Quartely Information - ITR

Multiplan Empreendimentos Imobiliários S.A.

June 30, 2011
with Review Report on Quarterly Information

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Quartely Information

June 30, 2011

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A free translation from Portuguese into English of Independent Auditor's Review Report on interim financial information prepared in accordance with accounting practices adopted in Brazil

Review report on quarterly information

The Board of Directors and Officers
Multiplan Empreendimentos Imobiliários S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim financial information contained in the Quarterly Financial Information (ITR) of Multiplan Empreendimentos Imobiliários S.A. ("Company") as of June 30, 2011, comprising the balance sheet and the related statements of income, of changes in equity and of cash flows for the three-month and six-month periods then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 - Interim Financial Reporting, and of the consolidated interim financial information in accordance with CPC 21 and with IAS 34 - Interim Financial Reporting, which also considers Guideline OCPC 04 on the application of Technical Interpretation ICPC 02 to real estate development entities in Brazil, issued by the Brazilian FASB (*Comitê de Pronunciamentos Contábeis* - CPC) and approved by the Brazilian Securities Commission (*Comissão de Valores Mobiliários* - CVM) and by Brazil's National Association of State Boards of Accountancy (*Conselho Federal de Contabilidade* - CFC), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities Commission applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Uma empresa-membro da Ernst & Young Global Limited

Conclusion on the individual and consolidated interim financial information prepared in accordance with CPC 21

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Financial Information (ITR) referred to above is not fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of Quarterly Financial Information (ITR), consistently with the standards issued by the Brazilian Securities Commission.

Conclusion on the consolidated interim financial information prepared in accordance with International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil and approved by the Brazilian FASB (CPC), by the Brazilian Securities Commission (CVM) and by the National Association of State Boards of Accountancy (CFC)

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the Quarterly Financial Information (ITR) referred to above is not fairly presented, in all material respects, in accordance with CPC 21 and IAS 34, which considers Guideline OCPC 04 on the application of Technical Interpretation ICPC 02 to real estate development entities in Brazil, issued by the Brazilian FASB (CPC) and approved by the Brazilian Securities Commission (CVM) and by Brazil's National Association of State Boards of Accountancy (CFC), applicable to the preparation of Quarterly Financial Information (ITR), consistently with the standards issued by the Brazilian Securities Commission.

Emphasis of a matter

As mentioned in Note 2, the individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil (CPC 21). The consolidated financial statements prepared in accordance with IFRS applicable to real estate development entities also consider OCPC Guideline No. 4, issued by the Brazilian FASB (CPC), which addresses revenue recognition by this industry segment, as detailed in Note 2.4.

Some matters referring to the meaning and application of the concept of continuous transfer of risks, rewards and control in connection with real estate sales will be analyzed by the International Financial Reporting Interpretation Committee (IFRIC). The outcome of this analysis may lead real estate development entities to review their accounting practices concerning revenue recognition.

Other matters

Interim statements of value added

We have also reviewed the individual and consolidated interim statements of value added for the six-month period ended June 30, 2011, the presentation of which in the interim financial information is required by the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR), and considered as supplementary information under the IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they have not been fairly prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, July 25, 2011

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

Mauro Moreira
Accountant CRC - 1RJ 072.056/O-2

Roberto Martorelli
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MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Balance sheets
June 30, 2011 and December 31, 2010
(In thousands of reais)

	June 2011		December 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Assets				
Current				
Cash and cash equivalents (Note 3)	**521,104**	**559,467**	764,694	794,839
Accounts receivable (Note 4)	**156,907**	**168,683**	167,210	180,122
Sundry loans and advances (Note 5)	**19,580**	**21,920**	14,808	17,177
Recoverable taxes and contributions (Note 6)	**38,616**	**40,472**	19,156	21,892
Others	**13,733**	**14,040**	14,100	14,153
Total current assets	**749,940**	**804,582**	979,968	1,028,183
Non-current				
Long-term receivables				
Accounts receivable (Note 4)	**34,487**	**37,044**	32,676	36,154
Land and properties held for sale (Note 7)	**36,864**	**71,004**	33,183	33,183
Sundry loans and advances (Note 5)	**14,227**	**9,396**	76,898	8,658
Receivables from related parties (Note 19)	**148**	**74**	149	75
Deferred income and social contribution taxes (Note 8)	**-**	**-**	7,545	8,737
Deposits in court (Note 18)	**22,683**	**23,592**	22,291	23,200
Others	**-**	**12**	-	11
	108,409	**141,122**	172,742	110,018
Investments (Note 9)	**170,935**	**10,657**	91,164	12,018
Goodwill (Note 10)	**48,849**	**-**	49,400	-
Property and equipment (Note 10)	**2,433,200**	**2,739,211**	2,191,003	2,496,675
Fixed assets (Note 11)	**11,789**	**18,218**	11,864	18,504
Intangibles (Note 12)	**318,030**	**319,100**	319,505	320,588
Total non-current assets	**3,091,212**	**3,228,308**	2,835,678	2,957,803
Total assets	**3,841,152**	**4,032,890**	3,815,646	3,985,986

	June 2011		December 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Liabilities				
Current				
Loans and financing (Note 13)	**46,629**	**46,629**	61,798	61,798
Accounts payable	**81,784**	**88,380**	70,158	79,384
Property acquisition obligations (Note 15)	**34,584**	**40,361**	41,989	41,989
Taxes and contributions payable	**35,441**	**41,312**	18,918	25,900
Proposed dividends (Note 21)	**-**	**-**	51,469	51,469
Deferred incomes (Note 20)	**43,128**	**53,125**	31,828	42,163
Payables to related parties (Note 19)	**-**	**325**	-	94,274
Taxes paid in installments (Note 16)	**-**	**293**	-	290
Clients antecipation	**-**	**-**	10,879	10,879
Debentures (Note 14)	**-**	**-**	100,709	100,709
Others	**1,311**	**1,331**	1,901	1,987
Total current	**242,877**	**271,756**	389,649	510,842
Non-current				
Loans and financing (Note 13)	**320,036**	**320,036**	246,378	246,378
Property acquisition obligations (Note 15)	**89,204**	**111,346**	98,961	98,961
Taxes paid in installments (Note 16)	**-**	**993**	-	1,122
Provision for contingencies (Note 17)	**20,765**	**21,425**	20,852	21,662
Deferred income and social contribution taxes (Note 8)	**22,110**	**21,079**	-	-
Deferred incomes (Note 20)	**129,875**	**151,454**	113,918	141,570
Total non-current liabilities	**581,990**	**626,333**	480,109	509,693
Shareholders' equity (Note 21)				
Capital	**1,761,662**	**1,761,662**	1,761,662	1,761,662
Share issue costs	**(21,016)**	**(21,016)**	(21,016)	(21,016)
Shares in treasure department	**(33,161)**	**(33,161)**	(34,769)	(34,769)
Capital reserve	**966,239**	**966,239**	969,186	969,186
Profit reserve	**342,561**	**340,062**	270,825	268,060
	3,016,285	**3,013,786**	2,945,888	2,943,123
Non-controllers' interest	**-**	**121,015**	-	22,328
Total shareholders' equity	**3,016,285**	**3,134,801**	2,945,888	2,965,451
Total liabilities and shareholders equity	**3,841,152**	**4,032,890**	3,815,646	3,985,986

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of operations
Quarters and semesters ended at June 30, 2011 and 2010
(In thousands of reais, except basic and diluted earnings per share, in reais)

	Company			
	04/01/2011 to 06/30/2011	**01/01/2011 to 06/30/2011**	**04/01/2010 to 06/30/2010**	**01/01/2010 to 06/30/2010**
Gross revenues from sales and services				
Leases	**109,179**	**215,669**	95,938	189,974
Parking	**8,910**	**17,670**	7,374	14,988
Services	**21,337**	**40,183**	20,906	35,509
Key Money	**7,077**	**13,388**	3,702	12,326
Sale of properties	**8,468**	**22,060**	12,240	21,256
Others	**366**	**725**	1,493	1,493
	155,337	**309,695**	141,653	275,546
Taxes and contributions on sales and services	**(13,296)**	**(26,170)**	(12,282)	(23,941)
Net revenues	**142,041**	**283,525**	129,371	251,605
Operating income (expenses)				
General and administrative expenses (headquarters)	**(12,469)**	**(32,186)**	(24,226)	(34,732)
General and administrative expenses (shopping malls)	**(9,907)**	**(19,195)**	(10,099)	(20,018)
Expenses with projects for lease	**(3,194)**	**(6,601)**	(10,662)	(17,001)
Expenses with projects for sale	**(907)**	**(2,109)**	(506)	(771)
Management fees (Note 26)	**(7,612)**	**(9,166)**	(1,052)	(10,279)
Stock-option-based remuneration expenses (Note 21)	**(2,164)**	**(3,509)**	(1,380)	(2,544)
Cost of properties sold	**(9,390)**	**(23,382)**	(7,283)	(12,377)
Equity in earnings of affiliates (Note 9)	**4,100**	**8,765**	1,589	380
Net Financial result (Note 22)	**6,844**	**16,724**	10,215	18,422
Depreciation and amortization	**(13,141)**	**(25,679)**	(9,068)	(18,218)
Other operating income	**833**	**2,300**	282	1,398
Income before income and social contribution taxes	**95,034**	**189,487**	77,181	155,865
Income and social contribution taxes (Note 8)	**(29,807)**	**(36,628)**	-	-
Deferred income and social contribution taxes (Note 8)	**(4,457)**	**(29,654)**	(25,108)	(57,246)
Net income for the period	**60,770**	**123,205**	52,073	98,619
Basic earnings per share (Note 27)		**0.6915**		0.5534
Diluted earnings per share (Note 27)		**0.6910**		0.5533

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of operations (Continued)
Quarters and semesters ended at June 30, 2011 and 2010
(In thousands of reais, except basic and diluted earnings per share, in reais)

	Consolidated			
	04/01/2011 to 06/30/2011	**01/01/2011 to 06/30/2011**	**04/01/2010 to 06/30/2010**	**01/01/2010 to 06/30/2010**
Gross revenues from sales and services				
Leases	**115,208**	**227,658**	100,666	199,717
Parking	**19,046**	**37,599**	15,505	31,500
Services	**21,344**	**40,412**	21,077	35,786
Key Money	**10,045**	**19,207**	6,350	17,529
Sale of properties	**8,468**	**22,060**	12,240	21,256
Others	**394**	**722**	1,534	1,549
	174,505	**347,658**	157,372	307,337
Taxes and contributions on sales and services	**(15,823)**	**(31,163)**	(14,277)	(27,862)
Net revenues	**158,682**	**316,495**	143,095	279,475
Operating income (expenses)				
General and administrative expenses (headquarters)	**(12,459)**	**(32,531)**	(24,272)	(35,113)
General and administrative expenses (shopping malls)	**(17,243)**	**(32,676)**	(16,263)	(31,581)
Expenses with projects for lease	**(3,296)**	**(6,741)**	(10,685)	(17,047)
Expenses with projects for sale	**(1,273)**	**(2,475)**	(507)	(771)
Management fees (Note 26)	**(7,612)**	**(9,166)**	(1,052)	(10,279)
Stock-option-based remuneration expenses (Note 21)	**(2,164)**	**(3,509)**	(1,380)	(2,544)
Cost of properties sold	**(9,390)**	**(23,382)**	(7,283)	(12,377)
Equity in earnings of affiliates (Note 9)	**778**	**1,382**	(997)	(4,951)
Net Financial result (Note 22)	**7,614**	**19,171**	10,432	19,570
Depreciation and amortization	**(14,941)**	**(29,258)**	(10,460)	(20,995)
Other operating income	**1,125**	**2,593**	266	1,402
Income before income and social contribution taxes	**99,821**	**199,903**	80,894	164,789
Income and social contribution taxes (Note 8)	**(31,949)**	**(40,554)**	(1,500)	(2,914)
Deferred income and social contribution taxes (Note 8)	**(4,798)**	**(29,815)**	(25,189)	(57,408)
Income before non-controllers' interest	**63,074**	**129,534**	54,205	104,467
Non-controllers' interest	**(2,002)**	**(4,740)**	(2,020)	(4,786)
Net income for the period	**61,072**	**124,794**	52,185	99,681
Basic earnings per share (Note 27)		**0.7004**		0.5593
Diluted earnings per share (Note 27)		**0.6999**		0.5592

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of changes in shareholders equity
Semesters ended June 30, 2011 and 2010
(In thousands of reais)

	Company									
				Capital reserve			Profit reserve			
	Capital	Share issue costs	Treasury shares	Stock options granted	Special goodwill reserve on merger	Goodwill reserve on issuance of shares	Legal reserve	Expansion reserve	Earnings (accumulated)	Total
Balances at December 31, 2009	1,745,097	(20,837)	(4,624)	29,266	186,548	745,877	10,645	115,305	-	2,807,277
Capital increase	16,565	-	-	-	-	-	-	-	-	16,565
Share issue costs	-	(179)	-	-	-	-	-	-	-	(179)
Stock options granted	-	-	-	1,164	-	-	-	-	-	1,164
Net income for the period	-	-	-	-	-	-	-	-	46,546	46,546
Balances at March 31, 2010	1,761,662	(21,016)	(4,624)	30,430	186,548	745,877	10,645	115,305	46,546	2,871,373
Exercise of stock options	-	-	2,784	1,918	-	-	-	-	-	4,702
Stock options granted	-	-	-	1,380	-	-	-	-	-	1,380
Payment of supplementary dividends	-	-	-	-	-	-	-	-	(20,367)	(20,367)
Net income for the period	-	-	-	-	-	-	-	-	52,073	52,073
Balances at June 30, 2010	1,761,662	(21,016)	(1,840)	33,728	186,548	745,877	10,645	115,305	78,252	2,909,161
Balances at December 31, 2010	1,761,662	(21,016)	(34,769)	34,941	186,548	747,697	21,481	249,344	-	2,945,888
Repurchase of shares to be held in treasury (Note 21.e)	-	-	(5,974)	-	-	-	-	-	-	(5,974)
Utilization of shares held in treasury department for payment of stock options exercised	-	-	664	-	-	(117)	-	-	-	547
Stock options granted	-	-	-	1,345	-	-	-	-	-	1,345
Net income for the period	-	-	-	-	-	-	-	-	62,435	62,435
Balances at March 31, 2011	**1,761,662**	**(21,016)**	**(40,079)**	**36,286**	**186,548**	**747,580**	**21,481**	**249,344**	**62,435**	**3,004,241**
Repurchase of shares to be held in treasury (Note 21.e)	**-**	**-**	**15,334**	**-**	**-**	**-**	**-**	**-**	**-**	**15,334**
Utilization of shares held in treasury department for payment of stock options exercised	**-**	**-**	**(8,416)**	**-**	**-**	**(6,339)**	**-**	**-**	**-**	**(14,755)**
Stock options granted	**-**	**-**	**-**	**2,164**	**-**		**-**	**-**	**-**	**2.164**
Payment of supplementary dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(51,469)**	**(51,469)**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**60,770**	**60,770**
Balances at June 30, 2011	**1,761,662**	**(21,016)**	**(33,161)**	**38,450**	**186,548**	**741,241**	**21,481**	**249,344**	**71,736**	**3,016,285**

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of changes in shareholders equity (Continued)
Semesters ended in June 30, 2011 and 2010
(In thousands of reais)

	Consolidated														
				Capital reserve				Profit reserve							
	Capital	Share issue costs	Treasury shares	Goodwill reserve upon exercise of stock options	Stock options granted	Special goodwill reserve on merger	Goodwill reserve on issuance of shares	Legal reserve	Expansion reserve	Adjustments on Company (Note 2.1)	Earnings (accumulated)	Proposal for payment of supplementary dividends	Total	Non-controllers' interest	Total
Balances at December 31, 2009 (restated)	1,745,097	(20,837)	(4,624)	-	29,266	186,548	745,877	10,645	115,305	(3,542)	-	-	2,803,735	12,073	2,815,808
Equity pickup of subsidiaries (Note 2.1)	-	-	-	-	-	-	-	-	-	-	(793)	-	(793)	2,597	1,804
Capital increase (Note 22.a)	16,565	-	-	-	-	-	-	-	-	-	-	-	16,565	-	16,565
Share issue costs (Note 22.a)	-	(179)	-	-	-	-	-	-	-	-	-	-	(179)	-	(179)
Stock options granted	-	-	-	-	1,164	-	-	-	-	-	-	-	1,164	-	1,164
Adjustments from deferred assets written-off in subsidiaries (Note 2,1)	-	-	-	-	-	-	-	-	-	158	(158)	-	-		-
Quotaholders'defict in subsidiaries	-	-	-	-	-	-	-	-	-	151	-	-	151	-	151
Net income for the period	-	-	-	-	-	-	-	-	-	-	47,497	-	47,497	-	47,497
Balances at March 31, 2010 (restated)	**1,761,662**	**(21,016)**	**(4,624)**	**-**	**30,430**	**186,548**	**745,877**	**10,645**	**115,305**	**(3,233)**	**46,546**	**-**	**2,868,140**	**14,670**	**2,882,810**
Equity pickup of subsidiaries (Note 2.1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**44**	**-**	**44**	**1,927**	**1,971**
Exercise of stock options	**-**	**-**	**2,784**	**1,918**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,702**	**-**	**4,702**
Payment of supplementary dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(20,367)**	**(20,367)**	**-**	**(20,367)**
Stock options granted	**-**	**-**	**-**	**-**	**1,380**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,380**	**-**	**1,380**
Adjustments from deferred assets written-off in subsidiaries (Nota 2.1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**157**	**(157)**	**-**	**-**	**-**	**-**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**52,185**	**-**	**52,185**	**-**	**52,185**
Balances at June 30, 2010 (restated)	**1,761,662**	**(21,016)**	**(1,840)**	**1,918**	**31,810**	**186,548**	**745,877**	**10,645**	**115,305**	**(3,076)**	**98,618**	**(20,367)**	**2,906,084**	**16,597**	**2,922,681**

