

**Operator:**

Good afternoon and welcome everyone to Multiplan's 2Q08 earnings conference call. Today with us we have Mr. Jose Isaac Peres, CEO; Mr. Armando d'Almeida Neto, CFO and IRO; Mr. Marcello Barnes, Chief Executive Officer; and Mr. Hans Melchers, Planning and IR Manager. Today's live webcast and presentation may be accessed through Multiplan's website at [www.multiplan.com.br/ir](http://www.multiplan.com.br/ir).

We would like to inform you that this event is recorded and all participants will be in a listen-only mode during the Company's presentation. After Multiplan's remarks, there will be a Question and Answer session. At that time further instructions will be given. Should any participant need assistance during this call, please press '\*0' to reach the operator.

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of Multiplan's management and on information currently available to the Company. They involve risks, uncertainties because they relate to future events and therefore depend on circumstances that may or may not occur. Investors should understand that conditions related to the macroeconomic scenario industry and other factors could also cause results to differ materially from those expressed in such forward-looking statements.

Now I will turn the conference over to Mr. Armando d'Almeida Neto in the name of Mr. Peres. Mr. d'Almeida Neto, you may begin your conference.

**Armando d'Almeida Neto:**

Thank you very much. Good morning, everyone. And on behalf of our CEO, Mr. Jose Isaac Peres, I would like to read some of his words regarding the Company results.

"Good morning. It is a pleasure to present Multiplan's results for the 2Q08. In the last quarter, we had substantial improvement on the management of our shopping centers and in our operation results. To exemplify our improvement I will shortly describe some of our increases comparing to the 2Q07. Our net revenue increased 32% reaching R\$104 million, while adjusted net income grew 48% and our adjusted EBITDA, 38%. The FFO increased 49% over the same period of last year, reaching R\$62 million. But besides collecting the results of our best effort we continuously invest on the development of new products, because developing is the expertise and the mark of our Company.

Concerning our operations, our Chief Operating Officer, Eduardo Peres, and his team, guarantee excellent results. In our malls, sales grew 20.4% reaching R\$1.2 billion. The parking revenue increased by 52%, forced by the new operations of Anália Franco and ParkShopping Barigüi. Merchandise revenue also had an excellent result, growing 67% compared to 2Q07.

Marcello Barnes, our Chief Executive Officer, together with his team, made Multiplan increase not only in numbers but also physically. We announced in the last quarter the development of Cristal Tower, a commercial power with 22,000 m<sup>2</sup> integrated to BarraShopping Sul. The Company's new shopping center and the biggest one in the south region of the Country, with opening schedule for the current half.

In total, Multiplan has two malls under construction, two under development, and other five being expanded. Until 2009 more than 800 stores will be included in our portfolio. With great effort and dedication, many projects are being developed and soon new ventures will be enough.

Armando d'Almeida, as the Company CFO and Investor Relation Officer, brought a new structure for the Company by hiring new talents, restructuring the IR officers and launching a new website. We have shortened the distance between Multiplan and investors. We also built a new branch in the city of São Paulo, where we are already increasing our team in order to dedicate ourselves even more to the many products on the region.

Earlier this month, Standard & Poor's gave us the best rating in the sector of shopping centers and real estate in Brazil up to date, sharing with other two companies. We would like to thank Cadillac Fairview, Multiplan's partner and one of the biggest mall operators in North America, who has helped us in so many ways. The exchange of knowledge with our Canadian partner allowed us to improve our corporate governance as well as the development of many other areas.

I would also like to say that we are very proud for Multiplan has been appointed as the best Brazilian Company in the construction and engineering sector, according to the news paper Valor Econômico. Having our efforts recognized by the market is something that motivates us even more to strongly continue in our best of expansion and efficiency improvement, making our malls a reference for our clients in terms of shopping and leisure.

This quarter's results demonstrates the effort, commitment and motivation of all Multiplan's team in order to overcome bold growth strategy, innovate, perpetuate our brand and bring high returns to our shareholders.

I would like now to pass to our presentation. So I will quickly make comments on the slides, and need to save time for the Q&A session.

If you go to page two, please. Repeating Mr. Pere's words, we are pleased to present you with Multiplan's 2Q results, showing the improvements and the daily efforts to manage our shopping centers portfolio.

