R$ 37,826, with a remaining balance of R$ 188 payable until 2009.

• **Santa Úrsula Mall**

Through capitalization of the loan agreement between the Company and Manati Empreendimentos e Participações S.A, formalized through the Minutes of the Extraordinary Shareholders' Meeting held on April 25, 2008, the Company started to hold 50% ownership interest in Manati and, consequently, 37.5% interest in Santa Úrsula Mall. See note 10 (c) for further details.

The activities carried out by the major investees are summarized below:

a) **Multiplan Administradora de Shopping Centers Ltda.** - is committed to management, administration, promotion, installation and development of shopping malls owned by third parties, as well as the management of parking lots in the Company's own shopping malls.

b) **SCP - Royal Green Península -** On February 15, 2006, an unconsolidated partnership (Portuguese acronym SCP) was set up by the Company and its parent company Multiplan Planejamento e Participações S.A., for the purpose of developing a residential real estate project named "Royal Green Península". The Company holds 98% of the total capital of SCP.

c) **MPH Empreendimentos Imobiliários Ltda.** - The Company holds 41.96% interest in MPH Empreendimentos Imobiliários, which was incorporated on September 1st 2006 and is specifically engaged in developing, holding interest in and subsequently exploiting a Shopping Mall located at Vila Olímpia district in the city of São Paulo, where it holds 71.50% interest.

d) **Manati Empreendimentos e Participações S.A.** - Carries out commercial exploration and management, whether directly or indirectly, of a car park and Santa Úrsula Mall, located in the city of Ribeirão Preto, in the São Paulo State.

e) **Haleiwa Empreendimentos Imobiliários S.A.** - Committed to the construction and development of real estate projects, including shopping malls, with car parking on land located at Av. Gustavo Paiva s/n, Cruz das Almas, Maceió. Haleiwa is jointly controlled by Multiplan Empreendimentos Imobiliários S.A and Aliansce Shopping Centers S.A, as defined in the Shareholders' Agreement dated May 20, 2008.

In September 2006, the Company entered into an Agreement for the Assignment of Services Agreements with its subsidiaries Renasce – Rede Nacional de Shopping Centers Ltda., Multiplan Administradora de Shopping Centers Ltda., CAA - Corretagem e Consultoria Publicitária S/C Ltda., and CAA - Corretagem Imobiliária Ltda. Under this agreement, beginning October 1, 2006, the aforementioned subsidiaries assigned and transferred to the Company all the rights and obligations resulting from the services agreements executed between those subsidiaries and the shopping centers.

Therefore, the Company also started to perform the following activities: (i) provision of specialized activities related to brokerage, advertising and publicity advisory services, commercial space for lease and/or sale ("merchandising"); (ii) provision of specialized services related to real estate brokerage and business advisory services; e (iii) shopping mall management.

**• Company Listing**

On July 25, 2007 the Company obtained the CVM approval to be a listed company and trade capital shares on the stock exchange.

On July 26, 2007 the Company concluded its Initial and Secondary Public Offering, issuing 27,491,409 new shares, fully subscribed by new shareholders; and shareholders 1700480 Ontario, José Isaac Peres and Maria Helena Kaminitz Peres sold 9,448,026 shares they owned, also fully acquired by new shareholders.

Sale of primary offering of shares, without considering the exercise of the supplemental stock option, amounted to R$ 687,285, which resulted in a cash inflow of R$ 666,000 to the Company, net of estimated commission and expense amounts. On August 30, 2007, 41,700 shares in the supplementary lot were negotiated for R$ 1,043, resulting in the inflow of R$ 1,011 to the Company's cash.

As stated in the Public Offer Prospectus, these funds will be allocated to acquisitions of new shopping malls; continued development of projects Vila Olímpia, currently under construction; expansion of shopping malls already within the Company portfolio; acquisition of new land for development of new shopping malls as well as new residential and commercial real estate development projects in areas adjacent to those of the shopping malls within the Company portfolio; and strengthening of its working capital. To date, the Company has allocated to settle up its debt to GSEMREF Emerging Market Real Estate Fund L.P., described in Note 16, to said acquisition of interest in Pátio Savassi Shopping Mall, for the acquisition of PSS - Seguridade Social in Morumbi Shopping described in Note 15(b), for the acquisition of a plot of land in Barra da Tijuca described in Note 15 (a), for the acquisition of shares in Manati Empreendimentos e Participações S.A described in Note 10(d), and the difference has been allocated in development and expansion of various shopping malls.

## 2. Basis of Preparation and Presentation of the Financial Statements and First Time Adoption of Law No. 11638/07 and Provisional Executive Act No. 449/08

The financial statements were approved by the Company's management on February 27, 2009.

The financial statements were prepared in accordance with the accounting practices adopted in Brazil and the Brazilian Securities and Exchange Commission (CVM) rules, in light of the accounting guidelines contained in corporation law (Law No. 6404/76), with new provisions included, amended and repealed by Law No. 11638 of December 28, 2007 and by Provisional Executive Act (MP) No. 449 of December 3, 2008.

The prior-year financial statements were reclassified to improve their presentation and comparability, as follows: goodwill amortization expense reclassified to depreciation and amortization expense, in the amount of R$ 455, in the consolidated statement of income; management fees expense reclassified to administrative expenses - headquarters, in the amount of R$ 1,689, in the statement of income (parent company and consolidated); deferred income and social contribution taxes noncurrent reclassified to deferred income and social contribution taxes current, in the amount of R$ 1,595.

Pursuant to CVM Rule No. 565 of December 17, 2008, which approved CPC Pronouncement No. 13 - First Time Adoption of Law Nº 11638/07 and of Provisional Executive Act No. 449/08, the Company set December 31, 2007 as the transition date for adoption of the new accounting practices. The transition date is defined as the starting point for the adoption of changes in the accounting practices adopted in Brazil and is the base date on which the Company prepared its first balance sheets in light of the new accounting provisions in 2008.

CPC No. 13 released companies from the obligation to apply the provisions set forth in NPC 12 and CVM Rule No. 506/06 - Accounting Practices, Changes in Accounting Estimates and Correction of Errors upon the first-time adoption of Law No. 11638/07 and Provisional Executive Act No. 449. This rule establishes that, in addition to separately identifying the effects of the new accounting practice adoption in the retained earnings/ accumulated losses account, companies are required to state their opening balance sheet for the account or group of accounts relating to the oldest period for comparison purposes, as well as other comparative amounts presented, as if the new accounting practice had always been in use.

The Company followed the guideline provided for in referred to CPC and reflected the adjustments arising from the change in accounting practices against Retained Earnings as of January 1, 2008. The financial statements for the year ended December 31, 2007, presented in conjunction with year 2008 financial statements, were prepared in accordance with the Brazilian accounting practices effective through December 31, 2007. As allowed by CPC Pronouncement No. 13 – First Time Adoption of Law No. 11638/07 and MP No. 449/08, the said statements are not restated for the adjustments for purposes of comparison between referred to years.

Changes in accounting practices taken into consideration when preparing or presenting the financial statements for the year ended December 31, 2008 and the opening balance sheet for January 1, 2008 were based on accounting pronouncements issued by the Brazilian FASB (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the National Association of State Boards of Accountancy, as follows:

- Conceptual Structure for Preparing and Presenting Financial Statements, approved by CVM Rule No. 539 of March 14, 2008;
- CPC 01 Impairment of Assets, approved by CVM Rule No. 527 of November 1, 2007;
- CPC 03 Statement of Cash Flows, approved by CVM Rule No. 547 of August 13, 2008;
- CPC 04 Intangible Assets, approved by CVM Rule No. 553 of November 12, 2008;
- CPC 05 Related Party Disclosures, approved by CVM Rule No. 560 of December 11, 2008;
- CPC 06 Lease Transactions, approved by CVM Rule No. 554 of November 12, 2008;
- CPC 09 Statement of Added Value, approved by CVM Rule No. 557 of November 12, 2008;
- CPC 10 Share-based Payment, approved by CVM Rule No. 562 of December 17, 2008;
- CPC 12 Present Value Adjustments, approved by CVM Rule No. 564 of December 17, 2008;
- CPC 13 First-time Adoption of Law No. 11638/07 and Provisional Executive Act No. 449/08, approved by CVM Rule No. 565 of December 17, 2008;
- CPC 14 Financial Instruments: Recognition, Measurement and Disclosure, approved by CVM Rule No. 566 of December 17, 2008.
- OCPC-01 Property Development Entities, approved by CVM Rule No. 561 of December 17, 2008.

The initial balance sheet as of December 31, 2007 (the transition date) was prepared considering the exceptions required and some of the elective exemptions permitted by CPC Pronouncement No. 13, as follows:

a) **Presentation of comparative financial statements - elective exemption:**
The financial statements for year 2007 are prepared based on the accounting practices effective in 2007. As mentioned above, the option provided by CPC No. 13 for not adjusting 2007 financial statements to the accounting standards effective for 2008 was exercised by the Company.

b) **Maintenance of balances under Deferred Charges until realization - elective exemption:**
The Company partially reclassified the balances recognized in the Deferred charges group to the Property, Plant and Equipment group, in the amount of R$ 20,539 (R$ 11,870 in 2007), as they refer to expenses directly related to building, renovating and/or expanding shopping malls, and because they meet the criteria for recognition as fixed assets. Additionally, the Company opted for keeping the remaining balance recognized as deferred charges through its complete amortization. As required by CPC 13, the Company checked these balances for impairment under the terms of CPC 01 – Impairment of Assets and did not identify any indications of impairment loss

c) **Considerations on discount to present value - elective exemption:**
The Company calculated the discount to present value based on the contractual data of each transaction that generated monetary assets or liabilities, and also applied the discount rates based on market assumptions existing at the transition date. The effects on current asset and liability transactions were immaterial.

d) **Recognition of share-based payment - elective exemption:**
The balances of share-based payments referring to the Company's management and employees' compensation and outstanding at December 31, 2008 were measured and recognized by the Company in accordance with CPC 10, and related effects were recorded retroactively at the beginning of the year in which such payments were granted through the transition date.

e) **Presentation of statement of value added without disclosing the prior-year amounts - elective exemption:**
The Company elected to present the statement of value added solely for the year ended December 31, 2008.

f) **Tax neutrality upon first time adoption of Law No. 11638/07 and MP No. 449/08:**
The Company opted for the Transition Tax Regime (RTT) introduced by Provisional Executive Act No. 449/08, whereby the calculations of Corporate Income Tax (IRPJ), of Social Contribution Tax on Net Profit (CSLL), of Contribution Tax to Social Integration Program (PIS) and of Contribution Tax to Social Security Financing (COFINS), for the biennium 2008-2009, continue to be determined on the accounting methods and criteria set by

Law No. 6404, of December 15, 1976, effective on December 31, 2007. As a result, deferred income taxes on the adjustments deriving from adoption of the new accounting practices set forth by Law No. 11638/08 and MP No. 449/08 were recorded in the Company's financial statements where applicable, in accordance with CVM Rule No. 371. The Company will disclose such option in its Corporate Income Tax Return (DIPJ) for 2009.

**g) Amortization of goodwill based on future profitability– elective exemption:**
Goodwill based on future profitability recorded by the Company was amortized under the straight line method through December 31, 2008.

**h) Application of the first-time periodic assessment of the useful life of fixed assets – elective exemption:**
The Company already reassesses annually the estimated useful lives of its property, plant and equipment, used in determining relevant depreciation rates.

In accordance with first-time adoption disclosure requirements of the new accounting practices, in the following table the Company presents for current and prior year, for comparative purposes, a brief description and the amounts corresponding to the impacts on shareholder's equity and P&L (Company and consolidated) referring to the changes introduced by Law No. 11638/07 and MP No. 449/08, which are stated solely for P&L for year 2008 given the option made by Company regarding the transition date:

### a) Shareholder's Equity

| | Brief description of the adjustments | Year ended December, 31 | | | |
|---|---|---|---|---|---|
| | | Company | | Consolidated | |
| | | 2007 | 2008 | 2007 | 2008 |
| Shareholders' equity before the changes introduced by Law No. 11638/07 and MP No. 449/08 | | 1,874,143 | **1,957,144** | 1,874,086 | **1,957,030** |
| Fair value measurement for share-based payments | (i) | (24,579) | **(25,851)** | (24,579) | **(25,851)** |
| Net effects from full adoption of Law No. 11638/07 and MP No. 449/08 | | (24,579) | **(25,851)** | (24,579) | **(25,851)** |
| Shareholders' equity after full adoption of Law No. 11638/07 and MP No. 449/08 | | 1,849,564 | **1,931,293** | 1,849,507 | **1,931,179** |

*(i) Recognition of stock-option-based compensation expense, as required by CVM Rule No. 562 of December 17, 2008, which approved CPC Pronouncement No. 10 (See Note 18).*

### b) Statements of operations

| | Brief description of the adjustments | Year ended December, 31 | |
|---|---|---|---|
| | | Company 2008 | Consolidated 2008 |
| Net income for the year before the changes introduced by Law No. 11638/07 and MP No. 449/08 | | **79,162** | **78,669** |
| Fair value measurement for share-based payments | (i) | **(1,272)** | **(1,272)** |
| Net effects from full adoption of Law No. 11638/07 and MP No. 449/08 | | **(1,272)** | **(1,272)** |
| Net income for the year after full adoption of Law No. 11638/07 and MP No. 449/08 | | **77,890** | **77,397** |

*(i) Recognition of stock-option-based compensation expense, as required by CVM Rule No. 562 of December 17, 2008, which approved CPC Pronouncement No. 10 (See Note 18).*

Additionally, on account of MP No. 449/08 requirements, the Company reclassified the following balances in the financial statements for the years ended December 31, 2008 and 2007: (i) nonoperating income (expenses) was reclassified to the other operating income (expenses) line; and (ii) deferred income (expenses) was reclassified to the other deferred income (expenses) line.