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statements of changes in shareholders equity (Continued)
Semesters ended in June 30, 2011 and 2010
(In thousands of reais)

	Consolidated												
				Capital reserve			Profit reserve						
	Capital	Share issue costs	Treasury shares	Stock options granted	Special goodwill reserve on merger	Goodwill reserve on issuance of shares	Legal reserve	Expansion reserve	Adjustments on Company (Note 2.1)	Earnings (accumulated)	Total	Non-controllers' interest	Total
Balances at December 31, 2010	1,761,662	(21,016)	(34,769)	34,941	186,548	747,697	21,481	249,344	(2,765)	-	2,943,123	22,328	2,965,451
Equity pickup of subsidiaries (Note 2.1)	-	-	-	-	-	-	-	-	-	(1,163)	(1,163)	-	(1,163)
Adjustments from deferred assets written-off in subsidiaries (Note 2,1)	-	-	-	-	-	-	-	-	124	(124)	-	-	-
Repurchase of shares to be held in treasury (Note 21.e)	-	-	(5,974)	-	-	-	-	-	-	-	(5,974)	-	(5,974)
Utilization of shares held in treasury department for payment of stock options exercised			664			(117)					547		547
Stock options granted	-	-	-	1,345	-		-	-	-	-	1,345	-	1,345
Payment of Advance for future Capital Increase (Note 9 c)	-	-	-	-	-	-	-	-	-	-	-	93,949	93,949
Non-controllers` interest	-	-	-	-	-	-	-	-	-	-	-	2,736	2,736
Net income for the period	-	-	-	-	-	-	-	-	-	63,722	63,722	-	63,722
Balances at March 31, 2011	**1,761,662**	**(21,016)**	**(40,079)**	**36,286**	**186,548**	**747,580**	**21,481**	**249,344**	**(2,641)**	**62,435**	**3,001,600**	**119,013**	**3,120,613**
Equity pickup of subsidiaries (Note 2.1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(160)**	**(160)**	**-**	**(160)**
Adjustments from deferred assets written-off in subsidiaries (Note 2,1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**142**	**(142)**	**-**	**-**	**-**
Repurchase of shares to be held in treasury (Note 21.e)	**-**	**-**	**15,334**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,334**	**-**	**15,334**
Utilization of shares held in treasury department for payment of stock options exercised	**-**	**-**	**(8,416)**	**-**	**-**	**(6,339)**	**-**	**-**	**-**	**-**	**(14,755)**	**-**	**(14,755)**
Stock options granted	**-**	**-**	**-**	**2,164**	**-**	**-**	**-**	**-**	**-**	**-**	**2,164**	**-**	**2,164,**
Payment of supplementary dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(51,469)**	**(51,469)**	**-**	**(51,469)**
Non-controllers interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,002**	**2,002**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**61,072**	**61,072**	**-**	**61,072**
Balances at June 30, 2011	**1,761,662**	**(21,016)**	**(33,161)**	**38,450**	**186,548**	**741,241**	**21,481**	**249,344**	**(2,499)**	**71,736**	**3,013,786**	**121,015**	**3,134,801**

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statement of cash flows
Semesters ended in June 30, 2011 and 2010
(In thousands of reais)

	2011		2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Cash flows from operations				
Income before income and social contribution taxes	**189,487**	**199,903**	155,865	164,787
Adjustments				
Depreciation and amortization	**25,679**	**29,258**	18,218	20,997
Equity pickup	**(8,765)**	**(1,382)**	(380)	4,951
Stock-option-based remuneration	**3,509**	**3,509**	2,544	2,545
Non-controllers' interest	**-**	**(736)**	-	(743)
Apropriation of deferred income	**(13,388)**	**(19,207)**	(12,326)	(17,529)
Interest and monetary variations on debentures	**5,739**	**5,739**	5,027	5,027
Interest and monetary variations on loans and financing	**3,503**	**3,503**	3,730	3,730
Interest and monetary variations on property acquisition obligations	**5,050**	**5,050**	4,576	4,576
Interest and monetary variations on sundry loans and advances	**(1,162)**	**(1,162)**	(1,126)	(1,126)
Earnings from subsidiaries not recognized previously, and capital deficiency of subsidiaries	**-**	**(1,325)**	-	(1,540)
Net adjusted income	**209,652**	**223,150**	176,128	185,675
Variation in operating assets and liabilities				
Lands and properties	**(3,681)**	**(37,821)**	4,789	4,789
Accounts receivable	**8,492**	**10,549**	(15,145)	(10,524)
Receivable taxes	**(19,460)**	**(18,580)**	8,250	8,880
Deposit in court	**(392)**	**(392)**	(1,678)	(1,678)
Other assets	**367**	**113**	(6,619)	(7,392)
Accounts payable	**11,626**	**8,996**	966	(1,815)
Raising (amortization) of property acquisition obligations	**(22,212)**	**5,707**	(29,670)	(29,670)
Taxes and mandatory contributions payable	**(20,105)**	**(25,142)**	(11,259)	(12,279)
Installment taxes	**-**	**(126)**	-	(110)
Provision for contingencies	**(87)**	**(237)**	519	1,032
Deferred revenue	**40,645**	**40,053**	35,164	35,527
Clients anticipation	**(10,879)**	**(10,879)**	(9,559)	(9,559)
Others obligations	**(590)**	**(654)**	2,474	2,466
Cash flows generated by operations	**193,376**	**194,737**	154,360	165,342
Cash flows from investments				
Decrease (increase) in loans and sundry advances	**58,926**	**(4,454)**	8,741	12,137
Decrease (increase) in receivables from related parties	**1**	**1**	212	-
Interest receipt on loans and other advances	**135**	**135**	88	88
Decrease (increase) of investments	**(71,006)**	**2,743**	(3,747)	(4,460)
Increase of property, plant and equipament	**(595)**	**(595)**	(1,259)	(1,304)
Investment properties increase	**(264,873)**	**(269,121)**	(112,932)	(135,604)
Additions to intangibles	**(307)**	**(305)**	(5,123)	(5,132)
Cash flows used in investing activities	**(277,719)**	**(271,596)**	(114,020)	(134,275)
Cash flows from financing activities				
Raise in loans and financing	**104,775**	**104,505**	132,855	132,855
Payment of loans and obtained financing	**(34,721)**	**(34,451)**	(5,038)	(5,038)
Interest payment of loans and obtained financing	**(15,068)**	**(15,068)**	(9,675)	(9,675)
Increase (reduction) on payable to related parties	**-**	**(93,949)**	-	2,076
Repurchase of shares to be held in treasury	**1,608**	**1,608**	2,784	2,784
Goodwill reserve set up upon exercise of stock options	**(6,455)**	**(6,455)**	1,740	1,918
Debentures Payment	**(100,000)**	**(100,000)**	-	
Payment of charges on debentures	**(6,448)**	**(6,448)**	(4,872)	(4,872)
Capital increase	**-**	**-**	16,565	16,565
Profit reserve reduction	**-**	**-**	(20,366)	(22,010)
Share issue costs	**-**	**-**	-	(179)
Non-controllers' interest	**-**	**94,683**	-	73
Paid dividends	**(102,938)**	**(102,938)**	(40,520)	(40,520)
Cash flows generated by (used in) financing activities	**(159,247)**	**(158,513)**	73,473	73,977
Cash flow	**(243,590)**	**(235,372)**	113,813	105,044
Cash and cash equivalents at the beginning of the semester	**764,694**	**794,839**	801,894	827,967
Cash and cash equivalents at end of the semester	**521,104**	**559,467**	915,707	933,011
Changes in cash	**(243,590)**	**(235,372)**	113,813	105,044

See accompanying notes.

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statement of value added
Semesters ended in June 30, 2011 and 2010
(In thousands of reais)

	Company	
	2011	**2010**
Revenues		
Gross revenues from sales and services	**309,695**	275,546
Others revenues	**3,088**	3,205
Allowance for doubtful accounts	**157**	(1,800)
	312,940	276,951
Inputs purchased from third parties		
Cost of sales and services	**41,507**	31,577
Energy, third party services and others	**24,998**	40,078
	66,505	71,655
Gross value added	**246,435**	205,296
Withholdings		
Depreciation and amortization	**(25,679)**	(18,218)
Net value added	**220,756**	187,078
Value added received in a transfer		
Equity	**8,765**	380
Financial revenue	**44,086**	40,811
	52,851	41,191
Value added to share	**273,607**	228,269
Value added ditribution		
Personnel		
Direct remuneration	**(19,711)**	(16,440)
Benefits	**(1,618)**	(1,283)
FGTS	**(497)**	(380)
	(21,826)	(18,103)
Taxes, fees and contributions		
Federal	**(96,614)**	(85,028)
State	**(5)**	(1)
Municipal	**(3,249)**	(2,383)
	(99,868)	(87,412)
Third party capital remuneration		
Interests, exchange variation and monetary correction	**(25,524)**	(20,575)
Leases expenses	**(3,184)**	(3,560)
	(28,708)	(24,135)
Remuneration of own capital		
Retained earnings	**(123,205)**	(98,619)
	(123,205)	(98,619)
Value added distributed	**(273,607)**	(228,269)

MULTIPLAN EMPREENDIMENTOS IMOBILIÁRIOS S.A.

Statement of value added (Continued)
Semesters ended in June 30, 2011 and 2010
(In thousands of reais)

	Consolidated	
	2011	**2010**
Revenues		
Gross revenues from sales and services	**347,658**	307,337
Others revenues	**3,090**	3,210
Allowance for doubtful accounts	**147**	(1,800)
	350,895	308,747
Inputs purchased from third parties		
Cost of sales and services	**52,632**	40,883
Energy, third party services and others	**25,727**	40,813
	78,359	81,696
Gross value added	**272,536**	227,051
Withholdings		
Depreciation and amortization	**(29,258)**	(20,996)
Net value added	**243,278**	206,055
Value added received in a transfer		
Equity	**1,382**	(4,951)
Financial revenue	**46,705**	42,342
	48,087	37,391
Value added to share	**291,365**	243,446
Value added ditribution		
Personnel		
Direct remuneration	**(20,385)**	(17,188)
Benefits	**(1,864)**	(1,478)
FGTS	**(558)**	(401)
	(22,807)	(19,067)
Taxes, fees and contributions		
Federal	**(102,606)**	(89,668)
State	**(5)**	(14)
Municipal	**(7,506)**	(5,679)
	(110,117)	(95,361)
Third party capital remuneration		
Interests, exchange variation and monetary correction	**(25,694)**	(20,958)
Leases expenses	**(3,213)**	(3,594)
	(28,907)	(24,552)
Remuneration of own capital		
Interest of non-controlling shareholders in retained earnings	**(4,740)**	(4,785)
Retained earnings	**(124,794)**	(99,681)
	(129,534)	(104,466)
Value added distributed	**(291,365)**	(243,446)

See accompanying notes.

1. Company information

The individual and consolidated financial statements for Multiplan Empreendimentos Imobiliários S.A. ("Company", "Multiplan" or the "Multiplan Group" when in reference to its subsidiaries) for June 30, 2011 were authorized for issue by management on July 25, 2011. Incorporated as a "limited liability corporation" headquartered in Brazil, the Company's shares are traded on the São Paulo Stock Exchange (BM&FBovespa). The Company is headquartered on Avenida das Américas, 4200, Bloco 2nd - 5th floors, Barra da Tijuca, Rio de Janeiro, Brazil.

The Company was incorporated in December 30, 2005 with the business purpose of (a) the planning, construction, development and sale of real estate of any nature, including and mainly applying to urban shopping malls developed by it; (b) the purchase and sale of real estate and the acquisition and disposal of real estate rights, their performance, in any other manner including leasing; (c) rendering management and administrative services for its own shopping malls, or those of third parties; (d) consulting and technical support on real estate issues; (e) civil construction, the performance of construction and engineering services and those linked to the real estate market; (f) development, promotion, administration, planning and intermediation of real estate developments; (g) import and export of goods and services related to its activities; and (h) the acquisition of equity holdings and controlling interests in other corporate entities, as well as equity holdings in other companies where it is authorized to make agreements with shareholders in order to meet or support its business objectives.

1. Company information (Continued)

After a number of acquisitions and capital reorganizations involving its subsidiaries, the Company started holding direct and indirect interest at June 30, 2011 and December 31, 2010 in the following enterprises:

Real estate development	Location	Beginning of operations	% ownership June 2011	% ownership December 2010
Shopping Centers				
BHShopping	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
Shopping Anália Franco	São Paulo	1999	**30.0**	30.0
ParkShopping Barigui	Curitiba	2003	**84.0**	84.0
Shopping Pátio Savassi (a)	Belo Horizonte	2004	**96.5**	96.5
BarraShopping Sul	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 (b)	São Paulo	1999	**62.5**	62.5

(a) On July 22, 2010 the Company acquired 15.6% of equity holding in Shopping Pátio Savassi, through the exercise of a purchase option agreed with MK Empreendimentos e Participações Ltda. Multiplan invested R$51,777 to increase its equity holding from 80.9% to 96.5%. The Company also acquired on this date assets and equity in land located in the area surrounding the shopping mall amounting to R$4,223, ear-marked for further expansion.

(b) On November 5, 2010 the Company acquired 25% of equity in Shopping Santa Úrsula. Multiplan invested R$ 45,000 to increase its participation from 37.5% to 62.5%. This acquisition resulted in a greater degree of venture control and management mainly with regard to refurbishment, modernization and expansion.

The majority of the shopping centers are managed in accordance with a 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 June 30, 2011, the Company holds the legal representation and management of all above mentioned shopping centers.

1. Company information (Continued)

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

a) Multiplan Administradora de Shopping Centers Ltda.

Is committed to manage its own shopping malls, also performing the management, administration, promotion, installation and development of third party 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 Ltda., 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 MPH Empreendimentos Imobiliários Ltda holds 71.50% interest.

d) Manati Empreendimentos e Participações S.A. ("Manati")

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. Manati is jointly controlled by Multiplan Empreendimentos Imobiliários S.A. and Aliansce Shopping Centers S.A., as defined in the Shareholders' Agreement dated April 25, 2008.

1. Company information (Continued)

e) Haleiwa Empreendimentos Imobiliários S.A. ("Haleiwa")

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.

f) Danville RJ Participações Ltda.("Danville")

The company carries out real estate ventures including, purchase, sale, lease and development of its own real estate as well as holding equity in other entities. It does not provide services to third parties.

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.

2. Accounting policies

The consolidated financial statements was prepared and is being presented in accordance with accounting practices adopted in Brazil, , which comprise the standards and pronouncements issued by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian FASB (CPC), which are in conformity with the international financial reporting standards (IFRS) issued by IASB applicable to real estate development entities in Brazil and approved by the Brazilian FASB (CPC), by the Brazilian Securities Commission (CVM) and by the National Association of State Boards of Accountancy (CFC).

The consolidated financial statements are represented by the financial statements of the Company and its subsidiaries at June 30, 2011 and December 31, 2010, as presented below:

Company Name	% ownership			
	June 30, 2011		December 31, 2010	
	Direct	Indirect	Direct	Indirect
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**	**-**	50.00	-
Haleiwa Participações S.A.	**50.00**	**-**	50.00	-
Danville RJ Participações Ltda	**99.99**	**-**	-	-
Multiplan Holding S.A	**100.00**	**-**	-	-

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Company's, using consistently applied accounting policies. All intra-group balances, revenues and expenses deriving from intragroup transactions are completely eliminated.

2. Accounting policies (Continued)

2.1. Financial statement consolidated

For subsidiaries Manati Empreendimentos e Participações S.A. and Haleiwa Participações S.A., whose shareholders agreements foresee shared control, the consolidation implies merging assets, liabilities and P&L accounts proportionally to the total interest held in the capital of the related wholly-owned subsidiary, based on the June 30, 2011 quarterly information of the following companies:

Manati Empreendimentos e Participações S.A.