In this slide, the chart explains how we are structured. Led by a Chairman and a CEO, we have three integrated areas: our Chief Operating Officer; Eduardo Peres; our Chief Executive Officer, Marcello Barnes; and myself, as the CFO and Investor Relations. Along with us we have a selected group of experienced professionals heading different divisions. We are constantly searching for professionals, new options that can add value to the structure and at the same time hiring and training new talents, preparing the generations to come.

Starting by our operations department, I kindly ask you to move slide four. In my point of view, this slide should be called 'frequently asked questions'. Questions about interest rates and questions about retail slow down in Brazil in the last month. Although a slow down in sales is expected, with the tightening cycle we are going through, our shopping

center sales grew by 20.4% quarter on quarter, outperforming these two strong Brazilian retail sales of 9.4% just announced this morning.

Our same store rent was 9% higher than the 2Q07, getting 179 b.p. on top of inflation in the same period. The solid growth is even more impressive when you take into consideration that our last year's SSR was 9.6% higher than the year before. Thus, we are having a consistent growth on top of our rent base that is already high, which validates the quality of our malls.

A breakdown on the rent revenue on the next slide will show that merchandise has the highest point of growth contribution. For the last years, Multiplan has been doing and effort to capture the market opportunities in alternative channels to the specialty income revenue line.

New city laws have leveraged this effort, resulting in a 67% growth quarter on quarter. But that is not all. Growth revenue was impacted by a positive and meaningful growth across all shopping center related revenues. The growth in sales, reduced delinquency, high occupancy rate, the leading success of the expansions of a new development and the turnover resulting from a continuous improvement in our tenant mix were the main drivers for the 32% increase in gross revenues.

Rent revenue growth was 26.5%. A deeper analysis by shopping center shows that the highest increase in rent came from the region of Belo Horizonte and Ribeirão Preto. Those are the two locations that we acquired shopping centers in the last year, highlighting the upside potential for Shopping Pátio Savassi and Santa Úrsula. Our same store sales moved up by 11.4% quarter on quarter; a solid growth considering the 16% increase in the same store sales presented in 2007.

Moving to slide six, please. Long-term relationship, anticipation and innovation are likely the words that best describe the success of our merchandising. In our malls, important companies have their brands exposed. They are looking for a high traffic of segmented consumers that brings a better profitability of achieving a good position not only in the share of mind but also in the share of pocket.

Net parking revenues also showed a significant increase. The combination of a higher flow of vehicles and the longer staying periods with two new parking operations: the shopping Anália Franco in São Paulo and ParkShopping Barigüi, in Curitiba. It led to a 75.4% increase in this quarter.

Looking forward, we still have two shopping centers that are not charging for parking yet.

This is a wrap-up for our shopping results. Let us now take a look on the development area starting on slide eight.

Slide eight is a well-known slide which summarizes all expansions and developments that are under way. Please remember that the CAPEX status until 2010 only considers the projects that have already been announced.

On slide nine, we want to show that Multiplan has been fully dedicated on continually developing our pipeline. Only this quarter we dedicated R\$90 million just on new malls and expansion; it was equivalent to 80% of the total amount invested during the whole year of 2007.

We built from scratch nine out of the 11 shopping centers in operation of our portfolio. We used all of our knowledge and experience to make the upcoming malls a tremendous success. As an incentive to the hard work, our commercial team has already leased 82% of the 813 stores that we plan to open until the end of 2009. In short, adding renovation, land, and acquisition, R\$140 million were invested in total during 2Q08.

Please move to slide ten. Let us now talk about an acquisition that happened in June 2007. A year ago we acquired 83.8% stake in Shopping Pátio Savassi, consolidating our position in the wealthiest region of the third largest city in Brazil. As you can see in the chart, the consumers segmentation implemented in the three shopping centers we own and manage in Belo Horizonte allow sales to grow Multiplan's portfolio average and also Brazilian retailers. The first year yield was 7.6%, but with such a positive rent outlook, we expected 14% per annum internal rate of return for the project.

Last but not least, the development, on slide 11. We highlight of our first real estate project since the IPO in July 07: the Cristal Tower, an office tower integrated to BarraShopping Sul in the city of Porto Alegre, south of Brazil. This is one of the products we have in our pipeline coming from the 900,000 m<sup>2</sup> land bank for developments.

