BASF AND EDS MOVE FOR THE BETTER.

Ocupantes, The Tenant Rep Company, conducted the largest real estate operation of 2006, involving the firms BASF and EDS, totaling approximately 40,000 m² of offices and contract values of over R$ 120 million.

Hired by EDS – Electronic Data Systems, one of the largest providers of technology solutions and business process outsourcing, Ocupantes was responsible for seeking and presenting alternatives for EDS's expansion, preferably in São Bernardo do Campo (southeastern Greater São Paulo), where they already occupied part of the BASF complex.

On the other hand, BASF, occupying a large area of the complex, and with 7 years remaining on their Surface Right Contract (between BASF and Patria Bank), hardly considered the possibility of a move, since the early break of their contract would imply payment of all rents up to lease end.

Faria Lima Square, SP

Ocupantes' task consisted of reconciling the interests of the two companies. As a result of many negotiations, Ocupantes was able to successfully implement, in record time - only 4 months - the complex operation of assignment of the Surface Right Contract from BASF to EDS, which for the latter involved an occupation of 30,000 m².

The resulting challenge was that, in a short time frame, Ocupantes needed to research and evaluate alternatives to accommodate 10,000 m² of administration and business space for BASF. After analyzing and comparing over 30 buildings in São Paulo, Ocupantes reached a shortlist of three, which were thoroughly evaluated by the consultants. The negotiation process and support to BASF began, based on relevant market and transaction information. The chosen building was the Faria Lima Square, a landmark development of the São Paulo corporate office market, strategically located on the New Faria Lima. Although the rent on a per square meter basis was three times the amount in São Bernardo do Campo, BASF was able to maintain monthly costs by improving its occupational efficiency.

By conducting the assignment of the BASF complex, Ocupantes generated savings for EDS of approximately R$ 6 million merely on rental costs, without taking into consideration future savings brought by consolidating several offices from disperse locations around greater São Paulo. In this way EDS were finally able to consolidate its operations in a campus setting. BASF earned a new dimension to their corporate image and improved operational efficiency without increasing real estate costs.

"BASF Complex", São Bernardo do Campo - SP

Ocupantes was instrumental in the operation. Both EDS and BASF have much to commemorate in what was the largest real estate transaction in Brazil in 2006, that involved 25 executives among real estate managers executive directors as well as internal and external lawyers of both firms.■

Bruce Lorimer,

Ocupantes Partner-Director, was the main responsable for the negotiations.

HIGHLIGHT

SÃO PAULO

First quarter 2007 confirms the growth trend for the São Paulo office market.

ABCD e ALPHAVILLE

The Classe A market in Alphaville has grown 90% in the last 4 years.

RIO DE JANEIRO

Constuction activity in Rio does note accompany demand for new space.

SUCCESS STORIES

Schering-Plough - Client confidentiality and excellent negociation results.

OUR SERVICES

For offices, industries or retail, our services are:

- Relocations
- Rent Reviews and Lease Renewals
- Lease Terminations
- Management of Opportunities and Critical Dates
- Valiations
- Divestment
- *Build to Suit*
- *Sale & Leaseback*
- *Project Management* (Transition Service)

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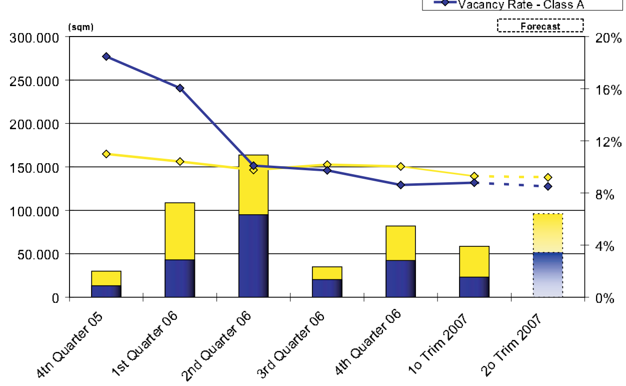
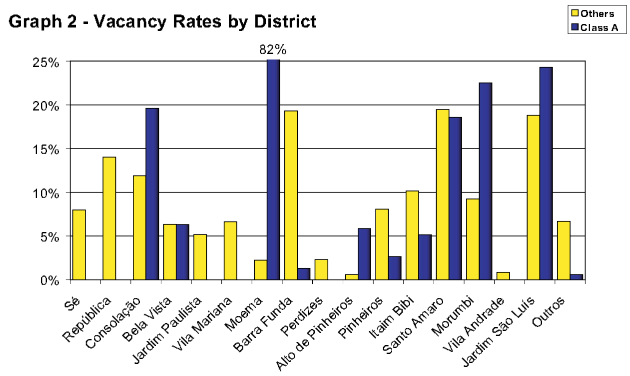
FIRST QUARTER 2007 CONFIRMS THE GROWTH TREND FOR THE SÃO PAULO OFFICE MARKET.