Assets		Liabilities	
Current	**9,133**	Current	**413**
		Noncurrent	**1,386**
Noncurrent		Shareholders' equity	
Accounts receivable	**231**		
Deferred income and social contribution taxes	**1,747**		
Property and equipment	**56,155**	Capital	**72,636**
Intangibles	**2,137**	Retained losses	**(5,032)**
	60,270		**67,604**
Total	**69,403**	Total	**69,403**

Statements of operations	
Gross revenues from sales	
Leases	**2,970**
key money	**214**
Others revenue	**235**
	3,419
Taxes and contributions on sales	**(280)**
Net revenues	**3,139**
General and administrative expenses (shopping malls)	**(2,200)**
Depreciation and amortization	**(989)**
Net financial result	**429**
	(2,760)
Income and social contribution taxes	**(37)**
Deferred income and social contribution taxes	**972**
Earnings for the period	**1,314**

2. Accounting policies (Continued)

2.1. Financial statement consolidated (Continued)

Haleiwa Empreendimentos Imobiliários S.A.

Assets		Liabilities	
Current	**2,266**	Current	**84**
Noncurrent		Noncurrent	**9,012**
Property and equipment	**35,105**		
Intangible	**4**	Shareholders`equity	
Deferred	**1,019**	Capital	**29,894**
	36,128	Retained losses	**(596)**
			29,298
Total	**38,394**	Total	**38,394**

Reconciliation between net assets and net income for the quarters ended in June 30, 2011 and 2010 between the company and the consolidated is as follows:

	2011		**2010**	
	Shareholders' equity	**Net income for the period**	**Shareholders' equity**	**Net income for the period**
Company	**3,016,285**	**60,770**	2,909,161	52,073
Equity in the earnings of County for the period (a)	**-**	**160**	-	(45)
Deferred assets (b)	**(2,499)**	**142**	(3,077)	157
Consolidated	**3,013,786**	**61,072**	2,906,084	52,185

(a) Adjustment referring to the Company's equity in the earnings of County not reflected on equity in the earnings of Renasce.
(b) Adjustment referring to the write-off of subsidiaries deferred assets just for consolidation purposes.

2.2. Investment in affiliates

Multiplan's investments in its affiliates are accounted for based on the equity method. An affiliate is an entity on which Multiplan exercises significant influence, without control it.

2. Accounting policies (Continued)

2.2. Investment in affiliates (Continued)

Based on the equity method, the investment in the affiliate is accounted for in the balance sheet at cost, plus changes following the acquisition of equity interest in the affiliate. The goodwill related to the affiliate is included in the carrying value of investment and it is not amortized. Since the goodwill based on future profitability is part of the investment carrying value in the affiliate (not separately recognized), it is not separately tested for impairment.

The income statement reflects the amount of the associate's results of operations. When a change is directly recognized in the associate's net equity, the Company will recognize its share of the related changes and disclose that fact, where applicable, in the statement of changes in shareholders' equity. The unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's interest held in the associate.

Interest held in the associate will be shown in the income statement as equity pickup, representing the net income attributable to the associate's shareholders.

The associate's financial statements are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company. After application of the equity method, Multiplan Group determines whether it is necessary to recognize an additional impairment loss on the Company's investment. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement. Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

2. Accounting policies (Continued)

2.3. Functional currency and presentation of financial statements

The functional currency of the Company and its subsidiaries in Brazil is the Real (BRL or R$), which is the same currency adopted for preparation and presentation of the financial statements (Company and consolidated).

The assets and liabilities of foreign subsidiaries are translated into Reais at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are separately recognized in net equity.

2.4. Revenue recognition

Leases

The tenants of commercial units generally pay a rent consisting of a minimum monthly amount, annually adjusted by the change in the General Price Index - Internal Availability (IGP-DI) or an amount resulting from the application of a percentage on each tenant's gross revenues.

The Company records the rent of stores as operating lease. The minimum amount of rent, including fixed increases from time to time set forth in the contracts and excluding inflation adjustments, is recognized proportionally to the Company's interest in each enterprise, on a straight-line basis during the effectiveness of the related contracts, regardless of the way of receipt.

The difference between the minimum amount and that resulting from the application of percentages on gross sales revenues is deemed to be contingent payments and thus recognized in P&L when actually incurred.

The effects of inflation adjustments are also recognized when incurred.

2. Accounting policies (Continued)

2.4. Revenue recognition (Continued)

Key money

The contracts for assignment of rights (key money or assignment of technical structure of shopping malls) are recorded as deferred revenues, in liabilities, upon execution thereof. The result from assignment of rights, including revenues from assignment of rights, point repurchases and key money, is recognized on the straight line basis, over the rent contract term of the related stores to which they refer, as from beginning of rent.

Sale of property

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.

The Company adopts the accounting practice of recognizing revenues and corresponding costs of real estate development based on OCPC 01, i.e., based on the work progress percentage. According to OCPC 04, a real estate construction contract could fall under the scope of CPC 17 (Construction Contracts) or CPC 30 (Revenue). Should the contract fall under CPC 17, revenue recognition will take place according to the progress of the works. On the other hand, if under CPC 30, the discussion moves to the issue of transfer of significant control, risks and benefits continuously or in a single event ("handover of keys"). If the transfer is continuous, revenue should be recognized according to the progress of the works. Otherwise, revenue recognition occurs only upon handover of keys. After an in-depth analysis of its contracts, the Company confirmed that the transfer of control, risks and benefits occurs during the works. As such, revenue from real estate activities is recognized based on the work progress percentage. The Company conducts the following procedures:

2. Accounting policies (Continued)

2.4. Revenue recognition (Continued)

Sale of property (Continued)

- 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 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.

Parking

It consists of revenues from parking lots at shopping malls. These revenues are allocated to P&L on an accrual basis and stated net of amounts transferred to shopping malls.

2. Accounting policies (Continued)

2.4. Revenue recognition (Continued)

Services

It consists of revenues from provision of services such as brokerage, advertising and promotion assistance, rent and/or sale of merchandising spaces, revenues from provision of specialized services on brokerage and real estate business assistance in general; revenue from construction work administration and revenues from management of shopping malls. These revenues are allocated to P&L on an accrual basis.

2.5. Expenses recognition

The expenses are recorded on an accrual basis.

2.6. Financial instruments - initial recognition and subsequent measurement

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.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss (FVTPL), loans and receivables, investments held to maturity, available for sale financial assets, or derivatives classified as effective hedging instruments, depending on the situation. The Company determines the classification of its financial assets at the time of their initial recognition, when it becomes part of the contractual provisions of the instrument.

2. Accounting policies (Continued)

2.6. Financial instruments - initial recognition and subsequent measurement (Continued)

(i) Financial assets (Continued)

Initial recognition and measurement (Continued)

Financial assets are initially recognized at fair value plus - in case of investments not designated at fair value through profit or loss - transaction costs attributable to the acquisition of financial assets.

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

Subsequent measurement

The measurement of financial assets depends on their classification, which can be as follows:

Financial assets measured at fair value through profit or loss (FVTPL)

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. They are measured fair value at each balance sheet date. 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.

2. Accounting policies (Continued)

2.6. Financial instruments - initial recognition and subsequent measurement (Continued)

(i) Financial assets (Continued)

Subsequent measurement (Continued)

Held-to-maturity financial assets

Include 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

Loans (granted) and receivables

Include 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.

2. Accounting policies (Continued)

2.6. Financial instruments - initial recognition and subsequent measurement (Continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and financing, or as derivatives classified as hedging instruments, as the case may be. The Company determines the classification of its financial liabilities at the time of their initial recognition.

Financial liabilities are initially recognized at fair value, and in case of loans and financing, are increased by the directly related transaction costs.

Main financial liabilities recognized by the Company are loans and financing, debentures and property acquisition obligations

Subsequent measurement

The measurement of financial liabilities depends on their classification, which can be as follows:

Financial liabilities measured at fair value through profit and loss

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

Financial liabilities not measured at fair value through profit and loss

Include non derivative financial liabilities not usually traded before maturity. After the initial recognition, they are 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.

2. Accounting policies (Continued)

2.7. Discount to present value assets and liabilities

The non-current monetary assets and liabilities are monetarily restated and, therefore, adjusted to present value. The adjustment to present value of current monetary assets and liabilities is calculated and recorded only if deemed material in relation to the overall financial statements. For purposes of registration and determination of materiality, the adjustment to present value is calculated considering the contractual cash flows and the explicit and sometimes implied interest rates, of the related assets and liabilities.

2.8. Treasury shares

Own equity instruments which are repurchased (treasury shares) are recognized at cost and deducted from shareholders' equity. No gain or loss is recognized in the income statement in the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the book value and the consideration is recognized in goodwill reserves.

2.9. Investment property

The investment properties are stated at acquisition, buildup or construction cost, less accumulated depreciation calculated by the straight-line method at rates that take into consideration the assets' estimated useful lives. Repair and maintenance expenses are recorded only if the economic benefits associated with these items are likely to occur and the amounts can be measured reliably, while other expenses are directly charged to income when incurred. The recovery of investment properties through future operations as well as their useful lives and net book value are regularly monitored and adjusted prospectively, if so necessary. The fair value of the investment properties is determined annually at December for purposes of disclosure.

2. Accounting policies (Continued)

2.10. Fixed assets

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, their useful lives and the residual value are periodically monitored and adjusted prospectively, if necessary.

2.11. Commercial leasing

Operating lease agreements are recognized as expenses on a systematic basis that represents the period over which the benefit from the leased asset is obtained, even if lease payments are not made on the same basis.

2.12. Cost of loans

Interest and financial charges relating to financing taken out for use in construction in progress are capitalized until the assets start operating and are depreciated considering the same criteria and useful life determined for the fixed asset item or the investment properties item into which they were incorporated.

All other borrowing costs are expensed in the period they are incurred.

2.13. 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 until December 31, 2008 for the term provided for recovery, over a maximum five-year term. As from January 1, 2009, these are no longer amortized and continue to be submitted to annual impairment testing.

2. Accounting policies (Continued)

2.13. Intangibles (Continued)

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.

2.14. Land and properties held for sale

Land and properties held for sale are valued at acquisition or construction cost.

2.15. Provision for impairment of nonfinancial assets

Management annually reviews the net book value of assets for purposes of evaluating events or changes in economic, operational or technological conditions that may indicate impairment loss. When such evidence is identified and the net book value exceeds the recoverable amount, a valuation allowance is set up, adjusting the net book value to the recoverable amount.

The recoverable amount of an asset or a particular cash generating unit (CGU) is defined as the higher of value in use and net sales value.

In estimating the value in use of an asset, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital to the industry in which the CGU operates. The net sales value is determined, whenever possible, based on a firm sales contract in a transaction on cumulative bases, between knowledgeable, willing parties, adjusted for expenses attributable to the asset sale, or, when there is no firm sales contract, based on the market price observable in an active market, or the price of the most recent transaction involving similar assets.

2.16. Cash and cash equivalents

These include cash, positive balances held in current accounts, short-term investments redeemable at any time and bearing a low risk of change in their market value. Short-term investments included in cash equivalents are classified as “financial assets at fair value through profit or loss.”

2. Accounting policies (Continued)

2.17. Accounts receivable

These are stated at realizable value. A provision for bad debts was set up in an amount considered sufficient by management in the event of default.

2.18. Provision for contingencies

The Company is part to various judicial and administrative proceedings. Provisions are set up for all contingencies related to lawsuits for which an outflow of funds is likely to occur to settle the contingency/obligation and a reasonable estimate can be made. The assessment of probability of loss includes evaluating available evidence and doctrine, the hierarchy of laws, latest cases formerly adjudged by courts and their relevance within the legal system, and an assessment of outside counsel. Provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statutes of limitation, findings of tax audits or additional exposures identified based on new matters addressed or decisions awarded by courts.

The contingencies for which the risks were assessed as possible are disclosed in the accompanying notes.

2.19. Other liabilities and assets

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.

2. Accounting policies (Continued)

2.20. 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. The provision for income tax is set up quarterly, at the rate of 15%, plus 10% surtax (on the portion in excess of R$ 60 of presumed profit computed as a percentage of gross revenue), applied to the tax base of 32% of revenue from sales. CSLL is computed at the rate of 9% applied to the tax base of 32% of revenue from sales. Financial income and other revenues are fully taxed by IRPJ and CSLL at their normal rates.

2. Accounting policies (Continued)

2.20. Taxation (Continued)

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

As provided in Law No. 9065 dated June 20, 1995, the Company offset its income and social contribution tax losses with net income adjusted by additions and exclusions as provided for in income and social contribution tax legislation and in observance of the maximum offset limit of 30% (thirty percent) on that net income.

Deferred tax credits deriving from Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) losses are calculated at the rate of 34% and are recognized only to the extent that a positive taxable base for which temporary differences may be used is likely to occur.

2.21. Share-based payment

The Company granted administrators, employees and services providers, eligible for the program stock purchase options that are only exercisable after specific grace periods. These options are measured at fair value based on their values determined by the Black-Scholes method on the dates the compensation programs are granted, and are recorded in operating income under “stock-option-based remuneration expense”, on a straight line basis during the corresponding grace periods, the contra entry being to “share options granted” account in capital reserves in shareholders’ equity. For further details see Note 21.g.

2. Accounting policies (Continued)

2.22. Significant 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; the budgeted cost of real estate ventures; 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; provision for contingencies; fair value measurement of share-based compensation and financial instruments; 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 estimates and assumptions are based on current expectations and projections of the Company's management about future events and financial trends that affect or may affect the Company's business and, consequently, its Financial Statements. Such estimates and assumptions are developed based on information currently available and known by management. Many important factors may adversely impact the Company's results, and in view of such risks and uncertainties, estimates and future prospects may not materialize. The Company reviews its estimates and assumptions at least quarterly.

3. Cash and cash equivalents

	June 30, 2011		December 31, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Cash and banks	**15,705**	**34,673**	18,533	36,222
Short-term investment - Bank Deposit Certificates	**505,399**	**524,794**	746,161	758,617
	521,104	**559,467**	764,694	794,839

3. Cash and cash equivalents (Continued)

Short-term investments represent bank deposit certificates and/ or bank commitments, which provide an average remuneration of approximately 100% in the variation in the CDI and can be redeemed at any time with no loss in recognized revenue.

4. Accounts receivable

	June 30, 2011		December 31, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Leases	**65,573**	**72,064**	82,282	88,655
Key money	**99,773**	**108,403**	85,019	96,621
Acknowledgment of debt (a)	**1,498**	**1,547**	2,173	2,175
Parking	**3,328**	**3,088**	4,734	3,673
Administration fees (b)	**4,921**	**4,921**	5,319	5,319
Sales	**1,893**	**1,893**	1,573	1,573
Advertising	**1,719**	**1,719**	4,108	4,108
Sale of properties (c)	**25,157**	**25,157**	30,254	30,254
Others	**2,101**	**3,188**	1,137	2,317
	205,963	**221,980**	216,599	234,695
Allowance for doubtful accounts	**(14,569)**	**(16,253)**	(16,713)	(18,419)
	191,394	**205,727**	199,886	216,276
Noncurrent	**(34,487)**	**(37,044)**	(32,676)	(36,154)
Current	**156,907**	**168,683**	167,210	180,122

(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 malls, 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).

(c) In accordance with CPC 20 – Present Value Adjustment, approved by CVM Rule No. 564, dated December 17, 2008, the Company internally values certain assets and liabilities in order to analyze the need to present these at present value. The methodology used was the Discounted Cash Flow method (DCF), using the discount rates described as follow.

The future cash flow model was based on the portfolio of receivables from real estate for sale in accordance with monetary variation assumptions (INCC and IGP-M) and interest (price table) used in the market. Accordingly, to determine the present value of cash flows (AVP), three pieces of information were utilized: (a) the monthly value of future cash flows, (b) the period relating cash flows and (c) the discount rate.

(i) Monthly value of future cash flows: These are comprised of receivables from the real estate developed by the Company (Cristal Tower and Centro Professional Ribeirão Shopping). Cash flow includes monthly payments in accordance with each customer's contract. The portfolio is monetarily readjusted at the INCC (National Civil Construction Cost) rate during the construction period and by the IGP-M (General Market Price Rate) after delivery of the project. In addition the monetary correction the of the portfolio (post-delivery of the project) is restated at the price table interest rate (not considered as shown below);

(ii) Related cash flow term: Cash flows are projected on a monthly basis as from the present date considering monthly and intermediate installments. Given the fact that interest is incurred after delivery of the projects the Company conservatively records the pre-payment of all trade accounts receivable on delivery of keys, and thereby does not include discounts, penalties or interest benefits.