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Non-operating income | **65** | **108** | 1,030 | 1,057 |
| Deferred Income | **87,913** | **126,298** | 79,797 | 96,381 |

## Financial Statement Consolidated

Financial Statement Consolidated include the transactions of the Company and the following subsidiaries, whose ownership interest percentage at the balance sheet date or merger date is summarized below:

| | % Ownership | | | |
|---|---|---|---|---|
| | 2008 | | 2007 | |
| | **Direct** | **Indirect** | **Direct** | **Indirect** |
| Brazilian Realty | **100.00** | **-** | 100.00 | - |
| JPL Empreendimentos Ltda. | **100.00** | **-** | 100.00 | - |
| Indústrias Luna S.A. | **0.01** | **99.99** | 0.01 | 99.99 |
| Solução Imobiliária Ltda. | **100.00** | **-** | 100.00 | - |
| RENASCE - Rede Nacional de Shopping Centers Ltda. (b) | **99.00** | **-** | 99.00 | - |
| County Estates Limited (a) | **-** | **99.00** | - | 99.00 |
| Embassy Row Inc. (a) | **-** | **99.00** | - | 99.00 |
| EMBRAPLAN - Empresa Brasileira de Planejamento Ltda. (c) | **100.00** | **-** | 100.00 | - |
| CAA Corretagem e Consultoria Publicitária S/C Ltda. (b) | **99.00** | **-** | 99.00 | - |
| Multiplan Administradora de Shopping Centers Ltda. | **99.00** | **-** | 99.00 | - |
| CAA Corretagem Imobiliária Ltda. (b) | **99.61** | **-** | 99.61 | - |
| MPH Empreendimentos Imobiliários Ltda. | **41.96** | **-** | 41.96 | - |
| Manati Empreendimentos e Participações S.A. | **50.00** | **-** | - | - |
| Haleiwa Participações S.A. | **50.00** | **-** | - | - |

*(a)Foreign entities.*
*(b)During 2007, the operation of aforementioned subsidiaries was transferred to the Company.*
*(c)Dormant company.*

Fiscal years of subsidiaries included in the consolidation coincide with those of the parent Company, and accounting policies were uniformly applied in the consolidated companies and are consistent with those used in prior years.

Significant consolidation procedures are:

- Elimination of balances of assets and liabilities between the consolidated companies;
- Elimination of interest in the capital, reserves and accumulated profits and losses of consolidated companies;
- Elimination of income and expense balances resulting from intercompany business transactions.

For subsidiaries Manati Empreendimentos e Participações S.A. e Haleiwa Participações S.A., whose shareholders' agreements provide for shared control, the consolidated financial statements include asset, liability and statement of income accounts in proportion to the total ownership interest held in the referred to jointly-controlled subsidiary based on the financial statements of the companies shown below:

## Manati Empreendimentos Participações S.A.

| Assets | | Liabilities | |
|---|---|---|---|
| Current | 908 | Current | 311 |
| | | | |
| | | Noncurrent: | 1,846 |
| | | | |
| Noncurrent | | Shareholders' equity | |
| Property and equipment | 46,651 | Capital | 51,336 |
| Intangibles | 2,281 | Accumulated losses | (3,653) |
| | 48,932 | | 47,683 |
| | | | |
| Total | 49,840 | Total | 49,840 |

| Statements of operations | |
|---|---|
| | |
| Gross revenues from sales | |
| Leases | 2,550 |
| Others revenues | 110 |
| | 2,660 |
| | |
| Taxes and contributions on sales | (98) |
| Net revenues | 2,562 |
| | |
| General and administrative expenses (shopping malls) | (4,124) |
| Depreciation and amortization | (1,098) |
| Other operating expenses | (268) |
| Financial income (expenses) | 16 |
| | (5,474) |
| | |
| Loss before income and social contribution taxes | (2,912) |
| | |
| Income and social contribution taxes | (306) |
| | |
| Loss for the period | (3,218) |

**Haleiwa Empreendimentos Imobiliários S.A.**

| **Assets** | | **Liabilities** | |
|---|---|---|---|
| Current | 6 | Current | 8 |
| | | | |
| Noncurrent | | | |
| Property and equipment | 26,184 | | |
| Deferred | 712 | Shareholders' equity | |
| | 26,896 | Capital | 26,894 |
| | | | |
| Total | 26,902 | Total | 26,902 |

Reconciliation between net assets and net income for the year ended December 31, 2008 and 2007 of company with the consolidated is as follows:

| | **2008** | | **2007** | |
|---|---|---|---|---|
| | **Shareholders' equity** | **Net income for the year** | **Shareholders' equity** | **Net income for the year** |
| Company | **1,931,293** | **77,890** | 1,874,143 | 20,425 |
| Quotaholders' déficit of subsidiaries | **(114)** | **(56)** | (58) | (58) |
| Equity in the earnings of County for the year (a) | **-** | **(437)** | - | 814 |
| Others | **-** | **-** | 1 | (23) |
| Consolidated | **1,931,179** | **77,397** | 1,874,086 | 21,158 |

*(a) Adjustment referring to the Company's equity in the earnings of County not reflected on equity in the earnings of Renasce.*

## 3. Significant Accounting Policies and Consolidation Criteria

### a) Determination of profit and loss from real estate development and sale and others

For installment sale of completed units, income is recognized upon the sale of such units irrespective of the period for receipt of the contractual amount.

Fixed interest rates set in advance are allocated to profit and loss under the accrual method, irrespective of its receipt.

For sale of units not yet completed, income is recognized based on procedures and standards set out by the Federal Accounting Board CFC Resolution No. 963 and OCPC 01 Guidance – Property Development Entities, approved by CVM Rule No. 561, shown below:

- The costs incurred are recorded as inventories (construction in progress) and fully allocated to the result of operations as the units are sold. After the sale occurs, the costs to be incurred to conclude the unit's construction will be allocated to the result of operations as they are incurred.

The percentage of costs incurred of sold units, including land, is determined in relation to the total budgeted cost and estimated through to the completion of construction work. This rate is applied to the price of units sold and adjusted for selling expenses and other contractual conditions. The resulting figure is recorded as revenues and matched with accounts receivable or any advances received.

From then through to the completion of construction work, the unit's sale price that had not been recorded as revenues will be recognized in the result of operations as revenues as the costs required to conclude the unit's construction are incurred, in relation to the total budgeted cost.

Any changes to the project execution and conditions and in estimated profitability, including changes resulting from contractual fines and settlements that may lead to a review in costs and revenues, are recognized in the period in which such reviews are conducted.

Revenues determined from sales, including monetary restatement, net of installments already received, are recorded under accounts receivable or advances from clients, as applicable.

The only impacts of Guidance OCPC 01 – Property Development Entities, approved by CVM Decision No. 561 on the Company's financial statements for the year ended December 31, 2008 were the accounts receivable adjustment to present value, and classification of expenses incurred in connection with the sales stand and model apartment construction under property, plant and equipment, which will be depreciated according to the assets' estimated useful lives.

Other revenues and expenses were allocated to the statement of operations on an accrual basis.

**b) Financial statements functional and reporting currency**

The Company's and its Brazilian subsidiaries' functional currency is the Brazilian real (R$), which is also the financial statement preparation and reporting currency for Company and consolidated.

**c) Financial instruments**

Financial instruments are recognized when the Company becomes party to the contractual provisions of said instruments. They are initially recognized at fair value plus transaction costs directly attributable to their acquisition or issue, except for financial assets and liabilities classified at fair value through profit or loss, when such costs are directly charged to P&L for the year. Subsequent measurement of financial assets and liabilities is determined by their classification at each balance sheet.

**c.1) Financial assets:** are classified into the following specified categories, according to the purpose for which they have been acquired or issued:

i) Financial assets measured at fair value through profit or loss (FVTPL) at each balance sheet date: include financial instruments held for trading and assets initially recognized at FVTPL. They are classified as held for trading if originated for the purpose of sale or repurchase in the short term. Interest, monetary variation and foreign exchange gains/losses and fluctuations arising from measurement at fair value are recognized in profit or loss, as incurred, under Financial income or Financial expenses.

ii) Held-to-maturity investments: non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Company's management has the positive intention and ability to hold to maturity. After their initial recognition, they are measured at amortized cost using the effective interest rate method. Under this method, the discount rate applied on future estimated receivables over the financial instrument expected term results in their net book value. Interest, monetary variation and foreign exchange gains/losses, less impairment, if applicable, are recognized in profit or loss, as incurred, under Financial income or Financial expenses.

iii) Loans (granted) and receivables: non-derivative financial assets with fixed or determinable payments which, however, are not traded in an active market. After their initial recognition, they are measured at amortized cost using the effective interest rate method. Interest, monetary variation and foreign exchange gains/losses, less impairment, if applicable, are recognized in profit or loss, as incurred, under Financial income or Financial expenses.

Main financial assets recognized by the Company are: cash and cash equivalents, short term investments, trade accounts receivable, and sundry loans and advances.

**c.2) Financial liabilities:** are classified into the following specified categories, according to the nature of underlying financial instruments:

i) Financial liabilities measured at fair value through profit and loss at each balance sheet date: financial liabilities usually traded before maturity, and liabilities designated at fair value through P&L upon first time recognition. Interest, monetary restatement and foreign exchange gains/loss from fair value measurement, when applicable, are recognized in profit or loss, as incurred.

ii) Financial liabilities not measured at fair value: non derivative financial liabilities not usually traded before maturity. They are initially measured at amortized cost using the effective interest rate method. Interest, monetary restatement and foreign exchange gains/loss, when applicable, are recognized in profit or loss, as incurred.

Main financial liabilities recognized by the Company are: loans and financing and property acquisition obligations.

**d) Cash and cash equivalents**

Include cash, positive current account balances, short term investments redeemable at any time and bearing insignificant risk of change in their market value. Short term investments included in cash equivalents are classified as "financial assets at fair value through P&L". These investments by classification type are broken down in Note 4.

**e) Accounts receivable**

There are stated at realizable values. An allowance for doubtful accounts is set up in an amount considered sufficient by management to cover any losses on collection of receivables. The breakdown of accounts receivable is stated in Note 5.

**f) Land and properties held for sale**

Land and properties held for sale are valued at average acquisition or construction cost, not exceeding market value.

**g) Investments**

Investments in subsidiaries are valued by the equity in earnings method, based on the subsidiaries´ balance sheet as of the same date.

**h) Property and equipment**

Property and equipment are recorded at acquisition, formation or construction cost, reduced by the related accumulated depreciation, calculated by the straight-line method at rates that consider the economic-useful life of the assets. Expenses incurred with repair and maintenance are recorded if the economic benefits embodied in these assets are likely to be generated and the amounts can be reliably measured, whereas other expenses are charged to P&L directly as incurred. The recovery of property and equipment by means of future operations is periodically monitored.

Interest and other charges in connection with financing taken out for construction in progress are capitalized until the respective assets start operations. Depreciation follows the same criteria applied to and is calculated over the useful life of the fixed asset item to which they were directed.

**i) Commercial Leasing**

Lease agreements are recognized in property, plant and equipment at the value of the asset under lease and also in liabilities, as loans and financing, at the lower of the mandatory minimum installments there under or the asset fair value. The amounts recorded in property, plant and equipment are depreciated over the shorter of the estimated useful life of the assets or the lease term. The implicit interest on loans and financing recognized in liabilities is charged to P&L over the life of the contract using the effective interest rate method. Operating lease agreements are recognized as expense on a systematic basis, being representative of the period in which the benefit derived from the leased asset is obtained, even if such payments are not made on the same basis. In 2007, the Company had no financial lease agreements.

**j) Intangibles**

Intangible assets purchased separately are initially measured at cost and subsequently recognized net of accumulated amortization and impairment losses, as applicable. Goodwill on investment acquisitions and investments fully incorporated though December 31, 2008 based on future profitability were amortized by the straight-line method for the term provided for recovery, over a maximum five-year term, approximately. From January 1st, 2009 they will no longer be amortized and should be subject to annual impairment test.

Internally generated intangibles are recognized in P&L for the year when they were generated. Intangible assets with finite useful life are amortized over their estimated useful life and subject to an impairment test if there is any indication of impairment. Intangible assets with an indefinite useful life are not amortized, but are subject to annual impairment test.

**k) Deferred**

Deferred charges comprise costs incurred in real estate development until December 31, 2008, amortized over 5 years periods counting from the beginning of operation of each project.

**l) Provision for impairment**

Management annually tests the net book value of the assets with a view to determining whether there are any events or changes in economic, operating or technological circumstances that may indicate impairment loss. To date, no evidence indicating that the net book value exceeds the recoverable amount was identified. Accordingly, no provision for impairment loss was required.

**m) Others assets and Liabilities**

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits. Some liabilities involve uncertainties as to term and amount, and are estimated as incurred and recorded as a provision. Provisions are recorded reflecting the best estimates of the risk involved.

Assets are recognized in the balance sheet when it is likely that their future economic benefits will be generated on the Company's behalf and their cost or value can be safely measured.

Assets and liabilities are classified as current whenever their realization or settlement is likely to occur during the following twelve months. Otherwise, they are recorded as noncurrent.