Itaim Bibi Region has a drop in vacancy rate for the 5th consecutive quarter.

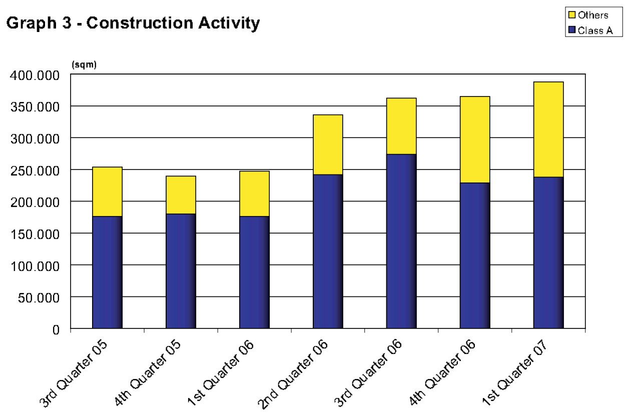
Graph 1 - Net Absorption and Vacancy Rate



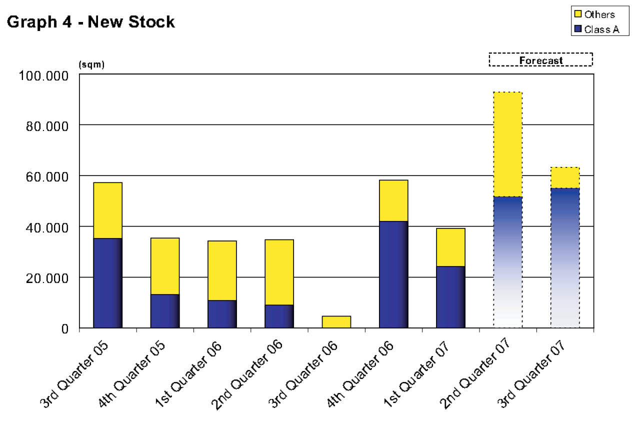
Graph 2 - Vacancy Rates by District



Graph 3 - Construction Activity



Graph 4 - New Stock



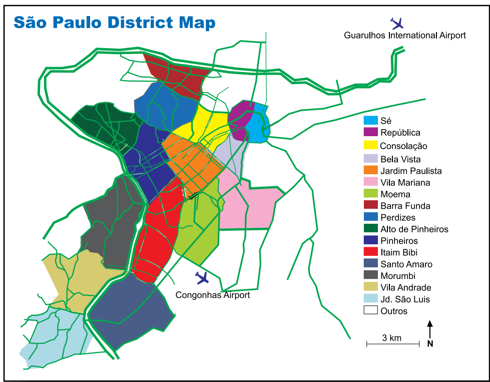
Note: To maintain information as relevant as possible, Ocupantes has, in the 1st quarter of 2007, effected adjustments in the criteria of inclusion of buildings in these analyses. Buildings completely occupied by clinics, hospitals, schools and universities have been excluded. Regarding classification, only buildings delivered in the last 20 years will be considered as Class A*.

Market Indicators

- Vacancy Rate ↔
- Net Absorption ↘
- New Stock ↘
- Construction Activity ↗

Net Absorption and Vacancy Rate (Graph 1): The recent analysis of vacancy rate has shown that the market is heated. Projections in the previous quarter had indicated a stabilization of the vacancy rate, and this has been confirmed in the 1st Quarter of 2007. Despite the new deliveries of Class A stock, mainly in the Moema district where vacancy has naturally risen to 82% (see Vacancy per District), it is important to highlight that the city-wide vacancy rate has remained stable, and the net absorption positive, which confirms market growth.