(iii) Discount rate: The discount rate for cash flow to present value during construction is the SELIC rate in force. This choice was based on the same that can be considered as customer cost opportunity thereby "pre-payment" is paramount in their decision making process

4. Accounts receivable (Continued)

Find below the accounts receivable aging list:

		Overdue balance					
Company	Balance due date	< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	>120 days	Total
2011	**186,922**	**1,769**	**707**	**509**	**276**	**15,780**	**205,963**
2010	196,588	1,347	929	720	397	16,618	216,599

		Overdue balance					
Consolidated	Balance due date	< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	>120 days	Total
2011	**200,586**	**2,061**	**886**	**635**	**370**	**17,442**	**221,980**
2010	212,389	1,650	1,171	928	579	17,978	234,695

As supplemental information, since it is not recorded in accounting records in view of the accounting practices mentioned in Note 2.4, the Company's accounts receivable balance at June 30, 2011 and December 31, 2010 referring to sale of units under construction of the real estate development "Centro Profissional MorumbiShopping", "Cristal Tower" and "Centro Profissional Ribeirão Shopping", less the installments already received, is broken down as follows, by year of maturity:

	June 30, 2011	December 31, 2010
2011	**10,982**	24,033
2012	**14,428**	13,839
2013 onwards	**52,452**	50,661
	77,862	88,533

These credits mainly refer to real estate developments in progress, whose title deeds are only granted after settlement and/or negotiation of customers' credits and are restated by reference to the National Civil Construction Index - INCC variation through to keys delivery; and afterwards by reference to General Price Index - IGP-DI variation.

4. Accounts receivable (Continued)

Additionally, the changes in the allowance for doubtful accounts (ADA) are shown below:

	Company			
	Leases	**Key money**	**Acknowledgment of debt**	**Total**
Balances at December 31, 2010	(11,379)	(3,657)	(1,677)	(16,713)
Additions/reversals	**775**	**521**	**848**	**2,144**
Balances at June 30, 2011	**(10,604)**	**(3,136)**	**(829)**	**(14,569)**

	Consolidated			
	Leases	**Key money**	**Acknowledgment of debt**	**Total**
Balances at December 31, 2010	(12,056)	(4,686)	(1,677)	(18,419)
Additions/reversals	**764**	**554**	**848**	**2,166**
Balances at June 30, 2011	**(11,292)**	**(4,132)**	**(829)**	**(16,253)**

5. Loans and advances

	June 30, 2011		December 31, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Current				
Shopkeepers	**312**	**312**	326	326
Shopping Centers Condominiums (a)	**7,842**	**8,601**	7,551	8,310
Barra Shopping Sul Association (b)	**4,120**	**4,120**	5,146	5,146
Parkshopping Barigui Association (j)	**434**	**434**	463	463
Parkshopping Association	**469**	**469**	531	531
Parkshopping Condominiums (c)	**3,564**	**3,564**	3,781	3,781
Ribeirão Shopping Condominium (d)	**1,328**	**1,328**	1,328	1,328
New York City Center Condominiums (e)	**63**	**63**	63	63
Analia Franco Condominium	**121**	**121**	121	121
Morumbishopping Condominium	**57**	**57**	57	57
Shopping Vila Olímpia Condominium (f)	**-**	**500**	-	500
Shopping Vila Olimpia Association (g)	**-**	**869**	-	1,096
Advance for suppliers	**6,134**	**6,134**	2,684	2,818
Advance for ventures	**2,623**	**3,145**	-	522
Other Loans	**63**	**63**	63	63
Others	**292**	**741**	245	362
	27,422	**30,521**	22,359	25,487
Provision for losses (a)	**(7,842)**	**(8,601)**	(7,551)	(8,310)
	19,580	**21,920**	14,808	17,177
Noncurrent				
Shopkeepers	**700**	**700**	726	726
Parkshopping Condominiums (c)	**838**	**838**	1,312	1,312
Barra Shopping Sul Association (b)	**4,681**	**4,681**	3,439	3,439
MPH Empreendimentos Imobiliários Ltda.(Note 19)	**325**	**-**	68,240	-
Haleiwa (Note 19)	**4,506**	**-**	68,240	-
Parkshopping Barigui Association (j)	**3,170**	**3,170**	3,181	3,181
Others	**7**	**7**	-	-
	14,227	**9,396**	76,898	8,658

(a) Prepayments to condominiums of shopping malls owned by Multiplan Group. A provision for losses was recognized in the full amount, considering its unlikely realization.
(b) Its consists of advances granted to the Association of Store Owners of Barra Shopping Sul to meet their working capital needs. A total of R$ 4,800 was advanced in 2008, R$ 3,600 in 2009 and R$ 1,000 in 2010. These agreements are restated on a monthly basis at the CDI percentage rates and contractual repayment terms that began in January 2009. The rate varied between 117% and 135% of CDI.
(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 the limit date for repayment was fixed in 48 monthly installments beginning January 2009.
(d) Refers to advances granted to Ribeirão Shopping condominium to the parking lot implantation. These advances has not being updated.
(e) Refers to advances granted to New York City Center condominium to meet working capital needs. The debit balance is not being updated.
(f) Refers to advances granted to Shopping Vila Olimpia (controlled by MPH Empreendimentos Imobiliários) condominium to meet working capital needs and has not being updated.
(g) Refers to advances granted to Shopping Vila Olimpia (controlled by MPH Empreendimentos Imobiliários) association, to meet working capital needs. The debit balance is monthly updated by 8% change in the IPCA plus 8% p.y. and will be refunded as follows: R$ 1,800 until August 15, 2010, 24 monthly installments beginning on January 15, 2011.
(h) Refers to advances granted to Parkshopping Barigui Association, to meet capital needs. The debit balance is monthly updated by 117% changed in the CDI and will be refunded in 40 montly installments beginning in July 2011.
(i) These refer to investments made by the Company in the expansion of Ribeirão Shopping, were costs were paid by other developers at November 10, 2010. The remaining balance refers to the subsidiary, Renasce.

6. Recoverable taxes and contributions

	June 30, 2011		December 31, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Tax credits - PIS/COFINS (a)	**18,718**	**18,718**	18,718	18,718
Provisions for tax credits - PIS/COFINS (a)	**(12,601)**	**(12,601)**	(12,601)	(12,601)
Recoverable Income Tax - IR	**18,067**	**19,393**	3,168	4,636
Recoverable Social Contribution Tax - CSLL	**4,700**	**5,022**	1,351	1,887
IOF overpaid	**1,274**	**1,274**	1,274	1,274
IRRF on short-term investments	**6,844**	**6,884**	5,864	6,454
IRRF on services rendered	**336**	**336**	600	602
Recoverable PIS	**110**	**116**	2	3
Recoverable COFINS	**225**	**250**	-	4
Other	**943**	**1,080**	780	915
	38,616	**40,472**	19,156	21,892

(a) During 2005 Bozano Simonsen Centros Comerciais S. A., a company acquired by Multiplan Empreendimentos on February 24, 2006, filed a writ of mandamus against the Federal Government. Through this writ Bozano requested (i) declaration of unenforceability of tax credits on the difference between the amount that would have been due in COFINS and PIS taxes in accordance with the systematic calculation introduced by Law No. 9718/98 and the amount that would have been due without the aforementioned changes to that law in relation to future payments; and (ii) declaration of the right to offset amounts for COFINS and PIS paid in error from the date of the implementation of the systematic calculation under Law No. 9718/98, restated at the Central Bank Overnight Rate SELIC, in accordance with Law No. 9430/96, with the Company's own tax debts in any tax or contribution administered by the Brazilian IRS, in accordance with article 66, of Law No. 8383/91 and article 74, of Law No. 9430/96. In September 2009, on handing down of a final decision, the Company recorded at tax credits amounting to R$ 18,718, based on the opinion of legal counsel in the case. On October 4, 2010, the Company applied to Brazil's IRS (RFB) for approval of these tax credits. While collecting the documents necessary for disclosure to the RFB, other legal counsel contracted by the Company specifically to gain the tax credits performed a critical analysis of the information in the supporting documentation and adjusted previous estimates, including restatement rates and calculated the revised amount of R$ 6,117. Accordingly, the Company made a provision of R$ 12,601 at September 30, 2010, on the tax balance offsettable matched against the Other operating income (expenses), net. This provision will be restated, if applicable, up to approval from the RFB of the tax credits in question.

7. Land and properties held for sale

	June 30, 2011		December 31, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Land	**29,423**	**63,563**	23,939	23,939
Built properties	**203**	**203**	203	203
Properties under construction	**7,238**	**7,238**	9,041	9,041
	36,864	**71,004**	33,183	33,183

8. Income tax and social contribution

Deferred income and social contribution taxes have the follow origin:

	June 30, 2011		December 31, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Assets				
Provision for contingencies	**18,098**	**18,192**	18,179	18,367
Allowance for doubtful accounts (a)	**13,275**	**13,411**	14,393	14,570
Provision for losses on advances and charges (a)	**7,842**	**8,601**	7,551	9,069
Goodwill at merged company (c)	**174,336**	**174,336**	181,946	181,946
Annual provision Bond	**5,483**	**5,483**	18,091	18,091
Deferred charges (f)	**17,547**	**21,265**	19,762	19,762
Tax loss and negative base	**776**	**2,622**	20,665	24,397
Deferred tax credit base	**237,357**	**243,910**	280,587	286,202
Deferred income taxes (25%)	**59,339**	**60,978**	70,147	71,551
Deferred social contribution tax (9%)	**21,362**	**21,952**	25,253	25,758
Liabilities				
Future proftability goodwill not amortized (d)	**(270,739)**	**(270,739)**	(235,799)	(235,799)
Straight-line lease revenue (e)	**(19,042)**	**(22,563)**	(8,125)	(10,234)
Result from real estate projects (b)	**(12,606)**	**(12,606)**	(14,472)	(14,472)
Deferred tax credit base	**(302,387)**	**(305,908)**	(258,396)	(260,505)
Deferred income tax (25%)	**(75,597)**	**(76,477)**	(64,599)	(65,125)
Deferred social contribution tax (9%)	**(27,215)**	**(27,532)**	(23,256)	(23,445)
Deferred tax credit base	**(65,030)**	**(61,998)**	22,191	25,697
Deferred tax credit base (25%)	**(16,258)**	**(15,500)**	5,548	6,424
Deferred social contribution tax (9%)	**(5,852)**	**(5,579)**	1,997	2,313
	(22,110)	**(21,079)**	7,545	8,737

(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$ 1,294, 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 Participações Ltda. 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. 349/01, 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 fiscal amortization by Multiplan.

(d) Goodwill on acquisition of Multishopping Empreendimentos Imobiliários S.A., Bozano Simonsen Centros Comerciais S.A. and Realejo Participações S.A. is grounded on future profitability. Such companies are later merged, and related goodwill is reclassified as intangible assets. Pursuant to the new accounting standards, beginning January 1, 2009 such goodwill will no longer be amortized, and deferred income tax payable on the difference between the tax base and the book value of related goodwill will be accounted for.

(e) The criterion adopted to account for revenue rent is based on straight-line revenues during the effectiveness of the contract, regardless of the receipt term.

(f) The Company recognized deferred income taxes by fully derecognizing deferred charges, pursuant to CPC Pronouncement 23 - Accounting Policies, Changes in Estimates and Correction of Errors.

8. Income tax and social contribution--Continuação

Deferred income and social contribution taxes will be fiscal realized accordingly to Company Management expectation as follows:

	June 30, 2011	December 31, 2010
	Company	Company
2011	**27,426**	75,645
2012	**43,699**	5,480
2013	**1,272**	6,817
2014 onwards	**8,304**	7,458
	80,701	95,400

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:

	Company			
	June 30, 2011		June 30, 2010	
Description	Income tax	Social contribution	Income tax	Social contribution
Earnings before income tax and social contribution	**189,487**	**189,487**	155,865	155,865
Rate	**25%**	**9%**	25%	9%
Statutory rate	**(47,372)**	**(17,054)**	(38,966)	(14,028)
Permanent add-bakcs and deductions				
Equity pickup	**2,191**	**789**	95	34
Business gifts and homage	**(19)**	**(7)**	(64)	(23)
Contributions, donations and sponsorship	**(654)**	**(236)**	(310)	(112)
Amortization of goodwil on appreciation of assets	**(138)**	**(50)**	(10)	(4)
Compensation expenses (stock option plan)	**(877)**	**(316)**	(636)	(229)
Managment bônus and 13th monthly salary	**(2,124)**	**-**	(1,869)	-
Share issued expenses	**-**	**-**	45	16
Tax loss and negative base	**1,118**	**1,008**	(798)	(960)
Deferred asset write-off	**-**	**-**	(451)	(162)
Others	**(1,805)**	**(736)**	871	315
	(2,308)	**452**	(3,127)	(1,125)
Deferred income tax and social contribution on P&L	**(21,804)**	**(7,850)**	(42,093)	(15,153)
Current income tax and social contribution on P&L	**(27,876)**	**(8,752)**	-	-
Total	**(49,680)**	**(16,602)**	(42,093)	(15,153)

8. Income tax and social contribution (Continued)

	Consolidated			
	June 30, 2011		June 30, 2010	
Description	Income tax	Social contribution	Income tax	Social contribution
Earning before income tax and social contribution	**199,903**	**199,903**	164,789	164,789
Rate	**25%**	**9%**	25%	9%
Statutory rate	**(49,976)**	**(17,991)**	(41,197)	(14,831)
Permanents add-backs deductions				
Equity pickup	**346**	**124**	(1,238)	(446)
Business gifts and homage	**(19)**	**(7)**	(64)	(23)
Contributions, donations and sponsorship	**(654)**	**(236)**	(310)	(112)
Goodwill amortization on appreciation of assets	**(138)**	**(50)**	(10)	(4)
Compensation expenses (stock options plan)	**(877)**	**(316)**	(636)	(229)
Managment bônus and 13th monthly salary	**(2,124)**	**-**	(1,869)	-
Share issue expenses	**-**	**-**	45	16
Deferred asset write-off	**-**	**-**	2,186	787
Income tax and social contribution on tax and loss and negative base	**1,118**	**1,008**	(798)	(960)
Effect on the base of taxable profit of subsidiares eliminated from the consolidated	**3,157**	**1,136**	(2,788)	(1,004)
Imcome tax and social contribution on companies whose taxables profits calculated as a percentage of gross sales	**(1,990)**	**(694)**	1,423	547
Others	**(1,541)**	**(645)**	901	292
	(2,722)	**320**	(3,158)	(1,136)
Deferrend income and social contribution on P&L	**(21,923)**	**(7,892)**	(42,212)	(15,196)
Deferred income and social contribution on P&L	**(30,775)**	**(9,779)**	(2,143)	(771)
Total	**(52,698)**	**(17,671)**	(44,355)	(15,967)

9. Investments in subsidiaries

We set out below significant information on investees:

Subsidiaries	Number of units	% ownership	Capital	June 30, 2011 Net Income (loss) for the period	June 30, 2011 Shareholders` equity	December 31, 2010 Net Income (loss) for the period	December 31, 2010 Shareholders` equity
CAA Corretagem e Consultoria Publicitária S/C Ltda.	**5,000**	**99.00**	**50**	**(4)**	**134**	50	143
RENASCE - Rede Nacional de Shopping Centers Ltda.	**45,000**	**99.99**	**950**	**161**	**4,410**	950	4,365
CAA Corretagem Imobiliária Ltda.	**154,477**	**99.61**	**1,764**	**(6)**	**38**	1,544	50
MPH Empreendimentos Imobiliários Ltda.	**839**	**41.96**	**183,683**	**3,405**	**208,190**	22,000	38,278
Multiplan Admin. Shopping Center	**20,000**	**99.00**	**20**	**1,332**	**13,039**	20	10,629
Pátio Savassi Administração de Shopping Center Ltda.	**1,000,000**	**100.00**	**10**	**516**	**392**	10	432
SCP - Royal Green Península	**-**	**98.00**	**51,582**	**794**	**10,712**	51,582	12,102
Manati Empreendimentos e Participações S.A. (a)	**21,442,694**	**50.00**	**72,636**	**248**	**67,603**	25,668	66,290
Haleiwa Participações S.A. (b)	**29,893,268**	**50.00**	**29,605**	**(194)**	**29,298**	13,922	28,978
Danville RJ Participações Ltda.	**8,500,000**	**99.99**	**6,759**	**(290)**	**6,469**	-	-
Multiplan Holding S.A	**1,000**	**100.00**	**1**	**-**	**1**	-	-
Embraplan Empresa Brasileira de Planejamento Ltda.	**5,110,438**	**99.99**	**5,110**	**184**	**188**	-	4

Investments of the Company

Subsidiaries		At December 31, 2010	Acquisition	Disposals	Dividends	Equity in subsidiaries	At June 30, 2011
CAA Corretagem e Consultoria Publicitária S/C Ltda.		142	**-**	**-**	**-**	**(8)**	**134**
CAA Corretagem e Consultoria Imobiliária S/C Ltda.		50	**-**	**-**	**-**	**(12)**	**38**
RENASCE - Rede Nacional de Shopping Centers Ltda.		4,366	**-**	**-**	**-**	**44**	**4,410**
SCP - Royal Green Península		11,860	**-**	**(2,744)**	**-**	**1,382**	**10,498**
Multiplan Admin. Shopping Center		10,522	**-**	**-**	**-**	**2,386**	**12,908**
MPH Empreendimentos Imobiliários Ltda.	(c)	16,061	**67,914**	**-**	**-**	**3,377**	**87,352**
Manati Empreendimentos e Participações S.A.	(a)	33,144	**-**	**-**	**-**	**657**	**33,801**
Haleiwa Participações S.A.	(b)	14,489	**294**	**-**	**-**	**(134)**	**14,649**
Pátio Savassi Administração de Shopping Center Ltda.		432	**-**	**-**	**(1,219)**	**1,179**	**392**
Danville RJ Participações Ltda.		-	**6,759**	**-**	**-**	**(290)**	**6,469**
Multiplan Holding S.A		-	**1**	**-**	**-**	**-**	**1**
Embraplan Empresa Brasileira de Planejamento Ltda.		4	**-**	**-**	**-**	**184**	**188**
Others		94	**1**	**-**	**-**	**-**	**95**
		91,164	**74,969**	**(2,744)**	**(1,219)**	**8,765**	**170,935**

9. Investments in subsidiaries (Continued)

Investments of the Consolidated

Subsidiaries	At December 31, 2010	Acquisition	Disposals	Equity in subsidiaries	At June 30, 2011
SCP - Royal Green Península	11,860	-	(2,744)	1,382	10,498
Others	158	2	(1)	-	159
	12,018	2	(2,745)	1,382	10,657

(a) On February 7, 2008 the Company entered into a loan agreement with Manati 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, becoming the Company holder of 50% of Manati's capital which, by its turn, 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 10).