**n) Taxation**

Revenues from sales and services are subject to the following taxes and contributions, at the following basic tax rates:

| Tax | Abbreviation | Rate | |
|---|---|---|---|
| | | Company | Subsidiaries |
| Social Contribution Tax on Gross Revenue | PIS | 1.65 | 0.65 |
| Social Security Financing Tax on Gross Revenue | COFINS | 7.6 | 3.0 |
| Service Tax | ISS | 2% to 5% | 2% to 5% |

Those charges are presented as deductions from sales in the statement of income. Credits resulting from non-cumulative taxation of PIS/COFINS are presented as deductions from the group of accounts of operating income and expenses in the statement of income. Debits resulting from financial income, as well as credits resulting from financial expenses are presented as deduction from those specific lines in the statement of income.

Taxation on net profit includes income and social contribution taxes. Income tax is computed on taxable profit at a 25% whereas social contribution is computed at a 9% tax rate on taxable profit, recognized on an accrual basis. Therefore, additions to the book profit of expenses, temporarily nondeductible, or exclusions from revenues, temporarily nontaxable, for computation of current taxable profit generate deferred tax credits or debits.

As provided for in tax legislation, all companies that are part of the Multiplan Group, which had gross annual revenue for the prior year lower than R$ 48,000 opted for the presumed-profit method.

Advances or amounts to be offset are presented under current or noncurrent assets, according to their expected realization.

Deferred tax credits deriving from Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) losses are recognized only to the extent that a positive taxable base for which temporary differences may be used is likely to occur.

**o) Share-based payment**

The Company granted administrators and employees eligible for the program stock purchase options that are only exercisable after specific grace periods. These options are calculated over their respective grace periods based on their values determined by the Black-Scholes method and on the dates the compensation programs are granted, and are recorded in operating income under “stock-option-based remuneration expense”, according to such options vesting periods as established in the programs and described in Note 21.c.

The initial adjustment relating to adoption of Law No. 11638/07 was made against retained earnings.

**p) Deferred Income**

Agreements for assignment of rights (malls’ technical structure assignment or key money) are accounted for as income to be allocated, and recognized on a straight-line basis to P&L for the year based on the rental period of the respective stores to which they refer.

**q) Provision for contingencies**

Provision for contingencies are established based on reports issued by legal counsel, in amounts considered sufficient to cover losses and risks considered probable. Contingencies whose risks have been considered possible are disclosed in the notes to the financial statements.

**r) Accounting estimations**

Used to measure and recognize certain assets and liabilities in the Company’s and its subsidiaries’ financial statements. These estimates were determined based on past and current events’ experience, assumptions in respect of future events, and other objective and subjective factors. Significant items subject to such estimates include selection of useful lives of property, plant and equipment and intangible assets; allowance for doubtful accounts; provision for inventory losses; provision for losses on investments; analysis of recoverability of property, plant and equipment and intangible assets; deferred income and social contribution taxes; the rates and terms applied in determining the discount to present value of certain assets and liabilities (year 2008 only); provision for contingencies; fair value measurement of share-based compensation and financial instruments (year 2008 only); and estimates for disclosure in the sensitivity analysis table of derivative financial instruments pursuant to CVM Instruction No. 475/08. Settlement of transactions involving these estimates may result in amounts different from those recorded in the financial statements due to the uncertainties inherent in the estimate process. The Company reviews its estimates and assumptions at least on a quarterly basis.

**s) Discounted to present value assets and liabilities**

Noncurrent monetary assets and liabilities are discounted to present value, and so are current monetary assets and liabilities considered to have a significant effect on the overall financial statements. The discount to present value is calculated using contractual cash flows and the explicit interest rate, and in certain cases the implicit interest rate, of respective assets and liabilities. Accordingly, the implicit interest rate of income, expenses and costs associated with therewith is discounted in order to recognize such assets and liabilities on an accrual basis.

Such interest rates are subsequently posted to the income statement as financial expenses or financial income using the effective interest rate method in relation to contractual cash flows. Implicit interest rates applied were determined based on assumptions and are deemed accounting estimations.

**t) Statements of cash flows and statements of value added**

The statements of cash flows are prepared and presented in accordance with CVM Rule No. 547 of August 13, 2008, which approved Accounting Pronouncement CPC 03 - Statement of Cash Flows, issued from Brazilian FASB (CPC). The statements of value added are prepared and presented in accordance with CVM Rule No. 557 of November 12, 2008, which approved Accounting Pronouncement CPC 09 - Statement of Value Added, from CPC.

## 4. Cash and Cash Equivalents

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Cash and banks | **22,714** | **26,831** | 5,649 | 15,233 |
| Short-term investment - Bank Deposit Certificates | **123,900** | **140,754** | 401,096 | 401,211 |
| | **146,614** | **167,585** | 406,745 | 416,444 |

Investments earn average remuneration, net of taxes, of approximately 100% of CDI and may be redeemed at any time without affecting recognized revenue.

## 5. Accounts Receivable

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Leases | **54,164** | **56,719** | 44,246 | 44,979 |
| Key money | **39,070** | **62,014** | 32,914 | 45,586 |
| Acknowledgment of debt (a) | **2,637** | **2,650** | 3,852 | 3,868 |
| Parking | **2,342** | **-** | 1,076 | 1,081 |
| Administration fees (b) | **2,516** | **2,516** | 3,727 | 3,727 |
| Sales | **2,092** | **2,092** | 969 | 969 |
| Advertising | **473** | **473** | 1,009 | 1,009 |
| Sale of properties | **1,037** | **1,037** | 6,252 | 6,252 |
| Others | **2,040** | **3,211** | 152 | 661 |
| | **106,371** | **130,712** | 94,197 | 108,132 |
| Allowance for doubtful accounts | **(12,861)** | **(13,421)** | (11,789) | (11,806) |
| | **93,510** | **117,291** | 82,408 | 96,326 |
| Noncurrent | **(11,388)** | **(17,762)** | (9,259) | (16,106) |
| Current | **82,122** | **99,529** | 73,149 | 80,220 |

*(a) Refers to balances regarding acknowledgment of debt, rent and others, which were overdue, have been renegotiated and are to be paid in installments.*
*(b) Refers to administration fees receivable by the Company and the subsidiary Multiplan Administradora, charged from investors or shopkeepers of the shopping centers administered by them, which correspond to a percentage applied on store rent (7% on the net income of the shopping, or 6% of the minimum rent, plus 15% on the portion exceeding minimum rent or fixed amount), on common shopkeeper charges (5% of expenses incurred), on financial management (variable percentage on expenses incurred in shopping center expansions) and on promotional fund (5% of promotional fund collection).*

As supplemental information, since it is not recorded in accounting records in view of the accounting practices mentioned in Note 3a, the accounts receivable balance at December 31, 2008 and 2007 referring to sale of units under construction of the real estate development “Centro Profissional MorumbiShopping” and “Cristal Tower”, less the installments already received, is broken down as follows, by year of maturity:

| | 2008 | 2007 |
|---|---|---|
| 2008 | **-** | 5,863 |
| 2009 | **10,042** | 743 |
| 2010 | **7,394** | 372 |
| 2011 onwards | **18,289** | 40 |
| | **35,725** | 7,018 |

These figures receivable will be restated by the National Civil Construction Index - INCC until the end of construction, and by the IGP-DI thereafter.

These credits mainly refer to construction in progress, to which title deeds are granted only after settlement and/or negotiation of receivables from clients.

## 6. Loans and Advances

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Current | | | | |
| Shopkeepers | **267** | **267** | 86 | 86 |
| Shopping centers Condominiums (a) | **7,549** | **7,561** | 7,223 | 7,223 |
| Barra Shopping Sul Association (b) | **2,036** | **2,036** | - | - |
| Parkshopping Condominiums (c) | **871** | **871** | - | - |
| Ribeirão Shopping Condominiums (d) | **711** | **711** | - | - |
| Barra Shopping Condominiums (e) | **700** | **700** | - | - |
| New York City Center Condominiums (f) | **510** | **510** | 171 | 171 |
| Parkshopping Barigui Condominiums (g) | **382** | **382** | 339 | 532 |
| Anália Franco Condominiums | **125** | **125** | - | - |
| BH Shopping Condominiums | **13** | **13** | - | - |
| Diamond Mall Condominiums | **11** | **11** | - | - |
| Barra Shopping Sul Condominiums (h) | **661** | **661** | - | - |
| Advance for suppliers | **2,814** | **10,876** | - | - |
| Others | **303** | **1,321** | 1,617 | 2,298 |
| | **16,953** | **26,045** | 9,436 | 10,310 |
| Provision for losses (a) | **(7,549)** | **(7,549)** | (7,223) | (7,223) |
| | **9,404** | **18,496** | 2,213 | 3,087 |
| Noncurrent | | | | |
| Shopkeepers | **1,220** | **1,220** | 86 | 86 |
| Parkshopping Condominiums (c) | **2,861** | **2,861** | - | - |
| Barra Shopping Sul Association (b) | **2,511** | **2,511** | - | - |
| Barra Shopping Condominiums (e) | **1,202** | **1,202** | - | - |
| Parkshopping Barigui Condominiums (g) | **816** | **816** | 1,100 | 1,100 |
| Manati Empreendimentos e Participações S,A, (Note 19) | **806** | **-** | - | - |
| MPH Empreendimentos Imobiliários Ltda, (Note 19) | **22,711** | **-** | - | - |
| Barra Shopping Sul Condominiums (h) | **381** | **381** | - | - |
| Haleiwa Participações S,A, (Note 19) | **166** | **-** | - | - |
| Others | **1,337** | **1,337** | 382 | 383 |
| | **34,011** | **10,328** | 1,568 | 1,569 |

*(a) Prepayments to condominiums of shopping malls owned by the Group. A provision for losses was recognized in the full amount, considering its unlikely realization.*

*(b) Refers to advances granted Barra Shopping Sul shopkeepers Association on total amount of R$ 4,800 to meet working capital needs The debit balance is monthly updated by 135% change in the CDI and the amount of R$ 2,800 will be refunded in 48 monthly installments beginning January 2010 and the amount of R$ 2.000 in 12 monthly installments beginning January 2009.*

*(c) Refers to advances granted to Parkshopping condominium to meet its working capital needs. The debit balance is monthly updated by 110% change in the CDI and and will be refunded in 48 monthly installments beginning January 2009.*

*(d) Refers to advances granted to Ribeirão Shopping condominium to meet working capital needs. The debit balance is monthly updated by 110% change in the CDI and will be refunded in 12 monthly installments beginning January 2009.*

*(e) Refers to advances granted to Barra Shopping condominium to meet working capital needs. The debit balance is monthly updated by 135% change in the CDI and will be refunded in 36 monthly installments beginning January 2009.*

*(f) Refers to advances granted to New york City Center condominium to meet working capital needs. The debit balance is monthly updated by 105% change in the CDI and will be refunded in 24 monthly installments beginning January 2008.*

*(g) Refers to advances granted to Parkshopping Barigui condominium to meet working capital needs. The debit balance is monthly updated by IGP-DI +12% per year and will be refunded in 60 monthly installments beginning March 2007.*

*(h) Refers to advances granted to Barra Shopping Sul condominium to meet working capital needs. The debit balance is monthly updated by 135% change in the CDI and will be refunded in 24 monthly installments beginning January 2009.*

## 7. 7.Recoverable Taxes and Contributions

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Recoverable Income Tax - IR | **8,126** | **10,127** | 3,268 | 4,407 |
| Recoverable Social Contribution Tax – CSLL | **949** | **1,717** | 598 | 1,330 |
| IOF overpaid | **1,274** | **1,274** | 1,274 | 1,274 |
| IRRF on short-term investments | **6,028** | **6,154** | 2,755 | 2,814 |
| IRRF on services rendered | **378** | **380** | 366 | 366 |
| Recoverable PIS | **20** | **358** | 176 | 510 |
| Recoverable COFINS | **-** | **94** | 205 | 308 |
| PIS, COFINS e CSLL on services rendered | **-** | **-** | 296 | 323 |
| Other | **71** | **94** | 29 | 52 |
| | **16,846** | **20,198** | 8,967 | 11,384 |

## 8. 7.Land and Properties Held for Sale

| | 2008 | 2007 |
|---|---|---|
| | **Company and consolidated** | **Company and consolidated** |
| Land (a) | **127,156** | 73,255 |
| Built properties | **1,533** | 3,555 |
| Properties under construction | **768** | - |
| | **129,457** | 76,810 |

*(a) See Note 15.*

## 9. Income Tax and Social Contribution

Deferred Income and Social Contribution Taxes:

| | 2008 | 2007 |
|---|---|---|
| | **Company and consolidated** | **Company and consolidated** |
| Provision for contingencies | **16,978** | 14,656 |
| Allowance for doubtful accounts (a) | **12,282** | 10,420 |
| Provision for losses on advances on charges (a) | **7,549** | 7,223 |
| Result from real estate projects (b) | **89** | (5,730) |
| Annual provision bond | **7,969** | - |
| Goodwill at merged company (c) | **430,060** | 511,807 |
| Accumulated fiscal losses and negative basis for social contribution | **42,626** | - |
| | | |
| Deferred tax credit base | **517,553** | 538,375 |
| Deferred income tax (25%) | **129,388** | 134,594 |
| Deferred social contribution tax (9%) | **46,580** | 48,454 |
| | **175,968** | 183,048 |
| Current | **38,704** | 18,435 |
| Noncurrent | **137,264** | 164,613 |