Vacancy rate by District (Graph 2): Regarding Class A buildings, three items deserve highlighting in this quarter that confirm the trend of growth. First is the delivery of the "Torres Empresariais do Ibirapuera" (Ibirapuera Business Towers), with 21,000 m² in the Moema District, which has caused the district's vacancy to jump from 0% to 82%. Secondly, there is the fall in vacancy rate in the Itaim Bibi district for the 5th consecutive quarter, now at 5.14%. Thirdly is the fall to 0% vacancy in the Vila Andrade region, with the full occupation of the four Class A buildings in this region.



Construction Activity (Graph 3): Comparing the total amount of square meters under construction in the first quarter of 2007 with that of the previous quarter, we can verify that the construction activity has remained stable but showing signs of increase. Despite the delivery of nearly 40,000 m², the amount of on-going construction in the first quarter remains higher than that of the previous quarter. In absolute terms, 47,000 m² of construction was initiated in the first quarter.

New Stock (Graph 4): 2007 begins with the delivery of approximately 24,000 m² of Class A stock, lower than the projection in the previous quarter. However, considering that the delivery of some buildings has been delayed**, the forecast for the second quarter 2007 is for a total of over 90,000 m², making an average of 57,000 m² for the first two quarters of the year compared with a 2006 yearly average of 33,000 m² per quarter. In conclusion, we find that the construction activity in the corporate office market is heated, and we foresee further growth over the next few quarters.

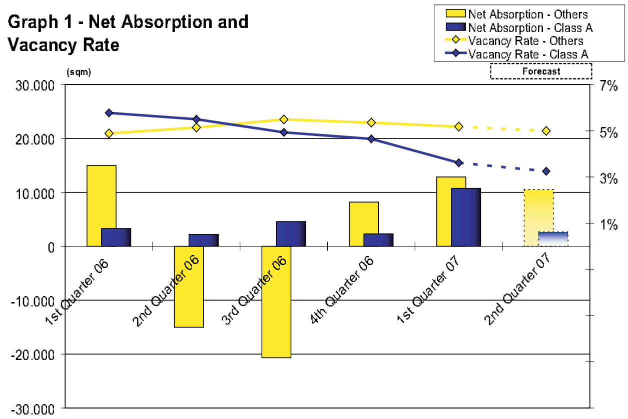
** Class A: Buildings delivered after 1985, with a leaseable area per floor of over 700 m²,and high technical specifications.*

*** Ocupantes' numbers are based on information provided by developers and construction companies.*

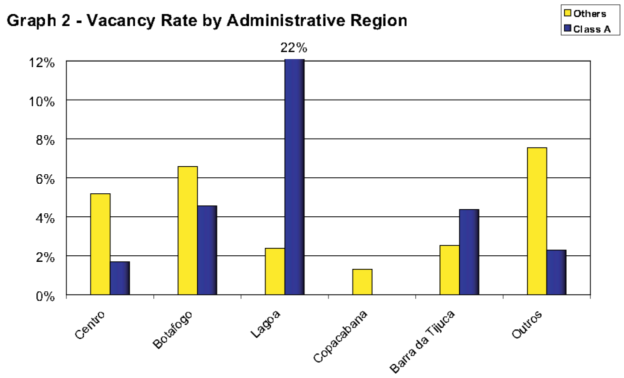
CONSTRUCTION ACTIVITY IN RIO DOES NOT ACCOMPANY DEMAND FOR NEW SPACE.

Class A vacancy rate is in a critical position, below 4%.

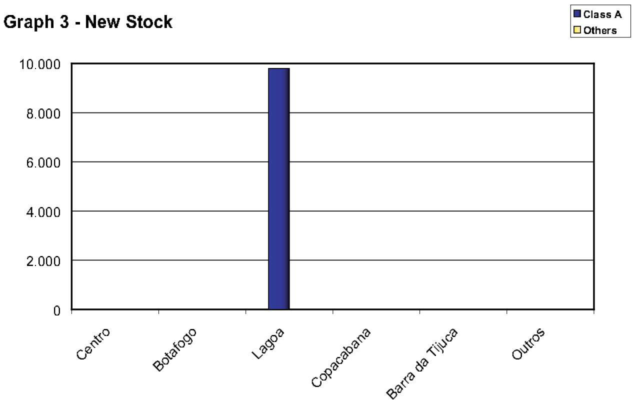
Graph 1 - Net Absorption and Vacancy Rate