(b) On May 20, 2008, the Company acquired ownership interest of 50% in Haleiwa, 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.

(c) On February 22, 2011, through the 4th amendment to the articles of organization, there was issue of 161,863 million new units of interest, in the nominal amount of R$ 1.00 (one real) each, paid up using receivables of unit of interest holders from MPH Empreendimentos Imobiliários Ltda. as advance for future capital increase. The portion referring to non-controlling members amounted to R$ 93,949.

10. Investment properties

The Multiplan internally valued its investment properties at fair value based on the Discounted Cash Flow (DCF) method. The Company calculated the present value using a discount rate following the CAPM (Capital Asset Pricing Model). Risk and return assumptions were considered based on studies conducted by "Damodaran" (New York University professor) involving the stock market performance of shopping malls in Brazil (Beta Adjusted), in addition to market perspectives (Central Bank's Focus Report) and data on the risk premium of the domestic market (sovereign risk). Based on these assumptions, the Company estimated a nominal unleveraged discount rate 13.0% for December 31, 2010.

Shareholders' capital cost	December 31, 2010
Risk free rate	3.7%
Market risk Premium	5.7%
Beta adjusted	0.72
Sovereign risk	202
Shareholders' capital cost - US$	9.8%
Inflation assumptions	
Inflation (BR)	5.2%
Inflation (USA)	2.3%
Shareholders' capital cost - BRL$	13.0%

The model future cash flow was estimated based on the individual cash flows of shopping malls and office towers, including the Net Operating Income (NOI), Recurring Assignment of Rights (based only on "mix" assignment, excluding future projects), Revenue from Mall Services (Justified by Company's control position in its properties), Taxes on Revenues and investments in revitalization and construction in progress. Perpetuity was calculated considering an actual growth rate of 2.0% for malls and of 0.0% for office towers.

10. Investment properties (Continued)

The Company categorized its investment properties in accordance with their status and used a higher discount rate for projects that are not operational. The nominal discount rate of future projects for lease, whether advertised or not (only expansions in 2010), was increased by 100 basis points, reaching 14.0% in 2010. The table below describes the amount identified for each category of property and presents the value of assets in the Company's share and as a whole (100%):

	December 31, 2010	
Valuation of investment properties	**Company**	**100%**
Shopping malls in operation	R$ 9,690 T	R$ 15,047 T
Projects under development (advertised)	R$ 1,836 T	R$ 1,951 T
Projects under development (not advertised)	R$ 760 T	R$ 858 T
Total	R$ 12,286 T	R$ 17,856 T

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

		Company						
	Annual depreciation rates (%)	**December 31, 2010**	**Acquisitions**	**Disposal**	**Capitalized interest**	**Depreciation**	**Transferences**	**June 30, 2011**
Cost								
Land		647,880	**10,965**	**(263)**	**2,609**	**-**	**(2)**	**661,189**
Improvements	**2 a 4**	1,340,317	**241**	**(269)**	**-**	**-**	**161,971**	**1,502,260**
Accumulated depreciation		(193,537)	**-**	**-**	**-**	**(16,635)**	**-**	**(210,172)**
Net		1,146,780	**241**	**(269)**	**-**	**(16,635)**	**161,971**	**1,292,088**
Installations	**2 a 10**	123,164	**54**	**-**	**-**	**-**	**22,348**	**145,566**
Accumulated depreciation		(47,872)	**-**	**-**	**-**	**(5,173)**	**-**	**(53,045)**
Net		75,292	**54**	**-**	**-**	**(5,173)**	**22,348**	**92,521**
Machinery, equipment, furniture and fixtures	**10**	11,232	**28**	**-**	**-**	**-**	**950**	**12,210**
Accumulated depreciation		(3,289)	**-**	**-**	**-**	**(754)**	**78**	**(3,965)**
Net		7,943	**28**	**-**	**-**	**(754)**	**1,028**	**8,245**
Other	**10 a 20**	3,652	**-**	**-**	**-**	**-**	**2**	**3,654**
Accumulated depreciation		(809)	**-**	**-**	**-**	**(160)**	**(75)**	**(1,044)**
Net		2,843	**-**	**-**	**-**	**(160)**	**(73)**	**2,610**
Construction in progress		310,265	**249,004**	**(846)**	**3,396**	**-**	**(185,272)**	**376,547**
		2,191,003	**260,292**	**(1,378)**	**6,005**	**(22,722)**	**-**	**2,433,200**

10. Investment properties (Continued)

	Annual depreciation rates (%)	Consolidated						
		December 31, 2010	Acquisitions	Disposals	Capitalized interest	Depreciation	Transferences	June 30, 2011
Cost								
Land		755,878	**11,335**	**(263)**	**2,609**	**-**	**(17,768)**	**751,791**
Improvements	**2 a 4**	1,513,636	**507**	**(269)**	**-**	**-**	**121,414**	**1,635,288**
Accumulated depreciation		(204,140)	**-**	**-**	**-**	**(18,003)**	**7,269**	**(214,874)**
Net		1,309,496	**507**	**(269)**	**-**	**(18,003)**	**128,683**	**1,420,414**
Installations	**2 a 10**	160,920	**135**	**-**	**-**	**-**	**20,785**	**181,840**
Accumulated depreciation		(52,889)	**-**	**-**	**-**	**(6,964)**	**1,752**	**(58,101)**
Net		108,031	**135**	**-**	**-**	**(6,964)**	**22,537**	**123,739**
Machinery, equipment, furniture and fixtures	**10**	14,810	**52**	**-**	**-**	**-**	**265**	**15,127**
Accumulated depreciation		(4,033)	**-**	**-**	**-**	**(915)**	**205**	**(4,743)**
Net		10,777	**52**	**-**	**-**	**(915)**	**470**	**10,384**
Other	**10 a 20**	4,002	**61**	**-**	**-**	**-**	**231**	**4,294**
Accumulated depreciation		(799)	**-**	**-**	**-**	**(176)**	**(341)**	**(1,316)**
Net		3,203	**61**	**-**	**-**	**(176)**	**(110)**	**2,978**
Construction in progress		259,890	**252,428**	**(846)**	**3,396**	**-**	**(133,812)**	**381,056**
		2,447,275	**264,518**	**(1,378)**	**6,005**	**(26,058)**	**-**	**2,690,362**
Fair value of assets								
Brazilian Realty LLC.								
Land		10,106	**-**	**-**	**-**	**-**	**-**	**10,106**
Improvements		27,324	**-**	**-**	**-**	**-**	**-**	**27,324**
Accumulated depreciation		(2,653)	**-**	**-**	**-**	**(380)**	**-**	**(3,033)**
Net		24,671	**-**	**-**	**-**	**(380)**	**-**	**24,291**
Indústrias Luna S.A.								
Land		1	**-**	**-**	**-**	**-**	**-**	**1**
Improvements		3	**-**	**-**	**-**	**-**	**-**	**3**
Accumulated depreciation		-	**-**	**-**	**-**	**-**	**-**	
Net		3	**-**	**-**	**-**	**-**	**-**	**3**
JPL Empreendimentos Ltda.								
Land		2,915	**-**	**-**	**-**	**-**	**-**	**2,915**
Improvements		7,881	**-**	**-**	**-**	**-**	**-**	**7,881**
Accumulated depreciation		(757)	**-**	**-**	**-**	**(110)**	**-**	**(867)**
Net		7,124	**-**	**-**	**-**	**(110)**	**-**	**7,014**
Solução Imobiliária Ltda.								
Land		398	**-**	**-**	**-**	**-**	**-**	**398**
Improvements		1,262	**-**	**-**	**-**	**-**	**-**	**1,262**
Accumulated depreciation		(124)	**-**	**-**	**-**	**(22)**	**-**	**(146)**
Net		1,138	**-**	**-**	**-**	**(22)**	**-**	**1,116**
Manati								
Land		837	**-**	**-**	**-**	**-**	**-**	**837**
Improvements		2,381	**-**	**-**	**-**	**-**	**-**	**2,381**
Accumulated depreciation		(174)	**-**	**-**	**-**	**(39)**	**-**	**(213)**
Net		2,207	**-**	**-**	**-**	**(39)**	**-**	**2,168**
	(a)	49,400	**-**	**-**	**-**	**(551)**	**-**	**48,849**
		2,496,675	**264,518**	**(1,378)**	**6,005**	**(26,609)**	**-**	**2,739,211**

(a) The 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.

11. Property and equipment

	Annual depreciation rate (%)	Company			
		December, 31 2010	Acquisitions	Depreciation	June 30, 2011
Cost					
Land		1,209	-	-	**1,209**
Improvements	**2 a 4**	4,472	-	-	**4,472**
Accumulated depreciation		(416)	-	**(106)**	**(522)**
Net		4,056	-	**(106)**	**3,950**
Installations	**2 a 10**	2,508	**47**	-	**2,555**
Accumulated depreciation		(217)	-	**(133)**	**(350)**
Net		2,291	**47**	**(133)**	**2,205**
Machinery, equipment, furniture and fixtures	**10**	3,901	**256**	-	**4,157**
Accumulated depreciation		(1,780)	-	**(261)**	**(2,041)**
Net		2,121	**256**	**(261)**	**2,116**
Others	**10 a 20**	2,887	**292**	-	**3,179**
Accumulated depreciation		(820)	-	**(170)**	**(990)**
Net		2,067	**292**	**(170)**	**2,189**
Construction in progres		120	-	-	**120**
		11,864	**595**	**(670)**	**11,789**

	Consolidated				
	Annual depreciation (%)	December, 31 2010	Acquisitions	Depreciation	June 30, 2011
Cost					
Land		3,113	-	-	**3,113**
Improvements	**2 a 4**	10,343	-	-	**10,343**
Accumulated depreciation		(2,138)	-	**(214)**	**(2,352)**
Net		8,205	-	**(214)**	**7,991**
Installations	**2 a 10**	3,765	**47**	-	**3,812**
Accumulated depreciation		(1,116)	-	**(190)**	**(1,306)**
Net		2,649	**47**	**(190)**	**2,506**
Machinery, equipments, furniture and fixtures	**10**	5,587	**257**	-	**5,844**
Accumulated depreciation		(3,347)	-	**(289)**	**(3,636)**
Net		2,240	**257**	**(289)**	**2,208**
Others	**10 a 20**	3,460	**292**	-	**3,752**
Accumulated depreciation		(1,280)	-	**(189)**	**(1,469)**
Net		2,180	**292**	**(189)**	**2,283**
Construction in progress		117	-	-	**117**
		18,504	**596**	**(882)**	**18,218**

12. Intangible assets

Intangible assets comprise systems use rights and 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 rate (*)	Company			
		December 31, 2010	Acquisiton	Amortization	June 30, 2011
Goodwill at merged company(a)					
Bozano		307,067	-	-	**307,067**
Accumulated amortization	**20**	(188,457)	-	-	**(188,457)**
Realejo		86,611	-	-	**86,611**
Accumulated amortization	**20**	(34,645)	-	-	**(34,645)**
Multishopping		169,849	-	-	**169,849**
Accumulated amortization	**20**	(85,754)	-	-	**(85,754)**
		254,671	-	-	**254,671**
Goodwill upon acquisition of ownership interest (b)					
Brazilian Realty LLC.		46,434	-	-	**46,434**
Accumulated amortization	**20**	(13,232)	-	-	**(13,232)**
Indústrias Luna S.A.		4	-	-	**4**
JPL Empreendimentos Ltda.		15,912	-	-	**15,912**
Accumulated amortization	**20**	(3,329)	-	-	**(3,329)**
Solução Imobiliária Ltda.		3,524	-	-	**3,524**
Accumulated amortization	**14**	(554)	-	-	**(554)**
		48,759	-	-	**48,759**
Copyright systems					
Software license (c)	**20**	19,392	**307**	-	**19,699**
Accumulated depreciation		(3,317)	-	**(1,782)**	**(5,099)**
		16,075	**307**	**(1,782)**	**14,600**
		319,505	**307**	**(1,782)**	**318,030**

	Annual amortization rate (*)	Consolidated				
		December 31, 2010	Acquisiton	Disposal	Amortization	June 30, 2011
Goodwill at merged company (a)						
Bozano		307,067	-	-	-	**307,067**
Accumulated amortization	**20**	(188,457)	-	-	-	**(188,457)**
Realejo		86,611	-	-	-	**86,611**
Accumulated amortization	**20**	(34,645)	-	-	-	**(34,645)**
Multishopping		169,849	-	-	-	**169,849**
Accumulated amortization	**20**	(85,754)	-	-	-	**(85,754)**
		254,671	-	-	-	**254,671**
Goodwill upon acquisiton of ownership interest (b)						
Brazilian Realty LLC.		46,434	-	-	-	**46,434**
Accumulated Amortization	**20**	(13,232)	-	-	-	**(13,232)**
Indústrias Luna S.A.		4	-	-	-	**4**
JPL Empreendimentos Ltda.		15,912	-	-	-	**15,912**
Accumulated amortization	**20**	(3,329)	-	-	-	**(3,329)**
Solução Imobiliária Ltda.		3,524	-	-	-	**3,524**
Accumulated amortization	**14**	(554)	-	-	-	**(554)**
		48,759	-	-	-	**48,759**
Copyright systems						
Software license(c)	**20**	19,392	**306**	-	-	**19,698**
Accumulated amortization		(3,317)	-	-	**(1,782)**	**(5,099)**
		16,075	**306**	-	**(1,782)**	**14,599**
Others		1,150	-	-	-	**1,150**
Accumulated amortization		(67)	-	-	**(12)**	**(79)**
		1,083	-	-	**(12)**	**1,071**
		320,588	**306**	-	**(1,794)**	**319,100**

12. Intangible assets (Continued)

(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 a result of investments acquired in 2007, the Company recorded goodwill based on future profitability in the total amount of R$ 65,874, which were amortized until December 31, 2008 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. Loans and financing

	Index	Annual interest rate	June 30, 2011 Company	June 30, 2011 Consolidated	December 31,2010 Company	December 31,2010 Consolidated
Current						
BNDES (a)	TJLP e UMBNDES	5.2%	**-**	**-**	1,455	1,455
Bradesco (d)	CDI	129.2% CDI	**-**	**-**	15,509	15,509
Real (b)	TR	10%	**19,408**	**19,408**	18,906	18,906
Banco Itaú SAF (c)	TR	10%	**2,336**	**2,336**	2,319	2,319
Banco Itaú PSC (j)	TR	9.75%	**1,136**	**1,136**	1,290	1,290
Banco IBM (e)	CDI	0.79%	**1,237**	**1,237**	1,903	1,903
Banco IBM (i)	CDI	1.48%	**2,047**	**2,047**	9,465	9,465
BNDES PKS Expansão (g)	TJLP	3.53%	**9,440**	**9,440**	11,213	11,213
Real BHS Expansão V (h)	TR	10%	**11,404**	**11,404**	-	-
Raising of cost BHS EXP (h)			**(143)**	**(143)**	(148)	(148)
Raising of cost Itaú PSC (j)			**(262)**	**(262)**	(140)	(140)
Companhia Real de Distribuição (f)	-	-	**26**	**26**	26	26
			46,629	**46,629**	61,798	61,798
Non- current						
Real (b)	TR	10%	**77,629**	**77,629**	85,075	85,075
Itaú PSC (j)	TR	9.75%	**111,363**	**111,363**	36,687	36,687
Itaú VLG (k)	TR	9.75%	**20,217**	**20,217**	-	-
Itaú SAF(c)	TR	10%	**7,979**	**7,979**	9,084	9,084
Banco IBM (e)	CDI	0.79%	**1,031**	**1,031**	1,720	1,720
Banco IBM (i)	CDI	1.48%	**4,391**	**4,391**	5,162	5,162
BNDES PKS Expansão (g)	TJLP	3.53%	**19,440**	**19,440**	24,105	24,105
Real BHS Expansão V (h)	TR	10%	**82,669**	**82,669**	85,966	85,966
Raising of cost Real BHS EXP (h)			**(690)**	**(690)**	(756)	(756)
Raising of cost Banco Itaú PSC (j)			**(1,281)**	**(1,281)**	(1,426)	(1,426)
Raising of cost JDS (l)			**(245)**	**(245)**	-	-
Raising of cost VLG (k)			**(2,988)**	**(2,988)**	-	-
Raising of cost CGS (m)			**(200)**	**(200)**	-	-
Companhia Real de Distribuição (f)	-	-	**721**	**721**	761	761
			320,036	**320,036**	246,378	246,378

(a) Loans and financing with the BNDES, obtained for construction of Morumbi Shopping in May 2005, that were guaranteed by a mortgage of 25% of the greater part of Park Shopping were settled on May 15, 2011. Loans obtained for the construction of Park Shopping Barigui have also been settled.