Deferred income and social contribution taxes will be realized as follows:

| | 2008 | 2007 |
|---|---|---|
| | **Company and consolidated** | **Company and consolidated** |
| 2009 | **-** | 29,938 |
| 2010 | **58,943** | 41,165 |
| 2011 | **69,982** | 43,036 |
| 2012 onwards | **8,339** | 50,474 |
| | **137,264** | 164,613 |

*(a) The balance in the provision for credits for bad debts used for calculating the consolidated fiscal credit had net value in the amount of R$ 581, registered as a write-off to the results of future periods.*

*b) According to the tax criterion, the result of the sale of real estate units is determined based on the financial realization of revenues (cash basis) and costs are determined by applying a percentage on revenues recorded until then, and such percentage corresponds to that of total estimated cost in relation to total estimated revenues.*

*c) The goodwill recorded in Bertolino's balance sheet, company merged in 2007 deriving from Multiplan capital participation acquisition in the amount of R$ 550,330 and based on the investment's expected future profitability, will be amortized by Multiplan premised on said expectations over a term of 4 years and 8 months. In consonance with CVM Instruction No. 349, Bertolino set up a provision for net equity make-whole before its merger in the amount of R$ 363,218, corresponding to the difference between the goodwill amount and the tax benefit deriving from the related amortization. This caused Multiplan to absorb only the assets relating to the goodwill amortization tax-deductible benefit, in the amount of R$ 186,548. The referred provision will be reversed in proportion of the goodwill amortization by Multiplan, thus not affecting the result of its operations.*

## Reconciliation of income and social contribution tax expense

Reconciliation of the income and social contribution tax expense calculated at the applicable combined statutory rates and the corresponding amounts posted to the statement of income is as follows:

| | Consolidated | |
|---|---|---|
| | **2008** | **2007** |
| Calculation under taxable income methods | | |
| Income before income and social contribution taxes | **98,044** | 34,366 |
| | | |
| Additions | | |
| Provisions | **3,046** | 3,484 |
| Amortization of goodwill | **13,062** | 5,568 |
| Nondeductible expenses | **17,228** | 6,724 |
| Effect of subsidiaries’ IRPJ base eliminated upon consolidation | **5,591** | 1,426 |
| Effect of subsidiaries' IRPJ base relating to minority interest | **766** | 165 |
| Tax loss incurred by the parent company for which no provision for deferred income tax was established | **-** | 9,704 |
| Result from real estate projects | **5,816** | - |
| Others | **-** | 33 |
| | **45,509** | 27,104 |
| Exclusions | | |
| Equity in the earnings of County for the year | **(494)** | (795) |
| Result from equity equivalence | **(16,188)** | (12,434) |
| Realization of goodwill from merged company | **(81,744)** | (38,523) |
| Result from real estate projects | **-** | (5,730) |
| Others | **(88)** | - |
| | **(98,514)** | (57,482) |
| Tax profit | **45,039** | 3,988 |
| Compensation of tax loss and social contribution tax loss | **(10,785)** | - |
| Tax calculation base | **34,254** | 3,988 |
| | | |
| | | |
| Income tax | **(8,563)** | (997) |
| Social contribution | **(3,083)** | (359) |
| | **(11,646)** | (1,356) |
| Taxable profits computed as a percentage of gross sales | **(1,154)** | (457) |
| Effect of Income tax on the result | **(12,800)** | (1,813) |
| Effect of deferred income tax on the result | **(7,081)** | (11,230) |
| Income tax and social contribution in the statement of operations | **(19,881)** | (13,043) |

## 10. Investments in Subsidiaries

Information on subsidiaries:

| | Number of units | % ownership | Capital | 2008 Shareholders' equity | 2008 Net income (loss) for the year | 2007 Shareholders' Equity | 2007 Net income (loss) for the year |
|---|---|---|---|---|---|---|---|
| CAA Corretagem e Consultoria Publicitária S/C Ltda. | **5,000** | **99.00** | **50** | **306** | **(33)** | 339 | (125) |
| RENASCE - Rede Nacional de Shopping Centers Ltda. | **45,000** | **99.00** | **450** | **4,690** | **(485)** | 5,175 | (325) |
| CAA Corretagem Imobiliária Ltda. | **154,477** | **99.61** | **1,544** | **(115)** | **(57)** | 58 | (115) |
| MPH Empreendimentos Imobiliários Ltda. (a) | **839** | **41.96** | **22,000** | **22,000** | **-** | 2,000 | - |
| Multiplan Admin. Shopping Center | **20,000** | **99.00** | **20** | **3,055** | **1,582** | 1,473 | 1,110 |
| Brazilian Realty | **11,081,059** | **99.99** | **39,525** | **48,071** | **6,257** | 41,811 | 1,554 |
| JPL Empreendimentos | **9,309,858** | **100.00** | **9,310** | **13,972** | **2,408** | 11,564 | 446 |
| Indústrias Luna S.A. | **7** | **0.01** | **37,000** | **48,071** | **6,257** | 41,799 | - |
| Solução Imobiliária Ltda. | **1,715,000** | **100.00** | **1,715** | **1,545** | **239** | 1,306 | 61 |
| SCP - Royal Green Península | **-** | **98.00** | **51,582** | **23,046** | **6,731** | 9,013 | 8,070 |
| SC Fundo de Investimento Imobiliário Ltda. | **-** | **-** | **-** | **-** | **-** | 39,475 | (525) |
| Manati Empreendimentos e Participações S.A. (b) | **21,442,694** | **50.00** | **25,668** | **47,683** | **(3,218)** | - | |
| Haleiwa Participações S.A. (b) | **29,893,268** | **50.00** | **13,446** | **26,894** | **-** | - | - |

*(a) This Company was incorporated in February 2007.*
*(b) The equity in earnings of affiliates covers the period beginning when these investments were acquired by the Company during the second semester of 2008.*

The Company maintains shareholders agreements related to all jointly-controlled Manati Empreendimentos e Participações S.A. and Haleiwa Participações S.A. In relation to resolutions about administration of the jointly-controlled subsidiaries. the Company holds a seat in the Board of Directors and/or Executive Board, participating proactively in all strategic business decisions.

### Investments of the Company:

| Subsidiaries | | At December 31, 2006 | Acquisition | Dividends Received | Revenue of shares | Exchange variation | Equity in subsidiaries | At December 31, 2007 |
|---|---|---|---|---|---|---|---|---|
| CAA Corretagem e Consultoria Publicitária S/C Ltda. | | 460 | - | - | - | - | (124) | 336 |
| RENASCE - Rede Nacional de Shopping Centers Ltda. | | 6,697 | - | (1,100) | - | - | (473) | 5,124 |
| CAA Corretagem Imobiliária Ltda. | | 57 | - | - | - | - | (57) | - |
| SCP - Royal Green Península | | 924 | - | - | - | - | 7,909 | 8,833 |
| Multiplan Admin, Shopping Center | | 954 | - | (592) | - | - | 1,099 | 1,461 |
| SC Fundos de Investimentos Imobiliários | | 40,000 | - | - | (525) | - | - | 39,475 |
| MPH Empreendimentos Imobiliários Ltda. | | - | 839 | - | - | - | - | 839 |
| Brazilian Realty LLC. | **(b)** | - | 40,257 | - | - | (2,016) | 3,570 | 41,811 |
| JPL Empreendimentos Ltda. | **(b)** | - | 11,118 | - | - | - | 446 | 11,564 |
| Industrias Luna S.A. | **(b)** | - | 4 | - | - | - | - | 4 |
| Solução Imobiliária Ltda. | **(c)** | - | 1,245 | - | - | - | 61 | 1,306 |
| Others | | 85 | - | - | - | - | 3 | 88 |
| | | 49,177 | 53,463 | (1,692) | (525) | (2,016) | 12,434 | 110,841 |

**Investments of the consolidated:**

| Subsidiaries | At December 31, 2006 | Disposals | Revenue of shares | Equity in subsidiaries | At December 31, 2007 |
|---|---|---|---|---|---|
| Custo | | | | | |
| SCP – Royal Green Península | 924 | - | - | 7,909 | 8,833 |
| SC Fundos de Investimentos Imobiliários | 40,000 | - | (525) | - | 39,475 |
| Others | 198 | (63) | - | 118 | 253 |
| | | | | | |
| | 41,122 | (63) | (525) | 8,027 | 48,561 |

(a)On December 20, 2006, by way of a Real Estate Investment Fund Shares' Purchase and Sale Agreement and other Covenants, the Company purchased from PSS – Seguridade Social 100% of the 14,475 shares issued by SC Fundo de Investimento Imobiliário a real estate investment fund that holds 20% interest in RibeirãoShopping venture, for R$ 40,000. This investment was stated at cost on the acquisition date. Since referred to fund ceased to exist as formally approved as per the minutes of the Shareholders' Annual and Special General Meeting held on March 25, 2008, this investment was transferred to fixed assets as acquisition cost in connection with RibeirãoShopping venture.

(b)As mentioned in Note 1, on July 16, 2007 the Company acquired the total capital of Brazilian Realty. a company that holds 100% capital of Luna, which in turn, held 65.19% of Shopping Pátio Savassi. The amount paid in this operation was R$ 124,134 and goodwill amounted to R$ 46,438 based on future profitability (Note 12) and to R$ 37,434 for the fair value of assets (Note 11). On September 13, 2007, the Company acquired the total capital of JPL Empreendimentos, a company that holds 100% capital of Cilpar, which, in turn holds an 18.61% interest in Shopping Pátio Savassi. The amount paid in this operation was R$ 37,826, and goodwill amounted to R$ 15,912 based on future profitability (Note 12) and to R$ 10,796 for the fair value of assets (Note 11).

(c)As mentioned in Note 1, on October 31, 2007 the Company acquired for R$ 6,429 the total units representing the capital of Solução Imobiliária Ltda., which holds a 0.58% interest in MorumbiShopping and goodwill amounted to R$ 3,524 based on future profitability (Note 12) and to R$ 1,660 for the fair value of assets (Note 11).

(d)On February 7, 2008 the Company entered into a loan agreement with Manati Empreendimentos e Participações S.A. by means of which it lent to the latter the amount of R$ 23,806. On February 13, 2008, the parties entered into an amendment to this loan agreement based on which the loan amount was increased by R$ 500. According to the minutes of the Extraordinary General Meeting (EGM) held on April 25, 2008. Manati repaid to Multiplan the total amount borrowed, through conversion of this total loan amount into capital contribution in Manati with the subscription, by Multiplan, of 21,442,694 new registered common shares of Manati, which holds a 75% interest in Shopping Santa Úrsula. The amount paid in this acquisition was R$ 28,668 and goodwill on the transaction, amounting to R$ 3,218, which is supported by the assets market value (Note 11).

(e)On May 20, 2008, the Company acquired ownership interest of 50% in Haleiwa Empreendimentos Imobiliários S.A., for R$ 50 (in reais). The Extraordinary Shareholders' Meeting of June 23, 2008, decided to increase capital of Haleiwa from R$ 1 to R$ 29,893, through issue of 26,892,266 registered common shares, namely: (a) 13,446,134 shares subscribed and paid by Multiplan in the amount of R$ 13,446, through capitalization of credits held receivable from the company resulting from loan agreement and advances for future capital increase made on May 28, 2008 and June 2, 2008, for the acquisition of the land described in the business purpose of Haleiwa; (b) 1,500,000 shares subscribed but not yet paid by Multiplan.

## 11. Property and Equipment

| | Annual depreciation rates (%) | 2008 | | 2007 | |
|---|---|---|---|---|---|
| | | Company | Consolidated | Company | Consolidated |
| Cost | | | | | |
| Land | - | 313,092 | 379,277 | 175,137 | 202,037 |
| Improvements | 2 a 4 | 1,022,013 | 1,087,553 | 633,683 | 680,881 |
| Accumulated depreciation | | (138,415) | (147,373) | (115,256) | (121,816) |
| Net | | 883,598 | 940,180 | 518,427 | 559,065 |
| | | | | | |
| Installations | 2 a 10 | 88,122 | 95,629 | 74,956 | 80,012 |
| Accumulated depreciation | | (31,678) | (34,295) | (26,153) | (27,996) |
| Net | | 56,444 | 61,334 | 48,803 | 52,016 |
| | | | | | |
| Machinery, equipment, furniture and fixtures | 10 | 8,135 | 12,041 | 2,670 | 4,387 |
| Accumulated depreciation | | (2,100) | (3,763) | (945) | (1,672) |
| Net | | 6,035 | 8,278 | 1,725 | 2,715 |
| | | | | | |
| Other | 10 a 20 | 3,271 | 4,078 | 4,358 | 6,351 |
| Accumulated depreciation | | (1,050) | (1,304) | (1,358) | (2,784) |
| Net | | 2,221 | 2,774 | 3,000 | 3,567 |
| | | | | | |
| Construction in progress | - | 88,136 | 129,769 | 55,081 | 59,605 |
| | | 1,349,526 | 1,521,612 | 802,173 | 879,005 |
| **Fair value of assets** | | | | | |
| Brazilian Realty LLC | | | | | |
| Land | | - | 10,106 | - | 10,106 |
| Improvements | | - | 27,324 | - | 27,324 |
| Accumulated amortization | | - | (1,129) | - | (355) |
| Net | | - | 36,301 | - | 37,075 |
| | | | | | |
| Indústrias Luna S.A. | | | | | |
| Land | | - | 1 | - | 1 |
| Improvements | | - | 3 | - | 3 |
| Accumulated amortization | | - | - | - | - |
| Net | | - | 4 | - | 4 |

*continuation...*

| | | | | |
|---|---|---|---|---|
| JPL Empreendimentos Ltda. | | | | |
| Land | **-** | **2,915** | - | 2,915 |
| Improvements | **-** | **7,881** | - | 7,881 |
| Accumulated amortization | **-** | **(317)** | - | (94) |
| Net | **-** | **10,479** | - | 10,702 |
| | | | | |
| Solução Imobiliária Ltda. | | | | |
| Land | **-** | **398** | - | 398 |
| Improvements | **-** | **1,262** | - | 1,262 |
| Accumulated amortization | **-** | **(42)** | - | (6) |
| Net | **-** | **1,618** | - | 1,654 |
| | | | | |
| Manati | | | | |
| Land | **-** | **837** | - | - |
| Improvements | **-** | **2,381** | - | - |
| Accumulated amortization | **-** | **(28)** | - | - |
| Net | **-** | **3,190** | - | - |
| **(a)** | **-** | **51,592** | - | 49,435 |
| | **1,349,526** | **1,573,204** | 802,173 | 928,440 |

*(a) As described in Note 10 (b), (c) and (d), goodwill deriving from the difference between market and book values of the assets of acquired investments, has been amortized as the related assets are realized by the subsidiaries, either by depreciation or write-off as a result of asset disposal. For consolidation purposes, and in accordance with article 26 of CVM Instruction No. 247/96, goodwill resulting from the difference between market and book values of assets has been classified in the account used by the parent company to record the related asset, under property, plant and equipment.*

The Company reviewed the economic useful life of shopping malls and eventually of depreciation rates as of August 31, 2008 based on the assessment report on remaining useful life prepared by a specialized company for all shopping malls. Based on such review, depreciation expenses decreased by R$ 2,832 for 2008, in relation to year 2007.