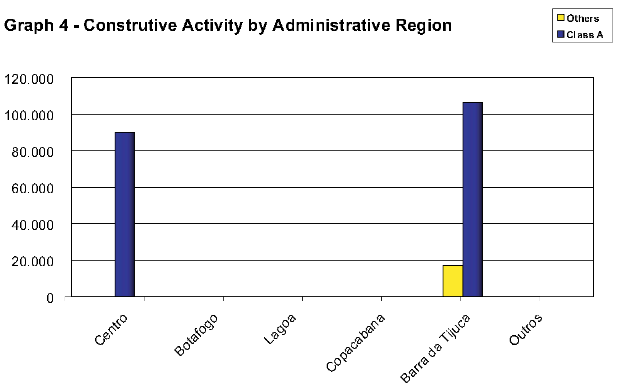
Graph 2 - Vacancy Rate by Administrative Region



Graph 3 - New Stock



Graph 4 - Construtive Activity by Administrative Region

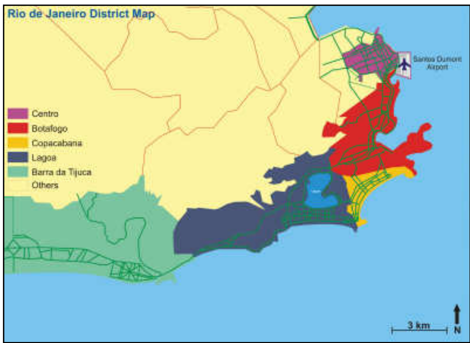


Note: In order to maintain information more relevant, Ocupantes, in this first quarter, has made adjustments to its criteria of inclusion of buildings. Buildings fully occupied by clinics, hospitals, schools and universities have been excluded from the research universe. Two examples are the Mario Henrique Simonsen and Standard buildings, both occupied by universities and which together have a size of 15,000 m². Regarding classification, only buildings delivered in the last 20 years are to be considered Class A*. For the Rio market, which has a large percentage of older buildings, this signifies that over 65,000 m² previously considered Class A stocks are now classed as "Others".

Market Indicators

- Vacancy Rate ↘
- Net Absorption ↗
- New Stock ↗
- Construction Activity ↔

Net Absorption and Vacancy Rate (Graph 1): The net absorption of Class A space in the first quarter was above 10,000 m² This number is directly related to the delivery and partial occupation of the "Office Shopping Leblon", with a size of 9,800 m² (see Vacancy Rate per Administrative Region). Despite this delivery, the vacancy rate in this market segment continues to fall in the first quarter and has now reached the critical rate of de 3.61%, well below what is considered a healthy rate of around 10%. Lacking anything new in the construction market, the trend is that over the next quarter this rate reduce even further, placing the Rio market in a very delicate situation, and causing a further rise in rental values, which are already high. Regarding buildings classed as "Others", the net absorption was also greater than 10,000 m². Most of this relates to the take-up of vacant space in the Sulacap building, with 6,380 m² plus the 4,000 m² of the Citibank building. Vacancy rate in "Others" has also fallen for the third consecutive quarter, indicating a growth in this market segment



Vacancy Rate per Administrative Region (Graph 2): The sudden drop in the Class A vacancy rate in the Centro district is directly related to the lease of the Standard building, with 10,000 m² having been retrofitted and taken by the IBMEC Institute which from this first quarter, becomes excluded from the corporate office market statistics. Concerning the Botafogo sub-market, the sudden fall in he vacancy rate is also explained by two adjustments, i.e. exclusions of buildings from the research universe, approximately 4,600 m². Another factor that has contributed to this fall was the occupation of over 2.500 m² at the Mourisco Business Center. In the Lagoa sub-market, vacancy has risen due to the delivery of "Office Shopping Leblon", which still has 33.7% of its space available.

New Stock (Graph 3) and **Construction Activity by Administrative Region** (Graph 4): The delivery of 9,800 m² at the "Office Shopping Leblon" in the Lagoa region has given some breathing space to the traditional South Zone of the city with regards to Class A space. With a vacancy rate of 3.61%, the situation of the market is delicate and indications are that an improvement will only occur as of September 2007, when some deliveries are expected. According to information from developers, the market can expect deliveries of five towers at the Ion Inteligent Center and Peninsula complex, with 8 towers. This will release 6,.327 m² in the Barra region, signifying an increase in stock of 18.3% in the region and of 8.7% in Rio's Class A market as a whole. Compared to the previous quarter, construction activity has remained the same, i.e. no new construction has been initiated.