13. Loans and financing (Continued)

(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 in the amount of R$ 122,000. 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 paid in July 10, 2009. The effective interest rate contractually provided is predicted to be renegotiated annually if either the following condition materializes: (a) pricing (interest rate + TR) lower than 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. As such charges incurred on financing for the period 2010/2011 were adjusted to 9.3% p.a plus TR. As loan guarantee, the Company provided statutory lien on the property subject matter of financing, , assessed for the period at R$ 124,451, including all of its accessions and improvements that come to be made, and constituted fiduciary assignment of the credits referring to receivables from rent contracts and assignment of rights in connection with the property subject matter of financing, which shall correspond to at least 150% of the amount of a monthly installment until full debt settlement.

This financing agreement has covenants determining that the Company must comply with leverage index (total debt divided by net equity) equal to or below 1, also total bank debt must be equal to or lower than 4 times EBITDA, to be computed annually based on the Company's financial statements. At June 30, 2011, the Company was in full compliance with all of the contractual conditions.

(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, 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 paid in January 15, 2010. As collateral for this debt, the Company assigned Shopping Center Jardim Anália Franco in trust to Banco Itaú, assessed for the period at R$ 676,834.

13. Loans and financing (Continued)

(d) In October and December 2008, the Company executed three unsecured credit certificates with Banco Bradesco in the total amount of R$ 30,000 to strengthen its cash management, as follows:

Inicial date	Repact date	Amount	Interest rate
10/9/2008	4/7/2009	30,000	129.2% CDI

On April 7, 2009, the Company entered into a Private Instrument for Amendment to the bank credit bill, which extended the original bill maturity date of April 7, 2009 to the following maturities: R$ 15,000 - September 29, 2010 and R$ 15,000 - March 28, 2011, and also changed interest rate from 135% of CDI to 129.2% of CDI. This loan was settled on March of 2011.

(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, added 0.79% p.a., 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$ 4, as from the hipermarket inauguration date in November 1998, with no indexation.

13. Loans and financing (Continued)

(g) On December 21, 2009 the Company entered into Loan Facility Agreement No. 09.2.1096.1 with the National Bank for Economic and Social Development (BNDES) in order to raise funds to expand the façade of ParkShopping. Such loan was subdivided into R$ 36,624 for sub-loan "A" and R$ 1,755 for sub-loan "B". Long-term interest rate (TJLP), plus 3,53% p.a. (BNDES's fund-raising cost), will be levied on sub-loan "A", whilst interest of 4.5% p.a. will be levied on sub-loan "B", which is intended for purchase of machinery and equipment. On January 18, 2010 the Company was granted R$36,624 regarding sub-loan "A" and on March 30, 2010 received R$ 700 referring to sub-loan "B". The amortization of both sub-loans shall be made in 48 consecutive, monthly with the first due on August 15,2010.

(h) On November 19, 2009 the Company signed with Banco ABN AMRO Real S.A. a private agreement to raise funds to expand BH Shopping, for R$ 102,400. The charges levied on such fund-raising are 10% p.a. plus Referential Rate (TR), repayable in 106 monthly and consecutive installments, the first falling paid on December 15, 2010. As a guarantee for the funds, the Company chattel mortgaged 35.31% of the property subject matter of the fund-raising, assessed at R$ 153,599 and assigned in trust receivables from rent contracts and assignment of rights on the real estate subject matter of fund-raising the Company is entitled to, which shall consist of at least 120% of the amount of a monthly installment until the debt is fully repaid. On June 30, 2011 Banco ABN AMRO Real S.A. released a tranche of R$ 97,280. The contract includes an acceleration clause in case the total debt exceeds the amount equivalent to four times EBITDA (earnings before interest, taxes, depreciation and amortization). As of June 30, 2011 the Company was in full performance of all contractual conditions.

(i) On January 28, 2010 the Company signed with Banco IBM S.A. a loan facility agreement for a cap amount of R$ 15,000 to purchase IT equipment and/or software programs and IT-related products and/or services. The charges levied on this loan are CDI + 1.48% p.a., as from the date of release of each tranche. Repayment will be in 8 semi-annual installments, in a total of 48 months. As of June 30, 2011, Banco IBM S.A had released R$ 7,095 relating to this contract.

13. Loans and financing (Continued)

(j) On August 10, 2010, the Company signed an agreement with Banco Itaú Unibanco S.A. for a bank loan for the construction of Park Shopping São Caetano, amounting to R$ 140,000. The charges levied in this financing are the reference rate (TR) plus 9.75% per year and amortization to be realized over the 99 consecutive monthly installments, the first falling due on June 15, 2012. As a loan guarantee the Company set up an assignment in trust relating to receivables stemming from lease agreements and store use rights in the financed developments, which should be stated at 120% the value of a monthly installment at minimum, to full settlement of the debt. Up to June 30, 2011, R$ 112,104 had been drawn down. The Company recorded the cost of raising the capital as 1% of the total loan amount, plus taxes.

(k) In addition, at November 30, 2010, the Company agreed a loan with Banco Itaú Unibanco S.A. for the construction of Shopping Village Mall, amounting to R$ 270,000. The charges levied on this financing are TR plus 9.75% a year and its amortization will be made in 114 consecutive, monthly installments the first falling due on March 15, 2013. As a loan guarantee the Company offered mortgage in lands and all access, construction, facilities and improvements that come to be performed at the development valued at R$ 370,000, on that date. Accordingly, the Company set up an assignment in trust relating to lease agreements and store use rights for the financed development. This must represent 100% of the value of the monthly payment up to final settlement. This contract provides for an early payment clause in the event that the EBTIDA is equal or higher than double the value of net financial expenses, and net debt is not lower or equal to three times EBITDA. Up to June 30, 2011, R$ 20,128 had been settled. The Company incurred capital raising costs equivalent to 1% of the total loan amount plus respective taxes.

(l) On June 6, 2011, the Company signed opening loan agreement No. 11.2.0365.1 with the Brazilian Development Bank (BNDES) in order to finance the construction of Jundiaí Shopping. The loan was divided into R$ 117,596 for sub-loan “A”, R$ 5,304 for sub-loan “B” and R$ 1,229 for sub-loan “C”. Sub-loan “A” will incur long-term interest (TJLP) plus 3.38% p.a., sub-loan “B”, intended for machinery and equipment will incur TJLP plus 1.48% p.a. and sub-loan “C”, intended for investment in social projects in the Jundiaí Municipality, incur TJLP. The amortization of all sub-loans will be 60 consecutive, monthly installments, with the first falling due July 15, 2013.

13. Loans and financing (Continued)

(m) On June 20, 2011, the Company paid BNDES commission of 0.2% on the amount relating to the financing study for Park Shopping Campo Grande project in Rio de Janeiro. Up to the date of this report the financing still had not been effectively contracted.

Noncurrent loans and financing mature as follows:

	June 30, 2011		December 31, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
2012	**28,350**	**28,350**	46,808	46,808
2013	**59,692**	**59,692**	48,205	48,205
2014	**55,345**	**55,345**	43,364	43,364
2015 onwards	**176,649**	**176,649**	108,001	108,001
	320,036	**320,036**	246,378	246,378

14. Debentures

On June 19, 2009, the Company completed the 1st Issue of Primary Public Distribution Debentures, involving issue of 100 simple uncertified registered unsecured debentures not convertible into shares, with a sole series, for public distribution with restricted efforts, with firm guarantee, with nominal unit value of R$ 1,000,000.00 (one million reais). The additional and supplementary lots of up to 35% have not been exercised. The operation matures within 721 (seven hundred and twenty-one) days, also the debentures will be remunerated at 117% (one hundred and seventeen percent) of the accumulated variation of the average daily rates for one-day financial deposits, “over extra group”, calculated and disclosed daily by CETIP, in the daily bulletin on its Internet page (“DI-Over Rate”) per year, considering 252 business days. Amortization of the amount of principal related to the debentures was fully made on maturity date and remuneration payment was made according to the following table as from the issue date.

1st Remuneration payment date - December 17, 2009 (181 days as from the issue date)
2nd Remuneration payment date - June 15, 2010 (361 days as from the issue date)
3rd Remuneration payment date - December 12, 2010 (541 days as from the issue date)
4th Remuneration payment date - June 10, 2011 (721 days as from the issue date)

Debentures were settled at June 10, 2011 no balance was payable at June 30, 2011.

15. Property acquisition obligations

	June 30, 2011		December 31, 2010
	Company	**Consolidated**	**Company and Consolidated**
Current			
Land Barra (a)	-	-	5,848
PSS - Seguridade Social (b)	**20,326**	**20,326**	22,608
Land São Caetano (c)	**7,090**	**7,090**	6,766
Land Jundiaí (d)	**6,899**	**6,899**	6,498
Land Ribeirão (e)	**-**	**5,777**	-
Others	**269**	**269**	269
	34,584	**40,361**	41,989
Non-current			
PSS - Seguridade Social (b)	**23,565**	**23,565**	30,056
Land São Caetano (c)	**58,740**	**58,740**	59,157
Land Jundiaí (d)	**6,899**	**6,899**	9,748
Land Ribeirão (e)	**-**	**22,142**	-
	89,204	**111,346**	98,961

(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. The last installment was settled at March 2011, remaining no payable amount on June 30, 2011.

(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 Price 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% p.a. based on the Price amortization method and adjustments for the IPCA variation.

15. Property acquisition obligations (Continued)

(c) Through a purchase and sale agreement dated July 9, 2008, the Company acquired land in the city of São Caetano do Sul. The conclusion of negotiations and the effective acquisition of the property are subject to certain contractual obligations imposed by the selling party. The acquisition amounted to R$ 81,000, with R$10,000 paid on signature of the contract. On September 8, 2009, through a partial renegotiation purchase and sale private instrument agreement, among others, the parties recognized the outstanding balance to be R$ 71,495, partially adjustable to be settled as follows: (i) R$ 4,000 on September 11, 2009; (ii) R$ 4,000 on December 10, 2009; (iii) R$ 247 on October 10, 2012 adjusted in accordance with the variation in the IGP-M index plus interest at 3% per year as from the instrument signature date; (iv) R$ 31,748 in 64 monthly installments, adjusted in accordance with the variation in the IGP-M index, amounting to R$ 540 with the first installment maturing on January 10, 2010; and (v) R$ 31,500 adjustable (if the amount is paid in cash), that should be made through payment in kind of a 6,600 m² constructed area in a utilized part of a specific building as specified in the instrument. In the event that the Company does not inaugurate the shopping center in the 36 month period from the date of the agreement signature it will be bound, as from the thirty seventh month, to make payment of R$ 31,500 in cash, in 36 adjustable monthly installments in accordance with the IGP-M index, to be increased by 3% per year, and from the date of the instrument's signature. This clause is no longer in force given that the shopping mall was inaugurated at November 5, 2009.

(d) Through a public deed of December 16, 2009 the Company purchased a plot of land in the city of Jundiaí for R$46,533, R$ 700 paid in 2008, and R$ 20,000 on the date the deed was entered into. The remaining R$ 25,833 will be settled as follows: R$ 1,665 on February 11, 2010, R$ 1,665 in April 2010, R$ 1,670 in June 2010, and 42 monthly installments of R$ 496, the first falling due on January 11, 2010 and the others on the same days of subsequent months. All payments will be updated by the change in IPCA, plus interest on arrears of 7.2% p.a., as from the date of the deed.

(e) Through a deed of purchase and sale and purchase with mortgage lien clause, dated April 12, 2011, acquired through DanVille RJ Participações LTDA land located in Ribeirão Preto. The acquisition amount was R$33,000, with R$4,500 paid on the contract date. The remaining balance of R$28,500 will be settled in 60 monthly portions of R$475, the first falling due on May 11, 2011, and on that same day in the months thereafter. All payments will be restated by the variation in the IGP-M plus interest of 6,0% p.a, as from the contract date.

15. Property acquisition obligations (Continued)

Non-current property acquisition obligations mature as follows:

	June 30, 2011		December 31 2010
	Company	**Consolidated**	**Company and consolidated**
2011	**-**	**-**	-
2012	**17,036**	**19,924**	32,257
2013	**24,063**	**29,839**	36,496
2014	**7,090**	**12,866**	18,873
2015	**41,015**	**48,717**	11,335
	89,204	**111,346**	98,961

16. Taxes paid in installments

	Consolidated	
	June 30, 2011	**December 31, 2010**
Current		
Tax assessments (a)	**293**	290
	293	290
Noncurrent		
Tax assessments (a)	**993**	1,122
	993	1,122

(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. 10684/03. 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.

17. Contingencies

	Company			
Contingencies	**December 31, 2010**	**Addition**	**Discharge**	**June 30, 2011**
Pis and Cofins (a)	12,199	**-**	**-**	**12,199**
Civil Contingencies (c)	5,252	**-**	**-**	**5,252**
Labor Contingencies	2,180	**-**	**-**	**2,180**
Provision for Pis and Cofins (b)	1,064	**-**	**-**	**1,064**
Provision IOF (b)	143	**-**	**(87)**	**56**
Tax Contingencies	14	**-**	**-**	**14**
	20,852	**-**	**(87)**	**20,765**

	Consolidated			
Contingencies	**December 31, 2010**	**Addition**	**Discharge**	**June 30, 2011**
Pis and Cofins (a)	12,168	**-**	**-**	**12,168**
INSS	31	**-**	**-**	**31**
Civil Contingencies (c)	5,347	**-**	**-**	**5,347**
Labor Contingencies	2,214	**37**	**-**	**2,251**
Provision for Pis and Cofins (b)	1,064	**-**	**-**	**1,064**
Provision IOF (b)	381	**32**	**(306)**	**107**
Tax Contingencies	457	**-**	**-**	**457**
	21,662	**69**	**(306)**	**21,425**

17. Contingencies (Continued)

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) At December 31, 2010, the Company is party to proceedings for collection of PIS and COFINS on sales and rental income, on the terms of Law No. 9718 dated 1998, in connection with which the provisioned amount totals R$12,199 million. Payments of these taxes have been calculated in accordance with ruling legislation and deposited with the courts. The Company contested PIS and COFINS levy on sales and rental income before Rio de Janeiro IRS office, i.e. on operations not involving sale of goods and services. In addition, it deposited in court the contested amounts. Since favorable and unfavorable rulings have been handed down on the matter, on August 17, 2009 the Company filed an application with Rio de Janeiro IRS Office for the judicial deposits to be converted into IRS proceeds together with return to the company of the remaining judicial deposit balance, after debt settlement. To date the Company has not received an answer. The proceedings were assigned for judgment by the 9th and 16th federal courts of Rio de Janeiro.

(b) The Company has a provision amounting R$ 1,064 in June 30, 2011 related to a charge of PIS, COFINS and IOF (taxes and contributions) result from financial transactions with related parties.

(d) 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.

17. Contingencies (Continued)

The Company is defendant in several other contingencies such as, tax, administrative, labor and civil proceedings assessed by the legal advisors as involving possible losses estimated at R$ 38,690 on June 30, 2011 (R$ 38,690 on December 31, 2010) , as shown below:

	Consolidated	
	June 30, 2011	**December 31,2010**
Tax	**11,948**	11,948
Civel and adminstrative	**19,335**	19,335
Labor	**7,407**	7,407
	38,690	38,690

Renasce, a Company subsidiary, is defendant in a proceeding filed by the Electoral Court in connection with donations made in 2006 in excess of the limit of 2% of donor's gross revenue. The Company's outside legal counsel assessed the chances of loss as possible, estimated at R$ 5,663. An appeal was lodged alleging existence of amount in duplicate in TRE records, besides the fact that the overall economic group revenue should be considered and not only that of Renasce, for purposes of calculation of the limit provided for in electoral legislation. The appeal was dismissed by majority voting. Other appeals were lodged. Currently, the appeal against non-admission of appeal to higher electoral court is pending judgment.

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.

17. Contingencies (Continued)

On June 26, 1995, the consortium formed by the company (successor to Multishopping Empreendimentos Imobiliários S.A.) and the companies Bozano, Simonsen Centros Comerciais S.A., Pinto de Almeida Engenharia S/A, and In Mont Planejamento Imobiliário e Participações Ltda advanced the amount of R$ 6,000 to Clube de Regatas do Flamengo. This amount should be deducted from the income earned by the Club after opening the shopping mall located in Gávea, Rio de Janeiro, which was the object of the consortium. However, the project was cancelled, and Clube de Regatas do Flamengo did not return the amount advanced. The consortium members then decided to start a lawsuit demanding due compensation. The court decision, which became final, ordered the execution of the mentioned amount, including any applicable adjustments. As the Company is waiting for the exactly determination of the amounts to be reimbursed, as well as of its realization, this contingent asset was not accounted for.