## 12. Intangible Assets

Intangible assets comprise car parking use rights goodwill recorded by the Company upon the acquisition of new investments during 2007 and 2008, with part of these investments being later merged.

| | Annual amortization rates (%) | | 2008 | 2007 |
|---|---|---|---|---|
| | | **Company** | **Consolidated** | **Company and consolidated** |
| Goodwill at merged company (a) | | | | |
| Bozano | | **307,067** | **307,067** | 307,067 |
| Accumulated amortization | **20** | **(188,457)** | **(188,457)** | (127,046) |
| | | | | |
| Realejo | | **86,611** | **86,611** | 86,611 |
| Accumulated amortization | **20** | **(34,645)** | **(34,645)** | (17,322) |
| | | | | |
| Multishopping | | **169,849** | **169,849** | 169,857 |
| Accumulated amortization | **20** | **(85,754)** | **(85,754)** | (51,789) |
| | | **254,671** | **254,671** | 367,378 |
| Goodwill upon acquisition of ownership interest (b) | | | | |
| Brazilian Realty LLC | | **46,434** | **46,434** | 46,088 |
| Accumulated amortization | **20** | **(13,232)** | **(13,232)** | (4,244) |
| | | | | |
| Indústrias Luna S.A. | | **4** | **4** | 4 |
| Accumulated amortization | **20** | **-** | **-** | - |
| | | | | |
| JPL Empreendimentos Ltda. | | **15,912** | **15,912** | 15,912 |
| Accumulated amortization | **20** | **(3,329)** | **(3,329)** | (792) |
| | | | | |
| Solução Imobiliária Ltda. | | **3,524** | **3,524** | 3,524 |
| Accumulated amortization | **14** | **(554)** | **(554)** | (77) |
| | | **48,759** | **48, 759** | 60,415 |
| Copyright Sistems | | | | |
| Software License (c) | | **5,095** | **5,095** | - |
| Others | | **224** | **1,365** | - |
| | | **5,319** | **6,460** | - |
| | | **308,749** | **309,890** | 427,793 |

a) The goodwill recorded upon the merger of subsidiaries results from the following operations: (i) On February 24, 2006, the Company acquired all the shares of Bozano Simonsen Centros Comerciais S.A and Realejo Participações S.A. These investments were acquired for R$ 447,756 and R$ 114,086, respectively, and goodwill was recorded in the amount of R$ 307,067 and R$ 86,611, respectively in relation to the book value of the referred companies as of that date; (ii) On June 22, 2006, the Company acquired all the shares of Multishopping Empreendimento Imobiliário S.A. held by GSEMREF Emerging Market Real Estate Fund L.P, for R$ 247,514 as well as the shares held by shareholders Joaquim Olímpio Sodré and Manoel Joaquim Rodrigues Mendes for R$ 16,587, and goodwill was recorded in the amount of R$ 158,931 and R$ 10,478, respectively, in relation to the book value of Multishopping as of that date. In addition, on July 8, 2006 the Company acquired the shares of Multishopping Empreendimento Imobiliário S.A. held by shareholders Ana Paula Peres and Daniela Peres, for R$ 900, resulting in goodwill of R$ 448. The referred to goodwill was based on expected future profitability of these investments.

b) As mentioned in Note 10 (b) and (c), as a result of new investments acquired in 2007, the Company recorded goodwill based on future profitability in the total amount of R$ 65,874, which has been amortized considering the term, extent and rate of results estimated in the report prepared by independent experts, not exceeding ten years.

c) Aimed to strengthen its internal control system while sustaining a well structured growth strategy, the Company started implementing SAP R/3 System. To enable implementation, the Company executed a service agreement in the amount of R$ 3,300 with IBM Brasil – Indústria, Máquinas e Serviços Ltda. on June 30, 2008. Additionally, the Company entered into two software licensing and maintenance agreements with SAP Brasil Ltda., both dated June 24, 2008, whereby SAP granted the Company a non-exclusive software license for an indefinite period of time. The license purchase amount was set at R$ 1,795.



## 13. Deferred Charges

| | Annual rates of amortization (%) | December 31, 2008 | | December 31, 2007 | |
|---|---|---|---|---|---|
| | | Company | Consolidated | Company | Consolidated |
| Parkshopping Barigui | 20 | 3,965 | 3,965 | 3,953 | 3,953 |
| Accumulated amortization | | (3,962) | (3,962) | (3,238) | (3,238) |
| Net | | 3 | 3 | 715 | 715 |
| Expansion – Morumbishopping | 20 | 186 | 186 | 186 | 186 |
| Accumulated amortization | | (59) | (59) | (64) | (64) |
| Net | | 127 | 127 | 122 | 122 |
| Other pre-operating expenses with shopping malls | 10 | 7,309 | 11,385 | 3,118 | 7,194 |
| Accumulated amortization | | (8) | (3,650) | - | (2,828) |
| Net | | 7,301 | 7,735 | 3,118 | 4,366 |
| Other pre-operating expenses | | 338 | 1,064 | 1,509 | 1,749 |
| Accumulated amortization | | (298) | (479) | (298) | (483) |
| Net | | 40 | 585 | 1,211 | 1,266 |
| Barrashopping Sul (a) | - | 16,695 | 16,695 | 5,252 | 5,252 |
| Vila Olímpia | | - | 4,691 | - | 2,427 |
| Real estate projects | | 2,921 | 2,921 | - | - |
| | | 27,087 | 32,757 | 10,418 | 14,148 |

*(a) In 2005, initial works for the construction of BarraShopping Sul started which was opened in November 2008.*

## 14. Loans and Financing

| | Index | Average annual interest rate | 2008 Company | 2008 Consolidated | 2007 Company | 2007 Consolidated |
|---|---|---|---|---|---|---|
| Current | | | | | | |
| BNDES (a) | TJLP and UMBNDES | 5.2% | **14,040** | **15,394** | 13,817 | 16,307 |
| Bradesco (d) | CDI | 135% CDI | **82,361** | **82,361** | - | - |
| Real (b) | - | TR + 10% | **8,518** | **8,518** | - | - |
| Banco IBM (e) | CDI + 0.79% per year | 100% CDI + 0.79% per year | **1,061** | **1,061** | - | - |
| Companhia Real de Distribuição (f) | - | - | **26** | **26** | 26 | 26 |
| | | | **106,006** | **107,360** | 13,843 | 16,333 |
| Noncurrent | | | | | | |
| BNDES (a) | TJLP and UMBNDES | 5,2% | **5,754** | **5,754** | 19,144 | 21,098 |
| Real (b) | - | TR + 10% | **110,721** | **110,721** | - | - |
| Itaú (c) | - | TR + 10% | **7,558** | **7,558** | - | - |
| Banco IBM (e) | CDI + 0.79% per year | 100% CDI + 0.79% per year | **4,034** | **4,034** | - | - |
| Companhia Real de Distribuição (f) | - | - | **845** | **845** | 871 | 871 |
| | | | **128,912** | **128,912** | 20,015 | 21,969 |

Noncurrent loans and financing mature as follows:

| | 2008 Company | 2008 Consolidated | 2007 Company | 2007 Consolidated |
|---|---|---|---|---|
| 2009 | **-** | **-** | 13,536 | 15,490 |
| 2010 | **23,743** | **23,743** | 4,275 | 4,275 |
| 2011 | **20,808** | **20,808** | 1,413 | 1,413 |
| 2012 onwards | **84,361** | **84,361** | 791 | 791 |
| | **128,912** | **128,912** | 20,015 | 21,969 |

(a) Loans and financing with BNDES, obtained for the construction of shopping malls MorumbiShopping, on may 2005 ParkShopping Barigui on December 2002 and Shopping Pátio Savassi on may 2003, are guaranteed by mortgage of the related properties, recorded under property and equipment for R$ 76,553 (R$ 66,504 on 2007), guarantees provided by directors or surety furnished by parent company Multiplan Planejamento. Participações e Administração S.A. The average yearly interest rate on loans and financing is 5.2%.

(b) On September 30, 2008, the Company entered into a financing agreement with Banco ABN AMRO Real S.A. to build a shopping mall located in Porto Alegre area in the amount of R$ 122,000, of which R$ 119,000 have been released to date. This financing bears 10% interest p.a. plus the variation in the Referential Rate (TR), and it is amortizable in 84 monthly consecutive installments, the first of which maturing July 10, 2009. This effective interest rate contractually provided for should be renegotiated from the 13th month as from the first release or last adjustment and annually, as the case may be, if either of the following conditions materializes: (a) pricing (interest rate + TR) lower than 0.95% of the average CDI for the last 12 months; or (b) pricing (interest rate + TR) higher than 105% of the average CDI for the last 12 months.

(c) On May 28, 2008, the Company and the other Shopping Anália Franco venturers entered into a credit facility agreement with Banco Itaú S.A. to renovate and expand the respective real property in the total amount of R$ 45.000. The amount released to date corresponds to R$ 25,193, of which 30% are under the Company's responsibility. This facility bears 10% interest p.a. plus TR and is amortizable in 71 monthly consecutive installments, the first of which maturing January 15, 2010. As collateral for this debt, the Company assigned Shopping Center Jardim Anália Franco in trust to Banco Itaú. Additionally, the Company assigned in trust to Banco Itaú receivables deriving from Shopping Jardim Anália Franco lease agreement, corresponding to 120% of the monthly installments falling due from the agreement date.

(d) In October and December 2008, the Company executed three unsecured credit certificates with Banco Bradesco in the total amount of R$ 80,000 to strengthen its cash management, as follows:

| Inicial Date | Final Date | Amount | Interest Rate |
|---|---|---|---|
| 10/9/2008 | 4/7/2009 | 30,000 | 135.5% CDI |
| 10/15/2008 | 10/9/2009 | 40,000 | 135% CDI |
| 12/5/2008 | 11/30/2009 | 10,000 | 132.9% CDI |

Principal and interest amounts relating to these agreements will be fully amortized on their maturity dates.

(e) As mentioned in Note 12.c, the Company executed a service agreement with IBM Brasil - Indústria. Máquinas e Serviços Ltda., on June 30, 2008, and entered into two software licensing and maintenance agreements with SAP Brasil Ltda., both dated June 24, 2008. Pursuant to the 1st Addendum to the respective agreements, executed in July 2008, the amount of services related therewith was the subject of lease financing by the Company to Banco IBM S.A. whereby the Company assigned to Banco IBM S.A the obligation to pay for the services under such conditions as established in the agreements. As consideration therefore, the Company will refund Banco IBM for all amounts spent in connection with the implementation, in 48 monthly successive installments of approximately 2.1% of the total cost plus accrued DI-Over rate daily variation, the first installment falling due in March 2009. To date, total amount under lease is R$ 5,095.

(f) The balance payable to Companhia Real de Distribuição relates to the intercompany loan agreement with subsidiary Multishopping for the beginning of construction of BarraShopping Sul, payable in 516 monthly tranches of R$ 2, as from the hipermarket inauguration date in November 1998, with no indexation.