** Class A: Buildings delivered after 1985, with a leaseable area per floor of over 700 m²,and high technical specifications.*

OCUPANTES is the first Brazilian Real Estate consulting firm to exclusively represent corporate end users in Brazil. It is composed of highly skilled professionals with ample experience representing Brazilian and multinational companies.

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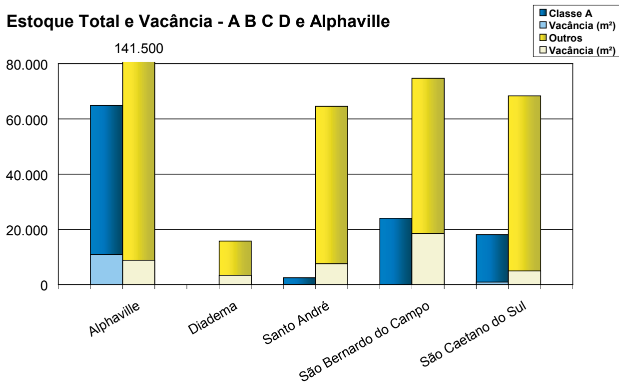
THE CLASS A MARKET IN ALPHAVILLE HAS GROWN 90% IN THE LAST 4 YEARS.

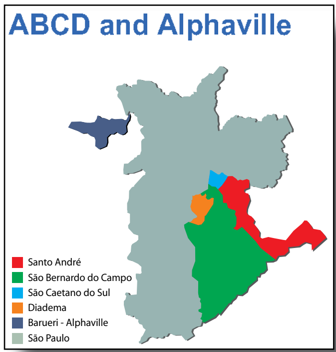
As of the first quarter 2007, Ocupantes begins offering a separate analysis for the outlying regions of Santo André, São Bernardo do Campo, São Caetano do Sul and Diadema, herby referred to as the "ABCD", as well as for Alphaville. The history behind each region's development has determined their differing market profiles.

In the case of the ABCD, its development dates to colonial times. At the end of the 19th Century the railways arrived, and in the 1960s the automobile industries arrived, conferring upon São Bernardo the title of "Automobile Capital". Therefore the regions development has been mostly residential followed by industrial. Investments in office buildings are very recent. Of the total stock of these outlying markets, the four ABCD municipalities account for 56.5%, the remainder being in Alphaville.

Alphaville, on the other hand, was conceived initially in the 1970s to be an industrial node for non-polluting industries. Its major differential was the proposal to offer complete and high quality infrastructure: water supply, public lighting, a quality road network and good supply of phone lines, a true innovation at that time. The success of the region resulted in the need to establish residential areas to attend local employees, especially the executives.



Today Alphaville alone accounts for 43.5% of the total stock and 60% of Class A buildings of the outlying regions. In the last 4 years over 58,000 m² of Class A space has been delivered in Alphaville, approximately 90% of the current stock, confirming the marked growth of Alphaville.



SUCCESS STORIES

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Client confidentiality and excellent negociation results.

The Client – Schering-Plough, owner of the brands Coppertone, Afrin and Claritin, among many others, is today one of the largest pharmaceutical companies in Brazil. It produces medical drugs with the highest of technologies and brings to the Brazilian market what is most modern in terms of prevention and cure, taking up the challenge of total dedication to the promotion of health, offering diverse products and services as well as bringing benefits to the community.

Initial Situation – The client's main concern at the start of the assignment was confidentiality. Due to a partnership restructuring in Brazil (that resulted in the formation of the firm Mantecorp), the plans regarding the opening of a new office, and the move out of the headquarters in the Chácara Santo Antonio district, could no become public. The requirement was for 2,500 m² of high quality space, in line with the company's image.

Results Obtained – Ocupantes undertook a full survey of the market, presenting several alternatives in the regions of interest. We undertook a financial analysis to compare the total costs of the alternatives, including fit-out costs, adopting a 5-year discounted cash-flow. Ocupantes also prepared a comparative analysis, and coordinated internal debates with the client, to assist them in the choice of the best solution. In parallel, Ocupantes guided the client in the choice of an architect to carry out test-fits and to execute the final project. Due the need for confidentiality, it fell to Ocupantes the complex task of conducting negotiations on the client's behalf without divulging their name, something only feasible due to respect of Ocupantes' name among property owners in the local market in the local market and the recognition that we work with major clients. In the end, Schering-Plough installed their offices in the Continental Square building in Vila Olímpia, São Paulo.

Contինetal Square Building, SP