18. Deposits in court

	Company		
Deposit in court	**December 31, 2010**	**Addition**	**June 30, 2011**
Pis and Cofins	12,199	**-**	**12,199**
Civil deposits	3,683	**392**	**4,075**
Labor deposits	42	**-**	**42**
Others	6,367	**-**	**6,367**
	22,291	**392**	**22,683**

	Consolidated		
Deposit in court	**December 31, 2010**	**Addition**	**June 30, 2011**
Pis and Cofins	12,920	**-**	**12,920**
INSS	31	**-**	**31**
Civil deposits	3,683	**392**	**4,075**
Labor deposits	42	**-**	**42**
Others	6,524	**-**	**6,524**
	23,200	**392**	**23,592**

19. Transactions and balances with related parties

	June 30, 2011	
	Amounts receivable	Sundry loans and several advance
Company	**Non-current**	**Noncurrent**
MPH Empreend. Imob. Ltda. (Note 5)	**-**	**325**
Manati Empreendimentos e Participações S.A.	**148**	**-**
Haleiwa Empreendimentos Imobiliários S.A(Note 5)	**-**	**4,506**
Total at June 30, 2011	**148**	**4,831**

	December 31, 2010	
	Amounts receivable	Sundry loans and several advance
Consolidated	**Non-current**	**Non current**
MPH Empreend. Imob. Ltda.	-	68,240
Manati Empreendimentos e Participações S.A.	149	-
Total at December 31, 2010	149	68,240

	June 30, 2011	
	Amounts receivable	Amounts payable
Consolidated	**Non-current**	**Current**
MPH Empreendimento Imobiliário Ltda.	**-**	**325**
Manati Empreendimentos e Participações S.A.	**74**	**-**
Total at June 30, 2011	**74**	**325**

	December 31, 2010	
	Amounts receivable	Amounts payable
Consolidated	**Non-current**	**Current**
Helfer Comércio e Participações Ltda.	-	26,034
Plaza Shopping Trust SPCO Ltda.	-	68,240
Manati Empreendimentos e Participações S.A.	75	-
Total at December 31,2010	75	94,274

Some transactions with related parties will be made under specific conditions, not impacting the interest and monetary variations.

20. Deferred income

	June 30, 2011		December 31, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Revenue related to assignment of rights	**197,789**	**231,775**	165,299	205,469
Unallocated costs of sales	**(26,400)**	**(28,810)**	(21,207)	(23,390)
Other revenues	**1,614**	**1,614**	1,654	1,654
	173,003	**204,579**	145,746	183,733
Current	**43,128**	**53,125**	31,828	42,163
Noncurrent	**129,875**	**151,454**	113,918	141,570

21. Shareholders' equity

a) Capital

The Board of Directors' Meeting held on January 18, 2010, approved private issue of 1,497,773 registered common shares, with no par value, for issue price of R$ 11.06 per share, to increase Company capital by R$ 16,565. This share issue resulted from exercise of the share purchase option granted to the Company's CEO, Mr. José Isaac Peres, under the Company's Share Purchase Plan, approved by the Common Shareholders' Meeting of July 6, 2007, as described in Note 21(g). Share issue observed authorized capital limit provided for by article 8, paragraph 1 of the Company's articles of incorporation

At June 30, 2011 and December 31, 2010 the parent company's capital is represented by 179,197,214 total shares. The total amount is composed by common and preferred, registered and book entry shares, with no par value. distributed as follows:

	Number of shares					
	June 30, 2011			December 31, 2010		
Shareholder	**Common**	**Preferred**	**Total**	**Common**	**Preferred**	**Total**
Multiplan Planejamento. Participações e Administração S.A.	**55,766,130**	**-**	**55,766,130**	55,866,130	-	55,866,130
1700480 Ontário Inc.	**40,285,133**	**11,858,345**	**52,143,478**	40,285,133	11,858,345	52,143,478
José Isaac Peres	**481,300**	**-**	**481,300**	200,000	-	200,000
Maria Helena Kaminitz Peres	**100,000**	**-**	**100,000**	100,000	-	100,000
Shares outstanding	**69,667,630**	**-**	**69,667,630**	69,783,734	-	69,783,734
Board of Directors and Officers	**42,459**	**2**	**42,461**	52,494	2	52,496
Total of shares outstanding	**166,342,652**	**11,858,347**	**178,200,999**	166,287,491	11,858,347	178,145,838
Shares in Treasure Department	**996,215**	**-**	**996,215**	1,051,376	-	1,051,376
	167,338,867	**11,858,347**	**179,197,214**	167,338,867	11,858,347	179,197,214

21. Shareholders' equity (Continued)

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 8, 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. 319/99. This goodwill will be amortized according with the same expected future profitability that gave rise to it, over a term of 5 years.

e) Treasury shares

On November 11, 2008, the Company Executive Board approved a share repurchase program for Company-issued shares with a term of up to 365 days, and limited to 3,696,023 common shares with no par value without reduction to its capital.

On February 3, 2010, the Company's Executive Board approved a share repurchase program for Company issued shares with a term of up to 365 days, and limited to 3,696,023 common shares with no par value without reduction to its capital.

21. Shareholders' equity (Continued)

e) Treasury shares (Continued)

On February 22, 2011, Executive Board approved a share repurchase program for Company issued shares with a term of up to 365 days, and limited to 3,600,000 common shares with no par value without reduction to its capital.

All the programs are intended to invest part of the Company's available funds in the repurchase of shares in order to maximize the generation of value to shareholders and, accordingly, act on any exercise of share options.

Therefore, to date the Company purchased 1,743,100 common shares (1,316,400 on December 31, 2010). In the 1st semester of 2011, 746,885 shares were used for settlement of options exercise. At June 30, 2011, the amount of treasury shares was 966,215 shares (1,051,376 shares at December 31, 2010). For further detail, see Note 21 (g).

At June 30, 2011, the percentage of outstanding shares is 38.88% (38.94% at December 31, 2010). The shares were purchased at a weighted average cost of R$ 30.64 (amounts in reais) at a minimum cost of R$ 9.80 (amounts in reais), and a maximum cost of R$ 36.94 (amounts in reais). The share market value calculated by reference to the last price quotation before year end was R$ 34.10 (amount in reais).

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. On April 29, 2011 the Common Shareholders' Meeting approved proposed dividend distribution of R$ 102,938 thousand, corresponding to the year of 2010 and 50% of the net profit of the Company and R$ 0.57872 per share.

	2010
Net profit	216.712
Apropriation to legal reserve	(10.836)
Net profit adjusted	205.876
Total of proposed dividends	51.469
Complementary dividends (debited from the expansion reserve)	51.469
Total proposed dividends	102.938
Destination percentage	50%

21. Shareholders' equity (Continued)

g) Stock options plan

The Extraordinary General Meeting held on July 6, 2007 approved a Stock Option Plan for the purchase of Company shares by its managers, employees and service providers or of other Company subsidiaries.

The referred to plan is managed by the Board of Directors, and the Managing Director is responsible for determining the beneficiaries to which the stock purchase options will be granted.

The Grant of Options, in the context of Stock Option Plan , approved in 2007, do not confer acquisition rights on the number of shares exceeding 7% of the Company's capital at any moment. The dilution consists of the percentage represented by the number of shares options shared by the total number of shares issued by the Company. On June 30, 2011, the dilution percentage is 3.38%. The dilution percentage did not include the issue of new shares.

The Stock Option Plan beneficiaries are allowed to exercise their options in a four years' time from the end of the vesting period. 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.

21. Shareholders' equity (Continued)

g) Stock options plan

Six stock option distributions were made, distributed over the years, 2007 to 2011 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 (amount in reais) 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. The exercise price of these shares is R$ 22.84 (amount in reais), restated for inflation at the IPCA rate published by IBGE, from the approval date up to the date that the share option is exercised.

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, 68,600 shares were granted to an employee who left the Company before the minimum term to exercise the option. The exercise price of these shares is R$ 20.25 (amounts in reais), restated for inflation at the IPCA rate published by IBGE, from the approval date up to the date that the share option is exercise.

21. Shareholders' equity (Continued)

g) Stock options plan (Continued)

d. Program 4 - On April 13, 2009, the Company's board of directors approved the 4th Share Purchase Option Plan related to shares issued by the Company, approving granting of 1,300,100 such shares. Out of these, 44,100 shares were granted to an employee who left the Company before the minimum period to exercise the option. The exercise price of these shares is R$ 15.13 (amounts in reais), restated for inflation at the IPCA rate published by IBGE, from the approval date up to the date that the share option is exercise.

e. Program 5 - On March 4, 2010, the Company's Board of Directors approved the 5th Share Purchase Option Program of the Company, involving 966,752 shares. The exercise price of these shares is R$ 30.27 (amounts in reais), restated for inflation at the IPCA rate published by IBGE, from the approval date up to the date that the share option is exercise.

f. Program 6 - On March 26, 2011, the Company's Executive Board approved the 6th company issued share buyback program, and approved granting options on 1,297,110 shares. The exercise for these shares is R$ 33.13 (amounts in reais), restated for inflation according to the IPCA rate published by IBGE, as from the approval date up to the date that the share option is exercise.

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

On January 7, 2010 the President Director Mr. José Isaac Peres exercised 1,497,773 call options. Additionally, throughout the year of 2011 and the 1st half of 2010, certain beneficiaries have exercised 746,885 stock purchase options related to programs 2, 3 and 4. Accordingly, on June 30, 2011, the shares making up the Company Stock Option Plan reached the amount of 3,805,777, which consist of 2,12% of total stock at June 30, 2010.

21. Shareholders' equity (Continued)

g) Stock options plan (Continued)

The vesting period to exercise the options is as follows:

Vesting period as from granting	% of options released for exercise	Maximum number of shares	Quantity of options exercised at June 30, 2011
Program 1			
180 days after the Initial Public Offering - 01/26/2008	**100%**	**1,497,773**	**1.497.773**
Program 2			
As from the second anniversary - 12/20/2009	**33.4%**	**32,732**	**31.396**
As from the third anniversary - 12/20/2010	**33.3%**	**32,634**	**31.208**
As from the fourth anniversary - 12/20/2011	**33.3%**	**32,634**	**-**
Program 3			
As from the second anniversary - 06/04/2010	**33.4%**	**312,224**	**272.062**
As from the third anniversary - 06/04/2011	**33.3%**	**311,288**	**109.082**
As from the fourth anniversary - 06/04/2012	**33.3%**	**311,288**	**-**
Program 4			
As from the second anniversary - 04/13/2011	**33.4%**	**419,504**	**303.137**
As from the third anniversary - 04/13/2012	**33.3%**	**418,248**	**-**
As from the fourth anniversary - 04/13/2013	**33.3%**	**418,248**	**-**
Program 5			
As from the second anniversary - 03/04/2012	**33.4%**	**322,986**	**-**
As from the third anniversary - 03/04/2013	**33.3%**	**321,883**	**-**
As from the fourth anniversary - 03/04/2014	**33.3%**	**321,883**	**-**
Program 6			
As from the second anniversary - 03/23/2013	**33.4%**	**433,234**	**-**
As from the third anniversary - 03/23/2014	**33.3%**	**431,938**	**-**
As from the fourth anniversary - 03/23/2015	**33.3%**	**431,938**	**-**

21. Shareholders' equity (Continued)

g) Stock options plan (Continued)

The average weighted fair value of call options at at the granted dates, described below. was estimated using the Black-Scholes options pricing model, assuming the assumptions listed below:

	Volatility	Risk free rate	Average maturity	Weighted average fair value of options
Program 1	48.88%	12.10%	3.25 years	**R$ 16.40**
Program 2	48.88%	12.50%	4.50 years	**R$ 7.95**
Program 3	48.88%	12.50%	4.50 years	**R$ 7.57**
Program 4	48.79%	11.71%	4.50 years	**R$ 7.15**
Program 5	30.90%	6.60%	3.00 years	**R$ 7.28**
Program 6	24.30%	6.30%	3.00 years	**R$ 7.03**

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	**1,227**	**25,806**
2009	**3,460**	**29,266**
2010	**5,675**	**34,941**
2011	**7,661**	**42,602**
2012	**7,021**	**49,623**
2013	**4,787**	**54,410**
2014	**2,573**	**56,983**
2015	**570**	**57.553**

The effect on the first semester of 2011 for recognition of share based payments in net equity and the income statements was R$ 3,509, with R$ 1,589 representing the portion for management. In the first six-month period of 2010 the effect on net equity and on income statements was R$ 2,544, with R$ 1,172 representing the portion for management.

22. Financial income (expenses), net

	June 30, 2011		June 30, 2010	
	Company	**Consolidated**	**Company**	**Consolidated**
Income from short-term investments	**38.209**	**38.977**	38.392	38.740
Interest on loans and financing	**(17.847)**	**(17.847)**	(13.476)	(13.476)
Interest on loans property	**36**	**36**	23	23
Bank fees and other charges	**(1.950)**	**(2.041)**	(239)	(309)
Foreign exchange fluctuations	**(2)**	**1.279**	(24)	724
Monetary variations	**(1.041)**	**(728)**	(2.196)	(2.074)
Fines and interest on rental	**2.249**	**2.371**	1.186	1.240
Fines and interest on tax violations	**(94)**	**(94)**	(8)	(8)
Bank fees	**(241)**	**(258)**	(299)	(333)
Interest on loans	**1.223**	**1.324**	879	968
Interest on property acquisition obligations	**(2.183)**	**(2.183)**	(2.322)	(2.322)
Others	**(1.635)**	**(1.665)**	(3.494)	(3.603)
Total	**16.724**	**19.171**	18.422	19.570

23. Segments information

For management purposes, the Company recognizes four business segments that account for its revenues and expenses. Segment information is required, considering that margins, appropriation of revenues and expenses and the final products are different among them. The Company identified and distinguished four segments:

Shopping malls

This refers to the company's share in the civil condominium of shopping centers and in their respective parking lots. This is the Company's major revenue segment, accounting for 76.3% of its total revenue for June, 2011. The determining factor for the amount of revenues and expenditures in this segment is the company's share in each venture. The company believes that the major contributors to the growth of its results are the other three activities performed by the company, as described later in this report. A description of its revenues and expenses is detailed below:

Revenue: Revenue derives mainly from payments for the lease of stores and parking revenue. Such revenue is appropriated to the proportional share of venturers in each condominium.

23. Segments information (Continued)

Shopping malls (Continued)

Lease revenue: This refers to amounts collected by mall owners (the Company and its partners) for areas leased in its shopping malls. Revenue includes four types of lease: Minimum Lease (based on a commercial agreement indexed to IGP-DI), Supplementary Lease (percentage of sales made by shopkeepers), Merchandising (lease of area in the venture's mall) and straight-line lease revenues (remove volatility and seasonality of minimum lease revenue).

Parking: Revenue from payments made by customers for the time their vehicles remain in the venture's parking lot.

Expenses: These include vacant stores, contributions to the promotion fund, legal fees, lease, brokerage fees, and other expenses relating to interest held in the shopping mall. It is worth noting that the mall's maintenance and operating expenses (mixed-property condominium) are to be supported by the shopkeepers.

Other: This item includes depreciation expenses.

The shopping mall's assets substantially comprise permanent assets of operational malls and lease payments receivable.

Real estate

Real estate operations include revenue and expenses from the sale of properties regularly developed around the shopping mall. As previously mentioned, this activity contributes to generating customer flows to the mall, increasing its results. Additionally, the appreciation and convenience brought by a mall to its surroundings enable the company to reduce risks and increase revenues from properties sold. Revenues are derived from the sale of properties and their related construction costs. Both are appropriated pursuant to the percentage of completion (POC) of the construction work. Expenses refer mostly to brokerage and marketing costs. Finally, the account "other" is largely related to a real estate project that has been recognized in the company's balance sheet and income statement as investment and equity pickup, respectively.

This segment's assets are concentrated in the company's inventory of land and construction in progress and trade accounts receivable.

23. Segments information (Continued)

Projects

Project operations include revenue and expenses from the development of shopping malls. Development costs are recorded in the balance sheet, but expenses on marketing, brokerage, feasibility studies and other items are posted to the company's income statement. Similarly, the company believes that most of its revenue from Assignment of Rights derives from projects initiated over the last 5 years (average period to recognize revenue from Assignment of Rights), thus resulting from the lease of stores during the lease process. In developing its projects, the company can ensure the quality of the malls in which it will hold future interests.

Project's assets mainly comprise permanent assets of construction in progress and trade accounts receivable from leased stores.