## 15. Property Acquisition Obligations

| | 2008 | 2007 |
|---|---|---|
| | **Company and consolidated** | **Company and consolidated** |
| Current | | |
| Land Barra (a) | **20,956** | - |
| PSS – Seguridade Social (b) | **19,133** | 17,393 |
| Land Morumbi (c) | **2,550** | 2,550 |
| Coroa Alta – Land Anhanguera (d) | **2,008** | 8,032 |
| Valenpride Sociedade Anônima (e) | **306** | 7,106 |
| Companhia Brasileira de Distribuição (f) | **-** | 2,804 |
| Fundação Sistel de Seguridade Social (g) | **-** | 1,828 |
| Coroa Alta Emp.Imob.Ltda (h) | **-** | 2,158 |
| Land Chácara Santo Amaro (i) | **-** | 1,935 |
| Others | **269** | 969 |
| | **45,222** | 44,775 |
| Noncurrent | | |
| Land Barra (a) | **26,195** | - |
| PSS – Seguridade Social (b) | **63,854** | 75,502 |
| Coroa Alta – Land Anhanguera (d) | **-** | 2,008 |
| | **90,049** | 77,510 |

*(a) With the public title registration dated March 11, 2008, the Company acquired a plot of land located in Barra da Tijuca - Rio de Janeiro, destined for the construction of a shopping mall and other integrated structures. The value of the acquisition was R$ 100,000, to be settled in the following manner: (a) R$ 40,000 upon the act of signing the public title for purchase and sale; (b) R$ 60,000, in 36 equal monthly installments, plus interest in the amount of 12% per annum, with the first installment being due 30 days after the signing date of the public title.*

*(b) In December, 2006, the Company acquired from PSS, the total number shares issued by SC Fundo de Investimento Imobiliário, for R$ 40,000, from which R$ 16,000 were to be paid up front. in 60 monthly and consecutive installments of R$ 494, already including annual interest of 9% by French amortization method, plus monthly monetary restatement according to the variation of National Consumer Price Index (IPCA), the first of which was falling due on January 20, 2007 and the remaining, on the same day of subsequent months. Additionally, the Company acquired from PSS 10,1% of ownership interest in MorumbiShopping for R$ 120,000. The amount of R$ 48,000 was paid on the deed date and the remaining balance will be settled in seventy-two consecutive monthly installments, plus annual interest of 7% based on the French amortization method and adjustments for the IPCA variation.*

*(c) In December 2006, the Company entered into an irrevocable private agreement with several individuals and legal entities for sale and purchase of two plots of land in São Paulo for R$ 19,800, of which R$ 4,000 were paid upon execution of the agreement and R$ 13,250 on February 20, 2007. The amount of R$ 2,550 will be paid through assignment of the units under construction of "Centro Empresarial MorumbiShopping". The Company also acquired four plots of land adjacent to the venture for R$ 2,694, already fully paid.*

*(d) On April, 2007, the Company executed four purchase and sale deeds concerning tracts of land located in the city of Ribeirão Preto/SP for the total amount of R$ 15,998, payable as follows: in relation to three deeds, the Company paid the total amount of R$ 425 in the act, and the remaining balance will be amortized in 23 no-interest-bearing, monthly of R$ 471, as to the fourth deed, the Company paid R$ 123 in the act, R$ 255 within 30 days from the agreement execution date, and the remaining balance amortized in 22 no-interest-bearing, monthly the amount of R$ 198.*

*(e) In January 2007, the Company acquired the land located in Chácara Santo Antônio/SP for R$ 11,750, with the amount of R$ 2,200 being paid virtually on demand. R$ 4,356 upon title transfer, and the remaining amount of R$ 5,194 being payable in 17 installments of R$ 306 beginning April 2007.*

*(f) Acquisition of a store located at ParkShopping Brasília mall for R$ 9,100 in April 2003, of which R$ 686 paid upon the agreement execution and the remainder payable in 60 monthly installments due as from December 2003, plus 12% interest p.a.*

*(g) In March 2004, merged subsidiaries Multishopping, Bozano and Realejo acquired from Sistel 7.5% of its interest in BHShopping (BHS) for R$ 32,877, of which R$ 12,524 paid cash and the remaining balance payable in 48 monthly, equal and consecutive installments of R$ 424 each from April 2004 on, as annually adjusted by reference to the variation in the National Consumer Price Index plus 8% interest p.a. This balance was fully settled on March 17, 2008.*

*(h) In January 2007, the Company acquired 50% of land where Barrashopping Sul is currently being built in Porto Alegre, for the amount of R$ 16,183, of which R$ 2,158 paid cash upon the title deed signature and R$ 14,025 in 13 monthly, equal and consecutive installments of R$ 1,079 each, the first one maturing on February 20, 2007; the balance was fully settled on February 19, 2008.*

*(i) In April 2007, the Company acquired from several individuals 93.75% of the land located in Chácara Santo Antônio district, city of São Paulo, for R$ 5,980, of which R$ 110 paid cash. A balance of R$ 1,000 was paid 90 days thereafter; R$ 1,000 in 120 days, bearing 0.5% interest per month, and the remainder, in the amount of R$ 3,870, in 6 monthly installments of R$ 645, bearing 0.5% interest per month.*

Noncurrent property acquisition obligations mature as follows:

| | 2008 | 2007 |
|---|---|---|
| | **Company and consolidated** | **Company and consolidated** |
| 2009 | **-** | 19,400 |
| 2010 | **40,089** | 17,392 |
| 2011 | **24,372** | 17,392 |
| 2012 | **13,350** | 12,170 |
| 2013 | **12,238** | 11,156 |
| | **90,049** | 77,510 |

## 16. Acquisition of Shares

The balance payable to GSEMREF Emerging Market Real Estate Fund L.P. refers to the acquisition, in June 2006, of all shares of Multishopping that it owned. The purchase amount was R$ 247,514, from which R$ 160,000 were paid up front, and the remaining amount was divided into two installments, the first of which totaled R$ 42,454, payable one year after the agreement date; and the second, totaling R$ 45,060, payable in two years, both being subject to restatement by General Market Price Index (IGP-M). GSEMREF assigned the rights to Banco Itaú BBA S.A. and the balance was settled on July 4, 2008.

## 17. Taxes Paid in Installments

| | Consolidated | |
|---|---|---|
| | **2008** | **2007** |
| Current | | |
| Tax assessments (a) | **267** | 263 |
| | **267** | 263 |
| Noncurrent | | |
| Tax assessments (a) | **1,574** | 1,755 |
| | **1,574** | 1,755 |

*(a) Refers to tax delinquency notices received in July 2003 resulting from underpayment of income and social contribution taxes in 1999. The subsidiaries Multishopping and Renasce opted to participate in the installment payment plan of Law No. 10684/2003. and the amount of the obligation was divided into 180 monthly installments beginning in July 2003. In addition, subsidiary Renasce opted to participate in the installment payment plan of the debt referring to the tax claim of the National Institute of Social Security – INSS, due to lack of payment of INSS on third party labor, which was secured by the bank guarantee contract with Banco ABC Brasil S.A. up to 2004. The installment payment is restated by the Long-term Interest Rate – TJLP.*

## 18. Contingencies

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| PIS and COFINS (a) | **12,920** | **13,793** | 12,920 | 13,803 |
| Deposit in court | **(12,920)** | **(13,793)** | (12,974) | (13,847) |
| INSS | **-** | **63** | - | 63 |
| Deposit in court | **-** | **(63)** | - | - |
| Civil contingencies (c) | **5,129** | **5,167** | 364 | 364 |
| Deposit in court | **(3,554)** | **(3,554)** | - | - |
| Labor contingencies | **354** | **516** | 157 | 225 |
| Deposit in court | **(30)** | **(41)** | - | - |
| Provision for PIS and COFINS (b) | **1,064** | **1,064** | 1,064 | 1,064 |
| Provision for IOF (b) | **175** | **1,402** | 174 | 1,691 |
| Tax contingencies | **17** | **17** | - | - |
| | **3,155** | **4,571** | 1,705 | 3,363 |

*Provisions for contingencies were established to cover probable losses in administrative and legal proceedings related to tax and labor issues, with expectation of probable losses, in an amount considered sufficient by Company Management, based on the legal advice and assessment, as follows:*

*(a) In 1999, the Company started to question in court PIS and COFINS levy on the terms of Law 9718 of 1998. The payments related to COFINS have been calculated according to ruling legislation and deposited in court.*

*(b) The provisions for PIS, COFINS and IOF result from financial transactions with related parties until December 2006. As from 2007, the Company has been paying IOF normally.*

*(c) In March 2008, based on the opinion of its legal advisors, the Company established a provision for contingencies, amounting to R$ 3,228, and made a judicial deposit in the same amount. Such provision consists of claims for damages filed by relatives of victims of a homicide on the premises of Cinema V at Morumbi Shopping. The remaining balance of the provisions for civil claims consists of various minor value claims filed against the shopping malls in which the Company holds equity interest.*

In addition to the above proceedings the Company is defendant in several other civil proceedings assessed by the legal advisors as involving possible losses estimated at R$ 23,095 ( R$ 18,002 on 2007).

Taxes and social contributions determined and paid by the Company and your subsidiaries are subject to review by the tax authorities for different statute barring periods.

## 19. Transactions and Balances with Related Parties

| Company | Amounts receivable | Sundry loans and advances | | Amounts payable – current | Financial income |
|---|---|---|---|---|---|
| | Noncurrent | Current | Noncurrent | | |
| RENASCE – Rede Nacional de Shopping Centers Ltda. | 1 | - | - | - | - |
| JPL Empreendimentos Ltda. | 25 | 25 | - | 188 | - |
| CAA – Corretagem Imobiliária Ltda. | 196 | 7 | - | - | 34 |
| MPH Empreend. Imob. Ltda. | - | 14 | 22,711 | - | - |
| Multiplan Admin. Shopping Center | 8 | 4 | - | - | - |
| WP Empreendimentos Participações Ltda. | 1,687 | - | - | - | 330 |
| Manati Empreendimentos e Participações S.A. | - | 48 | 806 | - | - |
| Brazilian Realty | 73 | 73 | - | - | - |
| Solução Imobiliária Ltda. | 49 | 5 | - | - | - |
| Haleiwa | - | - | 166 | - | - |
| Total at December 31, 2008 | 2,039 | 176 | 23,683 | 188 | 364 |

| Consolidated | Amounts receivable | Amounts payable |
|---|---|---|
| | Noncurrent | Current |
| Helfer Comércio e Participações Ltda. | - | 8,581 |
| Plaza Shopping Trust SPCO Ltda. | - | 15,034 |
| WP Empreendimentos Participações Ltda. | 1,687 | - |
| Others | - | 165 |
| Total at December 31, 2008 | 1,687 | 23,780 |

| Company | Amounts receivable | | Sundry loans and advances current | Amounts payable – current | Dividends payable | Administrative and expenses | Financial income |
|---|---|---|---|---|---|---|---|
| | Current | Noncurrent | | | | | |
| Multiplan Planejamento Participações e Administração Ltda. | 12 | - | 1 | - | - | 2,345 | - |
| RENASCE – Rede Nacional de Shopping Centers Ltda. | 1 | - | - | - | - | 178 | 9 |
| JPL Empreendimentos Ltda | - | - | - | 1,488 | - | - | 15 |
| Cikpar – Cil Participações Ltda. | - | 478 | - | - | - | - | - |
| CAA – Corretagem Imobiliária Ltda. | - | 156 | 7 | - | - | - | 21 |
| Indústrias Luna S.A. | - | 1,675 | - | - | - | - | 51 |
| MPH Empreend. Imob. Ltda. | - | 4,079 | 4 | - | - | - | - |
| Divertplan Comércio e Indústria Ltda. | - | - | 1 | - | - | - | - |
| Multiplan Admin. Shopping Center | - | - | 6 | - | - | - | - |
| WP Empreendimentos Participações Ltda. | - | 1,201 | - | - | - | - | - |
| Individual | - | - | - | - | 183 | - | - |
| Others | 12 | - | - | - | - | - | 3 |
| Total at December 31, 2007 | 25 | 7,589 | 19 | 1,488 | 183 | 2,523 | 99 |

| Consolidated | Amounts receivable | | Sundry loans and advances current | Amounts payable – current | Dividends payable | Financial expenses |
|---|---|---|---|---|---|---|
| | Current | Noncurrent | | | | |
| Multiplan Planejamento Participações e Administração Ltda. | 12 | - | 4 | - | - | - |
| Divertplan Comércio e Indústria Ltda. | - | - | 1 | - | - | - |
| G.W. do Brasil S.A. | - | - | - | - | - | 4 |
| WP Empreendimentos Participações Ltda. | - | 1,201 | - | - | - | - |
| G.D. Empreendimentos Imobiliários S.A. | 12 | - | - | - | - | - |
| JPL Empreendimentos Ltda | - | - | - | 1,488 | - | - |
| Individual | - | - | - | - | 183 | - |
| Total at December 31, 2007 | 24 | 1,201 | 5 | 1,488 | 183 | 4 |

The balance receivable from WP Empreendimentos Participações Ltda, refers to advances granted to pay the portion attributed to it of maintenance costs of land owned by the Company together with the referred to related party, monetarily restated by reference to IGP-DI variation plus 12% p.y. Due to the delay in project Campo Grande, the term for receiving these advances was extended and the balance reclassified to noncurrent portion.

During the year ended December 31, 2008 the company made several advances to its subsidiary MPH Empreendimentos Imobiliários, in a total amount of R$ 22,711 (R$ 4,079 on 2007), for the purpose of financing the costs of the construction of the Vila Olímpia project, in which MPH held a 71.5% share. These amounts are not being updated, and the Company expects that the related balance will be capitalized in the future.

The amount payable to JPL Empreendimentos refers to the acquisition of an 18.61% interest in Shopping Pátio Savassi.

During the year ended December 31, 2008 the Company made advances to Manati Empreendimentos e Participações S.A. of R$ 806, which has ownership interest of 75% in Santa Úrsula Mall, in order to pay debts of the condominium. The Company expects to use this balance for capitalization purposes.

The balances payable to Helfer Comércio e Participações Ltda. and Plaza Shopping Trust SPCO Ltda. (consolidated) refer to advances made by these companies to subsidiary MPH Empreendimentos Imobiliários for future capitalization purposes, in order to finance Vila Olímpia venture works, in which MPH holds interest of 71.5%.