Administration and other

The company provides administration services to its partners and shopkeepers and charges for these services. Additionally, the Company charges brokerage fees from its partners for the lease of stores. The administration of malls is essential for their success and is a major area of concern in the company. On the other hand, the company incurs headquarter costs in these and other services that are considered in this segment. This also includes tax, financial income and expenses and other results as they depend on the company's structure and not only on the operation of each segment previously described.

This segment's assets mainly comprise cash, deferred taxes and intangible assets.

23. Segments information (Continued)

	June 30, 2011				
	Shopping	**Real state**	**Projects**	**Managment and others**	**Total**
Revenue	**265,258**	**22,060**	**19,207**	**41,133**	**347,658**
Cost	**-**	**(23,382)**	**-**	**-**	**(23,382)**
Expenses	**(32,676)**	**(2,475)**	**(6,741)**	**(45,207)**	**(87,099)**
Others	**(29,258)**	**1,382**	**-**	**(9,398)**	**(37,274)**
Earning before income taxes and social constribution	**203,324**	**(2,415)**	**12,466**	**(13,472)**	**199,903**
Operational assets	**2,359,717**	**106,818**	**919,302**	**647,053**	**4,032,890**

	June 30, 2010				
	Shopping	**Real State**	**Projects**	**Managment and others**	**Total**
Revenue	**231,217**	**21,256**	**17,529**	**37,335**	**307,337**
Costs	**-**	**(12,377)**	**-**	**-**	**(12,377)**
Expenses	**(31,581)**	**(771)**	**(17,047)**	**(47,937)**	**(97,336)**
Others	**(20,996)**	**(4,951)**	**-**	**(6,888)**	**(32,835)**
Earning before income taxes and social contribution	**178,640**	**3,157**	**482**	**(17,490)**	**164,789**
Operational assets	**1,912,689**	**155,415**	**386,973**	**1,375,901**	**3,830,978**

24. Financial instruments and risk management

The amounts recorded in the asset and liability accounts as financial instruments are restated as contractually provided for at June 30, 2011 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.

24. Financial instruments and risk management (Continued)

The Company's major financial instruments are as follows:

i) Cash and cash equivalents – Are stated at market values, which are 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, loans and financing and debentures - classified as financial liabilities Not measured at fair value, measured at amortized cost using the effective interest rate method.

For disclosure purposes, the market value of debts that include borrowing costs was calculated considering the borrowing costs over the life of the debt rather than at inception. Thus, the borrowing costs were diluted over the number of months of the operation plus the monthly rate of each debt, and then brought to present value at the reporting date.

The carrying value and the market value of the Company's financial instruments in June 30, 2011 and December 31, 2010 are as follows:

		Company assets (liabilities)			
		Jun, 30, 2011		December 31, 2010	
	Category	Book value	Market	Book value	Market
Assets					
Cash and equivalents	Held for sales	**521,104**	**521,104**	764,694	764,694
Accounts receivable	Held-to-maturity	**188,194**	**188,194**	199,886	199,886
Sundry loans and advances	Loans (granted) and receivables	**33,807**	**33,807**	91,706	91,706
Liabilities					
Loans and financing	Not measured at fair value	**366,665**	**351,726**	308,176	304,640
Property and aquisition obligation	Not measured at fair value	**123,788**	**123,788**	140,950	140,950
Debentures	Not measured at fair value	**-**	**-**	100,709	100,709

		Consolidated assets (liabilities)			
		June 30, 2011		December 31, 2010	
	Categoria	Book value	Market	Book value	Market
Assets					
Cash and equivalents	Held for Sales	**559,467**	**559,467**	794,839	794,839
Accounts receivable	Held-to maturity	**202,527**	**202,527**	216,276	216,276
Sundry loans and advances	Loans (granted) and receivables	**31,316**	**31,316**	25,835	25,835
Liabilities					
Loans and financing	Not measured at fair value	**366,665**	**351,726**	308,176	304,640
Property and aquisition obligation	Not measured at fair valued	**151,707**	**151,707**	140,950	140,950
Debentures	Not measured at fair valued	**-**	**-**	100,709	100,709

24. Financial instruments and risk management (Continued)

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 June 30, 2011 the Company and its subsidiaries invested their financial resources mainly in Interbank Deposit Certificates, remunerated at the percentual of CDI rate, 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.

24. Financial instruments and risk management (Continued)

Risk factors (Continued)

(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 June 30, 2011 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 June 24, 2011, CDI, IGP-DI, and IPCA indexes were projected for year 2011 - set as the probable scenario - from which decreasing and increasing variations of 25% and 50%. Respectively, were calculated.

Financial assets and liabilities indexes:

Index	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
CDI	**6.25%**	**9.38%**	**12.50%**	**15.63%**	**18.75%**
IGP-DI	**2.99%**	**4.48%**	**5.97%**	**7.46%**	**8.96%**
IGP - M	**3.08%**	**4.62%**	**6.16%**	**7.70%**	**9.24%**
IPCA	**3.08%**	**4.62%**	**6.16%**	**7.70%**	**9.24%**
UMBNDES	**0.80%**	**1.20%**	**1.60%**	**2.00%**	**2.40%**
TJLP	**3.00%**	**4.50%**	**6.00%**	**7.50%**	**9.00%**

24. Financial instruments and risk management (Continued)

Financial assets

Gross financial income was calculated for each scenario as at June 30, 2011, 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 income projection - 2011:

Company:

	Rate of remunaration	June 30, 2011	50% decrease	25% decrese	Probable scenario	25% increase	50% increase
Cash and cash equivalents							
Cash and banks	N/A	15,705	N/A	N/A	N/A	N/A	N/A
Short-term investment	100% CDI	505,399	31,587	47,381	63,175	78,969	94,762
		521,104	31,587	47,381	63,175	78,969	94,762
Accounts receivable							
Trade accounts receivable - lease	IGP-DI	54,969	1,641	2,461	3,282	4,102	4,922
Trade accounts receivable - key money	IGP-DI	96,637	2,885	4,327	5,769	7,212	8,654
Trade accounts receivable - real state sales	IGP-DI	25,157	751	1,126	1,502	1,877	2,253
Others trade accounts receivable	N/A	14,631	N/A	N/A	N/A	N/A	N/A
		191,394	5,277	7,915	10,553	13,191	15,829
Sundry loans and advances							
Associação Barra Shopping Sul	135% CDI	8,801	743	1,114	1,485	1,856	2,228
Associação Parkshopping Barigui	117% CDI	3,604	264	395	527	659	791
Associação Parkshopping	110% CDI	469	32	48	64	81	97
Condomínium Parkshopping	110% CDI	4,402	303	454	605	757	908
Condomínium Ribeirão Shopping	110% CDI	1,328	91	137	183	228	274
New York City Center Condomíninum	110% CDI	63	4	6	9	11	13
Anália Franco Condomínium	N/A	121	N/A	N/A	N/A	N/A	N/A
Morumbi Shopping Condomínium	N/A	57	N/A	N/A	N/A	N/A	N/A
MPH Empreendimentos Imobiliários Ltda.	N/A	325	N/A	N/A	N/A	N/A	N/A
Haleiwa	N/A	4,506	N/A	N/A	N/A	N/A	N/A
Advances for suppliers	N/A	6,134	N/A	N/A	N/A	N/A	N/A
Others sundry loans and advances	N/A	3,997	N/A	N/A	N/A	N/A	N/A
		33,807	1,437	2,155	2,873	3,592	4,310
Total		746,305	38,301	57,451	76,601	95,752	114,902

24. Financial instruments and risk management (Continued)

Financial income projection - 2011: (Continued)

Consolidated:

	Remuneration rate	June 30, 2011	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents							
Cash and banks	N/A	34,673	N/A	N/A	N/A	N/A	N/A
Short-term investment	100% CDI	524,794	32,800	49,199	65,599	81,999	98,399
		559,467	32,800	49,199	65,599	81,999	98,399
Accounts receivable							
Trade accounts receivable - lease	IGP-DI	60,772	1,814	2,721	3,628	4,535	5,442
Trade accounts receivable - key money	IGP-DI	104,271	3,112	4,669	6,225	7,781	9,337
Trade accounts receivable - real state sales	IGP-DI	25,157	751	1,126	1,502	1,877	2,253
Others accounts receivable	N/A	15,527	N/A	N/A	N/A	N/A	N/A
		205,727	5,677	8,516	11,355	14,193	17,032
Sundry and loans advances							
Associação Barra Shopping Sul	135% CDI	8,801	743	1,114	1,485	1,856	2,228
Associação Parkshopping Barigui	117% CDI	3,604	264	395	527	659	791
Associação Parkshopping	110% CDI	469	32	48	64	81	97
Associação Shopping Vila Olímpia	8% IPCA	869	2	3	4	5	6
Parkshopping Condomínium	110% CDI	4,402	303	454	605	757	908
Ribeirão Shopping Condomínium	110% CDI	1,328	91	137	183	228	274
New York City Center Condomínium	110% CDI	63	4	6	9	11	13
Anália Franco Condomínium	N/A	121	N/A	N/A	N/A	N/A	N/A
Morumbishopping Condomínium	N/A	57	N/A	N/A	N/A	N/A	N/A
Condominio Shopping Vila Olímpia	N/A	500	N/A	N/A	N/A	N/A	N/A
Advance for suppliers	N/A	6,134	N/A	N/A	N/A	N/A	N/A
Advance for enterpreneur	N/A	3,145	N/A	N/A	N/A	N/A	N/A
Others sundry loans and advances	N/A	1,823	N/A	N/A	N/A	N/A	N/A
		31,316	1,439	2,157	2,877	3,597	4,317
Total		796,510	39,916	59,872	79,831	99,789	119,748

Financial liabilities

Gross financial expense was calculated for each scenario as at June 30, 2011, based on the indexes' one-year projection and not taking into consideration any tax levies and the maturities flow of each contract scheduled for 2011. The indexes were checked for sensitivity at each scenario.

24. Financial instruments and risk management (Continued)

Projected financial expenses - 2011:

Company:

	Remunaration rate	June 30, 2011	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
BNDES - PKS Exp	TJLP	28,880	866	1,300	1,733	2,166	2,599
Real	N/A (*)	97,037	N/A	N/A	N/A	N/A	N/A
Real BHS Exp V	N/A (*)	94,073	N/A	N/A	N/A	N/A	N/A
Itaú SAF	N/A (*)	10,315	N/A	N/A	N/A	N/A	N/A
Itaú PSC	N/A (*)	112,499	N/A	N/A	N/A	N/A	N/A
Itaú VLG	N/A (*)	20,217	N/A	N/A	N/A	N/A	N/A
Banco IBM	CDI + 0,79% a.a.	2,268	1	2	2	3	3
Banco IBM	CDI + 1,48% a.a.	6,438	6	9	12	15	18
Raising costs Banco Itaú PSC	N/A	(1,543)	N/A	N/A	N/A	N/A	N/A
Raising costs Real BHS Exp V	N/A	(833)	N/A	N/A	N/A	N/A	N/A
Raising costs BNDES Jundiaí	N/A	(245)	N/A	N/A	N/A	N/A	N/A
Raising costs Itaú Village	N/A	(2,988)	N/A	N/A	N/A	N/A	N/A
Raising costs CGS	N/A	(200)	N/A	N/A	N/A	N/A	N/A
Raising costs Cia Real de Distribuition	N/A	747	N/A	N/A	N/A	N/A	N/A
		366,665	873	1,311	1,747	2,184	2,620
Property aquisition obligation							
PSS - Seguridade Social	IPCA + 9%	43,891	5,302	5,978	6,654	7,330	8,006
Land São Caetano	IGPM + 3% a.a.	65,830	4,002	5,016	6,030	7,044	8,058
Land Jundiaí	IPCA + 7,2%	13,798	1,418	1,631	1,843	2,056	2,268
Others	N/A	269	N/A	N/A	N/A	N/A	N/A
		123,788	10,722	12,625	14,527	16,430	18,332
Total		490,453	11,595	13,936	16,274	18,614	20,952

(*) The projected financial expenses related to loans and financing indexed to TR (Referential interet rate) were not presented on the table above, once this index does not present relevant variations historically.

24. Financial instruments and risk management (Continued)

Projected financial expenses - 2011:

Consolidated:

	Remunaration rate	June 30, 2011	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
BNDES - PKS Exp	TJLP	28,880	866	1,300	1,733	2,166	2,599
Real	N/A (*)	97,037	N/A	N/A	N/A	N/A	N/A
Real BHS Exp V	N/A (*)	94,073	N/A	N/A	N/A	N/A	N/A
Itaú SAF	N/A (*)	10,315	N/A	N/A	N/A	N/A	N/A
Itaú PSC	N/A (*)	112,499	N/A	N/A	N/A	N/A	N/A
Itaú VLG	N/A (*)	20,217	N/A	N/A	N/A	N/A	N/A
Banco IBM	CDI + 0,79% a.a.	2,268	1	2	2	3	3
Banco IBM	CDI + 1,48% a.a.	6,438	6	9	12	15	18
Raising costs Banco Itaú PSC	N/A	(1,543)	N/A	N/A	N/A	N/A	N/A
Raising costs Real BHS Exp V	N/A	(833)	N/A	N/A	N/A	N/A	N/A
Raising costs BNDES Jundiaí	N/A	(245)	N/A	N/A	N/A	N/A	N/A
Raising costs Itaú Village	N/A	(2,988)	N/A	N/A	N/A	N/A	N/A
Raising costs CGS	N/A	(200)	N/A	N/A	N/A	N/A	N/A
Raising costs Cia Real de Distribution	N/A	747	N/A	N/A	N/A	N/A	N/A
		366,665	873	1,311	1,747	2,184	2,620
Property aquisition obligation							
PSS - Seguridade Social	IPCA + 9%	43,891	5,302	5,978	6,654	7,330	8,006
Land São Caetano	IGPM + 3% a.a.	65,830	4,002	5,016	6,030	7,044	8,058
Land Jundiaí	IPCA + 7,2%	13,798	1,418	1,631	1,843	2,056	2,268
Land Ribeirão	IGPM + 6%a.a.	27,919	2,535	2,965	3,395	3,825	4,255
Others	N/A	269	N/A	N/A	N/A	N/A	N/A
		151,707	13,257	15,590	17,922	20,255	22,587
Total		518,372	14,130	16,901	19,669	22,439	25,207

(*) The projected financial expenses related to loans and financing indexed to TR (Referential interet rate) were not presented on the table above, once this index does not present relevant variations historically.

25. 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, Shopping Santa Úrsula and Vila Olimpia. 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 June 30, 2011 and December 31,2010, the balance of administrative funds amounted to R$ 13,754, which is not presented in the consolidated financial statements because it does not representing rights or obligations of the subsidiary.

26. Management fees

The Company is managed by a Board of Directors and an Executive Board. In the period ended in June 30, 2011, these administrators' compensation, recorded under management fees expenses totaled R$ 9,166 (R$ 10,279 in June 30, 2010), which is deemed a short term benefit.

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

Additionally, the company directors and employees have the right to health care plan and life insurance.

27. Profit per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary and preferred shares, excluded share held in treasury, outstanding during the year. The Company opted to include preferred shares on the profity per share calculation, once the preferred shares have the same rights on the dividends distribution. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary and preference equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The Company's exercisable options in its option plan were included as dilutive shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

		June 30, 2011		June 30, 2010	
		Company	**Consolidated**	**Company**	**Consolidated**
A	Total shares issued	**179,197,214**	**179,197,214**	179,197,214	179,197,214
B	Treasury	**966,215**	**996,215**	135,286	135,286
C=Average (A-B)	Average common shares	**178,173,419**	**178,173,419**	178,210,685	178,210,685
D	Dilutive potencial shares	**130,429**	**130,429**	38,307	38,307
E	Total net income	**123,205**	**124,794**	98,619	99,681
E/C	Profit per share (Common shares)	**0.6915**	**0.7004**	0.5534	0.5593
E/(C+D)	Adjusted earnings per share	**0.6910**	**0.6999**	0.5533	0.5592

29. Insurance

The Company holds an insurance program for the shopping centers in which it holds interest with CHUBB do Brasil Cia. de Seguros, in force from November 30, 2010 to November 30, 2011 ("Insurance Program"). The Insurance Program provides three insurance policies for each development as follows: (i) comprehensive type property insurance to insure against property risk in the risk portfolio (ii) commercial establishment type insurance to insure against commercial general liability and (iii) commercial general liability insurance to insure against risks associated with the safekeeping of vehicles. Risk cover is subject to conditions and exclusions provided for in the respective policies, within which we stress the exclusion of damages stemming from acts of terrorism. In addition, the Company has contracted an engineering risks policy for any expansion, refurbishment, improvement or construction work to insure the execution of the respective development.

29. Insurance (Continued)

As well as the policies mentioned above the Company has contracted a commercial general liability insurance policy in the Company's name with a limit greater than those contracted for each individual shopping center. The policy is intended to protect the interests of shareholders against third party.

In addition to these policies, the Company holds 3 D&O insurance policies under 1°, 2° and 3° risks arrangement among insurers Chubb do Brasil, Itaú Seguros and Liberty Paulista Seguros

The effective periods of these policies encompasses the period comprised of between July 4, 2011 and July 4, 2012.