On September 14, 2007, the Company entered into Loan Agreements with subsidiaries Indústrias Luna S.A and Cilpar – Cil Participações Ltda. in the total amounts of R$ 1,624 and R$ 464, respectively, which were adjusted by reference to CDI plus 0.45% p.a., and amortized on May 21, 2008.

## 20.Deferred Income

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Revenue related to assignment of rights | **86,362** | **125,679** | 79,193 | 96,125 |
| Unallocated costs of sales | **(195)** | **(1,127)** | (1,195) | (1,543) |
| Other revenues | **1,746** | **1,746** | 1,799 | 1,799 |
| | **87,913** | **126,298** | 79,797 | 96,381 |
| Current | **20,604** | **21,264** | 19,932 | 20,472 |
| Noncurrent | **67,309** | **105,034** | 59,865 | 75,909 |

## 21. Shareholders' Equity

### a) Capital

The Company was incorporated on December 30, 2005 as a limited liability company, and its capital is represented by 56,314,157 quotas of interest worth R$ 1.00 each.

Under the 2nd Amendment to the Articles of Association dated February 15, 2006, Company members unanimously decided to increase Company capital in R$ 3,991, comprising (i) 153,877 units of interest of CAA – Corretagem Imobiliária Ltda., corresponding to 99.61% of the capital of that company; and (ii) rights related to 98% equity interest in a Silent Partnership which is in charge of developing the residential real estate project denominated "Royal Green Península".

The quotaholders' meeting held on March 15, 2006 approved the transformation of the Company into a corporation, and the 60,306,216 quotas were converted to common shares with no par value. In the same meeting was also approved a capital increase in R$ 99,990, with issue of 12,633,087 new common shares with no par value.

At the Special General Meeting held on June 22, 2006, the shareholders approved the Company's capital increase to R$ 264,419, through issue and subscription of 47,327,029 new shares, of which 19,328,517 common and 27,998,512 preferred shares. The subscription price was set at R$ 17,96 totaling R$ 850,001, out of which R$ 104,124 earmarked for capital and R$ 745,877 in the form of premium for share issuance. Preferred shares are entitled to vote, except for election of the Company management members, and are assigned priority rights to capital reimbursement, at no premium.

On the same date, the acquisition by Bertolino, (actual 1700480 Ontário Inc.) of 8,351,829 common shares of the Company owned by shareholders of CAA – Corretores Associados Ltda. and Eduardo Peres, became effective.

As mentioned in Note 1, as a result of the public issuance of 27,491,409 primary shares and 41.700 secondary shares on July 31 and August 30, 2007 respectively, the Company's capital increased by R$ 688,328.

At December 31, 2008, the parent company's capital is represented by 147,799,441 common and preferred, registered and book entry shares, with no par value. distributed as follows:

| Shareholder | Number of shares |
|---|---|
| Multiplan Planejamento. Participações e Administração S.A. | 56,587,470 |
| 1700480 Ontário Inc. | 51,281,214 |
| José Isaac Peres | 2,247,782 |
| Maria Helena Kaminitz Peres | 650,878 |
| Shares outstanding | 36,812,935 |
| Board of Directors and Officers | 71,862 |
| Total of shares outstanding | 147,652,141 |
| Shares in Treasure Department in 2008 | 147,300 |
| | 147,799,441 |

### b) Legal Reserve

Legal reserve is determined based on 5% of net profit as prescribed by prevailing legislation and the Company's bylaws, capped at 20% of capital.

### c) Expansion Reserve

In accordance with provisions set forth in the Company's bylaws, the remaining portion of net profit after absorption of accumulated losses, establishment of legal reserve and distribution of dividends was earmarked for expansion reserve, which is intended to secure funds for new investments in capital expenditures, current capital. and expanded corporate activities.

### d) Special Goodwill Reserve - Merger

As explained in Notes 9, upon Bertolino's merger into the Company, the goodwill recorded on Bertolino's balance sheet deriving from the purchase of Multiplan capital participation, net of provision for net equity make-whole, was recorded on the Company's books, after said merger, under a specific asset account – deferred income and social contribution taxes, as per contra to special goodwill reserve upon merger, pursuant to the provisions set forth in article 6°, paragraph 1° of CVM Instruction No. 319. This goodwill will be amortized by Multiplan premised on the expected future profitability that gave rise to it, over a term of 5 years.

**e) Treasury Shares**

On October 13, 2008, BM&FBOVESPA authorized the Company to repurchase shares of its own issue, under the terms of Announcement No. 051/2008-DP and CVM Instruction No. 10.

The Company has then decided to invest funds available in the repurchase of shares in order to maximize shareholder's value. Therefore, to date the Company purchased 147,300 common shares, reducing its outstanding shares percentage to 24.91% at December 31, 2008. The shares were purchased at a weighted average cost of R$ 13.08 at a minimum cost of R$ 9.80, and a maximum cost of R$ 14.15 (amounts in Reais). The share market value calculated by reference to the last price quotation before year end was R$ 12.31 (amount in Reais).

As required by the aforementioned Announcement, the Company shall recompose its minimum outstanding share percentage (25%) on or before May 11, 2010.

**f) Dividends**

As per the Company's bylaws, the minimum mandatory dividend corresponds to 25% of net profit, as adjusted pursuant to the Brazilian legislation.

The Company's Board of Directors will submit for the Annual General Meeting approval a proposed dividend distribution of R$ 20,084 thousand, corresponding to R$ 0,14 per share.

| | **2008** |
|---|---|
| Net profit for the year | 77,890 |
| Absorbed accumulated losses | (35,608) |
| | 42,282 |
| Allocation to legal reserve | (2,114) |
| Adjusted net profit | 40,168 |
| | |
| Mandatory minimum dividends | 10,042 |
| Complementary dividends | 10,042 |
| Total proposed dividends | 20,084 |
| Destination (%) | 50% |

**g) Stock options plan**

The Extraordinary Shareholders' Meeting of July 6, 2007, approved the terms and conditions of the Company's Stock Options Plan to become effective from this date, for Company's administrators, employees and service providers. The Plan is administered by the Company's board of directors.

The Stock Option Plan is limited to a maximum amount of options resulting in a dilution of 7% of the Company' capital on the date of creation of each Annual Program. The dilution consists of the percentage represented by the number of shares backing the option, and the total number of shares issued by the Company.

The Stock Option Plan beneficiaries are allowed to exercise their options in a four years' time from the date of granting. Vesting period will be of up to two years, with releases of 33.4% as from the second anniversary, 33.3% as from the third anniversary, and 33.3% as from the fourth anniversary.

Shares price shall be based on average quotation on the São Paulo Stock Exchange (Bovespa) of the Company's shares of the same class and type for the 20 (twenty) days immediately before option granting date, weighted by trading volume, monetarily restated by reference to the Amplified National Consumer Price Index (IPCA) variation published by the Brazilian Institute of Geography and Statistics (IBGE), or by any other index determined by the Board of Directors, until effective option exercise date.

Three stock option distributions were made in 2007 and 2008, which observe the maximum limit of 7% provided for by the plan, as summarized below:

(a) Program 1 - On July 6, 2007, the Company's Board of Directors approved the 1st Stock Options Plan for purchase of 1,497,773 shares, which may be exercised after 180 days as from the first public offering of shares made by the Company. Despite the aforementioned Plan's general provisions, the option exercise price is of R$ 9,80 restated by reference to IPCA variation, published by IBGE, or another index chosen by the Board of Directors.

(b) Program 2 - On November 21, 2007, the Company's Board of Directors approved the 2nd Stock Options Plan for purchase of 114,000 shares. Out of this total, 16,000 shares were granted to an employee who left the Company before the minimum term to exercise the option.

(c) Program 3 - On June 4, 2008, the Company's Board of Directors approved the 3rd Stock Options Plan for purchase of 1,003,400 shares. Out of this total, 27,900 shares were granted to an employee who left the Company before the minimum term to exercise the option.

The distributions in (b) and (c) follow the parameters defined by the Stock Options Plan described above.

To date, none of the options granted has been exercised, which involve a total of 2,571,273 shares or 1.74% of total shares at December 31, 2008.

The vesting period to exercise the options is as follows:

| **Vesting period as from granting** | **% of options released for exercise** | **Maximum number of shares** |
|---|---|---|
| Program 1 | | |
| 180 days after the Initial Public Offering - 01/26/08 | 100% | 1,497,773 |
| | | |
| Program 2 | | |
| As from the second anniversary - 11/21/09 | 33.4% | 32,732 |
| As from the third anniversary - 11/21/10 | 33.3% | 32,634 |
| As from the fourth anniversary - 11/21/11 | 33.3% | 32,634 |
| | | |
| Program 3 | | |
| As from the second anniversary - 06/04/10 | 33.4% | 325,817 |
| As from the third anniversary - 06/04/11 | 33.3% | 324,842 |
| As from the fourth anniversary - 06/04/12 | 33.3% | 324,842 |

The average weighted fair value of call options at December 31, 2008, described below. was estimated using the Black-Scholes options pricing model, assuming an estimated volatility of 48.88%, weighted average risk free rate of 12.5% and 3-year maturity to the first program and 5 years to the second and third programs.

| | **Weighted average fair value of options** |
|---|---|
| Program 1 | 16.40 |
| Program 2 | 7.95 |
| Program 3 | 7.57 |

Share-based payments outstanding at December 31, 2008 were measured and recognized by the Company in accordance with CPC 10, and related effects were recorded retroactively at the beginning of the year in which such payments were granted through the transition date. Related effects on shareholders' equity and P&L based on the options' fair value on the granting date are as follows:

| | Income | Shareholders equity |
|---|---|---|
| First-time Adoption of Law No. 11638/07 | 24,579 | 24,579 |
| 2008 | 1,272 | 25,851 |
| 2009 | 2,041 | 27,892 |
| 2010 | 2,041 | 29,933 |
| 2011 | 2,025 | 31,958 |
| 2012 | 769 | 32,727 |

## 22. Financial Income (Expenses), Net

| | | 2008 | | 2007 |
|---|---|---|---|---|
| | **Company** | **Consolidated** | **Company** | **Consolidated** |
| Income from short-term investments | **25,425** | **25,650** | 18,044 | 18,066 |
| Interest on loans and financing | **(2,799)** | **(2,799)** | (12,996) | (13,101) |
| Interest on loans property | **259** | **259** | - | - |
| Bank fees and other charges | **(3,841)** | **(4,091)** | (3,963) | (4,200) |
| Foreign exchange fluctuations | **-** | **(442)** | (2,016) | 815 |
| Monetary variations (Assets) | **1,702** | **1,729** | | |
| Monetary variations (liabilities) | **(15,599)** | **(16,049)** | (2,456) | (2,451) |
| Fines and interest on tax violations | **(214)** | **(336)** | - | - |
| Fine and interest on rental | **1,795** | **1,861** | 1,180 | 1,183 |
| Revenue of Shares | **3,303** | **3,303** | - | - |
| Interest on loans | **1,738** | **1,782** | 941 | 908 |
| Interest on property acquisition obligations | **(7,356)** | **(7,371)** | - | - |
| Bank fees | **(106)** | **(106)** | (23,700) | (23,700) |
| Discounts obtained | **154** | **154** | - | - |
| Total | **4,461** | **3,544** | (24,966) | (22,480) |

## 23. Financial Instruments and Risk Management

In accordance with the provisions set forth by CVM Rule No. 566 of December 17, 2008, which approved Accounting Pronouncement CPC 14, the Company measured its financial instruments.

The amounts recorded in the asset and liability accounts as financial instruments are restated as contractually provided for at December 31, 2008 and correspond, approximately to their market value. These amounts are substantially represented by cash and cash equivalents trade accounts receivable, sundry loans and advances, loans and financing, and property acquisition liabilities. The amounts recorded are equivalent to market values.

The Company's major financial instruments are as follows:

i) Cash and cash equivalents – stated at market value, which is equivalent to their book value;

ii) Trade accounts receivable and sundry loans and advances – classified as financial assets held to maturity and accounted for at their contractual amounts, which are equivalent to market value.

iii) Property acquisition liabilities and loans and financing – classified as financial liabilities held to maturity and accounted for at their contractual amounts. The market values of these liabilities are equivalent to their book values.

**Risk factors**

The main risk factors to which the subsidiary companies are exposed are the following:

**(i) Interest rate risk**

Interest rate risk refers to:

- Possibility of variation in the fair value of their financings at fixed rates, if such rates do not reflect current market conditions. While constantly monitoring these indexes, to the present date the Company does not have any need to take out hedges against interest rate risks.

- Possibility of unfavorable change in interest rates, which would result in increase in financial expenses as a consequence of the debt portion under variable interest rates. At December 31, 2008 the Company and its subsidiaries invested their financial resources mainly in Interbank Deposit Certificates (CDI), which significantly reduces this risk.

- Inability to obtain financing in the event that the real estate market presents unfavorable conditions, not allowing absorption of such costs.

**(ii) Credit risk related to service rendering**

This risk is related to the possibility of the Company and its subsidiaries posting losses resulting from difficulties in collecting amounts referring to rents, property sales, key money, administration fees and brokerage commissions. This type of risk is substantially reduced owing to the possibility of repossession of rented stores as well as sold properties, which historically have been renegotiated with third parties on a profitable basis.

**(iii) Credit risk**

The risk is related to the possibility of the Company and its subsidiaries posting losses resulting from difficulties in realizing short-term financial investments. The risk inherent to such financial instruments is minimized by keeping such investments with highly-rated banks.

In accordance with CVM Rule No. 550 of October 17, 2008, which provides for disclosure of information about derivative financial instruments in notes to financial statements, the Company informs that it does not have any policy on the use of derivative financial instruments. Accordingly, no risks arising from possible exposure associated with these instruments were identified.

**Sensitivity analysis**

In order to check the financial asset and liability indexes to which the Company is exposed at December 31, 2008 for sensitivity, 5 different scenarios were defined and an analysis of sensitivity to fluctuations in these instruments' indexes was prepared. Based on FOCUS report dated December 26, 2008, CDI, IGP-DI, and IPCA indexes were projected for year 2009 – set as the probable scenario - from which decreasing and increasing variations of 25% and 50%. Respectively, were calculated.

**Financial assets**

Gross financial income was calculated for each scenario as at December 31, 2008, based on one-year projection and not taking into consideration any tax levies on earnings. The Interbank Deposit Certificate (CDI) index was checked for sensitivity at each scenario.

Financial assets and Liabilities indexes:

| Index | 50% decrease | 25% decrease | Probable scenario | 25% increase | 50% increase |
|---|---|---|---|---|---|
| CDI | 5.72% | 8.58% | 11.44% | 14.30% | 17.16% |
| IGP-DI | 2.69% | 4.04% | 5.38% | 6.73% | 8.07% |
| IPCA | 2.43% | 3.65% | 4.86% | 6.08% | 7.29% |
| UMBNDES | -1.83% | -1.22% | -2.44% | -3.05% | -3.66% |
| TJLP | 4.69% | 3.13% | 6.25% | 7.81% | 9.38% |

Financial Income Projection – 2009
Company:

| | Remuneration rate | December 31, 2008 | 50% Decrease | 25% Decrease | Probable scenario | 25% Increase | 50% Increase |
|---|---|---|---|---|---|---|---|
| Cash and Cash Equivalents | | | | | | | |
| Cash and Banks | N/A | 22,714 | N/A | N/A | N/A | N/A | N/A |
| Short -Term Investments | 100% CDI | 123,900 | 7,087 | 10,631 | 14,174 | 17,718 | 21,261 |
| | | 146,614 | 7,087 | 10,631 | 14,174 | 17,718 | 21,261 |
| | | | | | | | |
| Accounts Receivable | | | | | | | |
| Trade Accounts Receivable – Leases | IGP-DI | 46,527 | 1,252 | 1,877 | 2,503 | 3,129 | 3,755 |
| Trade Accounts Receivable – Key Money | IGP-DI | 36,044 | 970 | 1,454 | 1,939 | 2,424 | 2,909 |
| Trade Accounts Receivable –sales of properties | IGP-DI | 1,037 | 28 | 42 | 56 | 70 | 84 |
| Others Trade Accounts Receivable | N/A | 9,902 | N/A | N/A | N/A | N/A | N/A |
| | | 93,510 | 2,250 | 3,373 | 4,498 | 5,623 | 6,748 |
| | | | | | | | |
| Sundry Loans and Advances | | | | | | | |
| Barra Shopping Sul Association | 135% CDI | 4,547 | 351 | 527 | 702 | 878 | 1,053 |
| Parkshopping Condominium | 110% CDI | 3,732 | 235 | 352 | 470 | 587 | 704 |
| Ribeirão Shopping Condominium | 110% CDI | 711 | 45 | 67 | 89 | 112 | 134 |
| Barra Shopping Condominium | 135% CDI | 1,902 | 147 | 220 | 294 | 367 | 441 |
| New York City Center Condominium | 105% CDI | 510 | 31 | 46 | 61 | 77 | 92 |
| Parkshopping Barigui Condominium | IGP-DI +12% per year | 1,198 | 192 | 176 | 208 | 224 | 240 |
| Barra Shopping Sul Condominium | 135% CDI | 1,042 | 80 | 121 | 161 | 201 | 241 |
| Others Sundry Loans and Advances | N/A | 29,773 | N/A | N/A | N/A | N/A | N/A |
| | | 43,415 | 1,081 | 1,509 | 1,985 | 2,446 | 2,905 |
| | | | | | | | |
| Total | | 283,539 | 10,418 | 15,513 | 20,657 | 25,787 | 30,914 |

Consolidated:

| | Remuneration rate | December 31, 2008 | 25% Decrease | 25% Decrease | Probable scenario | 25% Increase | 50% Increase |
|---|---|---|---|---|---|---|---|
| Cash and Cash Equivalents | | | | | | | |
| Cash and Banks | N/A | 26,831 | N/A | N/A | N/A | N/A | N/A |
| Short -Term Investments | 100% CDI | 140,754 | 8,051 | 12,077 | 16,102 | 20,128 | 24,153 |
| | | 167,585 | 8,051 | 12,077 | 16,102 | 20,128 | 24,153 |
| | | | | | | | |
| Accounts Receivable | | | | | | | |
| Trade Accounts Receivable - Leases | IGP-DI | 49,081 | 1,317 | 1,975 | 2,634 | 3,292 | 3,951 |
| Trade Accounts Receivable - Key Money | IGP-DI | 58,988 | 1,575 | 2,363 | 3,151 | 3,938 | 4,726 |
| Trade Accounts Receivable -sales of properties | IGP-DI | 1,037 | 28 | 42 | 56 | 70 | 84 |
| Others Trade Accounts Receivable | N/A | 8,185 | N/A | N/A | N/A | N/A | N/A |
| | | 117,291 | 2,920 | 4,380 | 5,841 | 7,300 | 8,761 |
| | | | | | | | |
| Sundry Loans and Advances | | | | | | | |
| Barra Shopping Sul Association | 135% CDI | 4,547 | 351 | 527 | 702 | 878 | 1,053 |
| Parkshopping Condominium | 110% CDI | 3,732 | 235 | 352 | 470 | 587 | 704 |
| Ribeirão Shopping Condominium | 110% CDI | 711 | 45 | 67 | 89 | 112 | 134 |
| Barra Shopping Condominium | 135% CDI | 1,902 | 147 | 220 | 294 | 367 | 441 |
| New York City Center Condominium | 105% CDI | 510 | 31 | 46 | 61 | 77 | 92 |
| Parkshopping Barigui Condominium | IGP-DI +12% per year | 1,198 | 192 | 176 | 208 | 224 | 240 |
| Barra Shopping Sul Condominium | 135% CDI | 1,042 | 80 | 121 | 161 | 201 | 241 |
| Others Sundry Loans and Advances | N/A | 15,182 | N/A | N/A | N/A | N/A | N/A |
| | | 28,824 | 1,081 | 1,509 | 1,985 | 2,446 | 2,905 |
| | | | | | | | |
| Total | | 313,700 | 12,052 | 17,966 | 23,928 | 29,874 | 35,819 |

Financial liabilities:

Gross financial expense was calculated for each scenario as at December 31, 2008, based on the indexes' one-year projection and not taking into consideration any tax levies and the maturities flow of each contract scheduled for 2009. The indexes were checked for sensitivity at each scenario.

Projected Financial Expenses - 2009:

Company:

| | Remuneration rate | December 31, 2008 | 50% Decrease | 25% Decrease | Probable scenario | 25% Increase | 50% Increase |
|---|---|---|---|---|---|---|---|
| Loans and financing | | | | | | | |
| Bradesco | 135%CDI | 82,361 | 6,360 | 9,540 | 12,720 | 15,900 | 19,080 |
| BNDES - ParkShopping Barigüi | TJLP e UMBNDES | 11,439 | (97) | (65) | (130) | (162) | (195) |
| BNDES - MorumbiShopping | TJLP | 8,355 | 392 | 261 | 522 | 653 | 783 |
| Real | N/A | 119,239 | N/A | N/A | N/A | N/A | N/A |
| Itaú | N/A | 7,558 | N/A | N/A | N/A | N/A | N/A |
| Banco IBM | CDI + 0,79% p.y. | 5,095 | 332 | 477 | 623 | 769 | 915 |
| Cia Real de Distribuição | N/A | 871 | N/A | N/A | N/A | N/A | N/A |
| | | 234,918 | 6,987 | 10,213 | 13,735 | 17,160 | 20,583 |
| | | | | | | | |
| Property acquisition obligation | | | | | | | |
| Land Morumbi | N/A | 2,550 | N/A | N/A | N/A | N/A | N/A |
| PSS - Seguridade Social | IPCA + 9% | 82,987 | 9,485 | 10,494 | 11,502 | 12,510 | 13,519 |
| Valenpride Sociedade Anônima | N/A | 306 | N/A | N/A | N/A | N/A | N/A |
| Coroa Alta - Land Anhanguera | N/A | 2,008 | N/A | N/A | N/A | N/A | N/A |
| Land Barra | N/A | 47,151 | N/A | N/A | N/A | N/A | N/A |
| Others | N/A | 269 | N/A | N/A | N/A | N/A | N/A |
| | | 135,271 | 9,485 | 10,494 | 11,502 | 12,510 | 13,519 |
| | | | | | | | |
| Total | | **370,189** | **16,472** | **20,707** | **25,237** | **29,670** | **34,102** |

Consolidated:

| | Remuneration rate | December 31, 2008 | 50% Decrease | 25% Decrease | Probable scenario | 25% Increase | 50% Increase |
|---|---|---|---|---|---|---|---|
| Loans and financing | | | | | | | |
| Bradesco | 135% CDI | 82,361 | 6,360 | 9,540 | 12,720 | 15,900 | 19,080 |
| BNDES - ParkShopping Barigüi | TJLP e UMBNDES | 11,439 | (97) | (65) | (130) | (162) | (195) |
| BNDES – MorumbiShopping | TJLP | 8,356 | 392 | 261 | 522 | 653 | 783 |
| BNDES – Pátio Savassi | TJLP | 1,353 | 63 | 42 | 85 | 106 | 127 |
| Real | N/A | 119,239 | N/A | N/A | N/A | N/A | N/A |
| Itaú | N/A | 7,558 | N/A | N/A | N/A | N/A | N/A |
| Banco IBM | CDI + 0.79% p.y. | 5,095 | 332 | 477 | 623 | 769 | 915 |
| Cia Real de Distribuição | N/A | 871 | N/A | N/A | N/A | N/A | N/A |
| | | 236,272 | 7,050 | 10,255 | 13,820 | 17,266 | 20,710 |
| | | | | | | | |
| Property acquisition obligation | | | | | | | |
| Land Morumbi | N/A | 2,550 | N/A | N/A | N/A | N/A | N/A |
| PSS – Seguridade Social | IPCA + 9% | 82,987 | 9,485 | 10,494 | 11,502 | 12,510 | 13,519 |
| Valenpride Sociedade Anônima | N/A | 306 | N/A | N/A | N/A | N/A | N/A |
| Coroa Alta – Land Anhanguera | N/A | 2,008 | N/A | N/A | N/A | N/A | N/A |
| Land Barra | N/A | 47,151 | N/A | N/A | N/A | N/A | N/A |
| Others | N/A | 269 | N/A | N/A | N/A | N/A | N/A |
| | | 135,271 | 9,485 | 10,494 | 11,502 | 12,510 | 13,519 |
| | | | | | | | |
| Total | | **371,543** | **16,535** | **20,749** | **25,322** | **29,776** | **34,229** |

## 24. Administrative Funds

The Company is in charge of management of funds of investors for the following shopping malls: BarraShopping, MorumbiShopping, BHShopping, DiamondMall, ParkShopping, RibeirãoShopping, New York City Center, Shopping Anália Franco, BarraShopping Sul, ParkShopping Barigui, Shopping Pátio Savassi and Shopping Santa Úrsula. The company manages funds comprising advances from said investors and rents received from shopkeepers at the shopping malls, which are deposited in bank accounts of the Company in the name of the investment, to finance the expansion and the operating expenses of the shopping malls.

At December 31, 2008, the balance of administrative funds amounted to R$ 7,749 (R$10,598 in 2007), which is not presented in the consolidated financial statements because it does not representing rights or obligations of the subsidiary.

## 25. Management Fees

The Company is managed by a Board of Directors and an Executive Board. In the year ended 2008, these administrators' compensation, recorded under management fees expenses totaled R$ 8,281 (R$ 7,583 in the same prior-year period), which is deemed a short term benefit.

As described in Note 21.c, the Company shareholders approved a stock option plan for the Company's administrators and employees.

At December 31, 2008 the Company provides no other benefits to its administrators.

## 26. Insurance

The CPI (undivided joint properties) rules governing the shopping malls in which the subsidiary Multishopping holds ownership interest maintain insurance policies at levels which Management considers adequate to cover any risk associated with asset liability or claims. Management maintains insurance coverage for civil liability, loss of profits and miscellaneous losses.

The scope of our independent auditors does not include expressing an opinion on insurance cover sufficiency, which was determined and considered adequate by management.

## 27. Subsequent event

In addition to the repurchase of shares described in note 21 (e), between January 01, 2009 and February 27, 2009, the Company acquired 192,700 common shares, reducing its outstanding shares percentage to 24.55%. The shares were purchased at a weighted average cost of R$ 13.98, at a minimum cost of R$ 12.50, and a maximum cost of R$ 14.71 (amounts in Reais).

# informações corporativas

## CONSELHO DE ADMINISTRAÇÃO

**Presidente**
José Isaac Peres

**Vice-presidente**
Eduardo Kaminitz Peres

**Conselheiros**
Leonard Peter Sharpe
Andrea Mary Stephen
Edson de Godoy Bueno
Manoel Joaquim R. Mendes
José Carlos de A. S. Barata

## RELAÇÕES COM INVESTIDORES

**Diretor e Vice-presidente**
Armando d` Almeida Neto

**Equipe**
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