On slide 13, we start talking about some changes implemented by our IR department. After a perception study, we decided to change our NOI for a more user friendly approach; the smarter shift from a shopping center approach, based on the shopping results which perceived management and brokers as expense, to a company approach, based on our earnings release excluding management and brokers fees etc. This should make more than used and also make our NOI a better comparable. With that in mind, we are also reported the NOI plus key money. Said that, we see a 31.5% increase in NOI. The adjusted net income reached R\$54 million in the quarter, a 48% increase, while our EBITDA grew by 38%, reaching R\$63 million.

Just moving to page 14, our gross debt was R\$241 million as of June 30<sup>th</sup> this year, and our FFO yearly achieved a 50% increase during 2Q, accumulating R\$119 million in the first six months of the year. Speaking of cash generation, we expect that our FFO will be enough to finance the CAPEX for products already announced and detailed. Nevertheless, the Company is prepared to leverage up to 3x the EBITDA if necessary.

In our last slide, we are delighted to be awarded by Valor Econômico, one of the most prestigious economic news papers in Brazil, as the best company in the construction and engineering sector. Another award received for recognition of the efficiency of our market campaigns in the last 20 years reminds us that in shopping centers, as any other businesses, to be the best, and we got to do it well every day.

Thank you very much, and we will now move to the Q&A session. Just to remind you that together with Mr. Peres and myself we have Eduardo Peres, Marcello Barnes and Hans Melchers available for your questions. Thank you very much.

**Rodrigo Oliveira, Credit Suisse:**

Hello, good morning everyone. Just a follow-up on the revenue generation from merchandising. We have seen a certain increase this quarter. Do you think we can still expect some increase in the following quarters or you believe after this quarter we should return to stable level?

**Armando d'Almeida Neto:**

Rodrigo, good morning. We do not see this last quarter as a one-off event. It certainly was a very good one, showing growth over 2007. But we have very good expectations for merchandise at least for this year.

**Rodrigo Oliveira:**

And is there any other revenue line that you would see any potential increase like we saw for key money and as well for merchandise this quarter? Can we still expect something, parking fees, something that brings such a potential increase?

**Armando d'Almeida Neto:**

Certainly in parking, because we still have two shopping centers to start charging for parking. But it likely will not happen this year, Rodrigo. So in terms of rent, I would say that it depends a lot on the forecast and of sales in Brazil, how these tightening cycles are going to act. What we try very hard in a daily basis – reinforcing in the expression – is to make our shopping center a better place every day for our consumers. So we certainly hope to minimize any impact on slow down sales in Brazil and protect the rent revenues for the months to come.

**Rodrigo Oliveira:**

OK. Thank you.

**Guilherme Vilazante, UBS:**

Hello, good morning. First of all I would like to congratulate you by the NOI breakdown, it is pretty useful to have a disclosure standard. And my question is relating to income tax. After adjusting for the Bertolino's first acquisition, it came at a pretty low level, around 3%, and I would just like to know where this low level is coming from, if the Company is managing to efficiently use the goodwill amortization.

And I would also like to ask for some clarifications regarding these non-recurring; if you just defer it or if it will be eventually paid. What is the real present value of these non-recurring or adjusted income tax from Bertolino recent acquisition?

**Hans Melchers:**

OK, Guilherme. Regarding your last question. As you all know, we have done acquisition at Bertolino and we still have a lot of this deferred tax to be amortized. So what you should see also for this whole year is this R\$5.7 million reducing the tax we have to pay. So the difference will be our actual tax payment, which in this quarter was, as you mentioned, 3%.

Regarding how much we still have to amortize, I would suggest you to take a look at our balance sheet. There is a line which is deferred income tax in our assets – short term and long term – and this is the amount that we are going to see amortizing in the next three to four years.

**Guilherme Vilazante:**

OK. But you will eventually have to pay that; so it is just a deferral or it is a non-cash expense?

**Hans Melchers:**

It is a non-cash expense so we will never pay the tax actually. So it is, I would say, a bonus that we have in tax payment, that was acquired from Bertolino. So, we have this shelter which we will not have to pay any tax due to this in the future.

**Guilherme Vilazante:**

OK thank you very much.

**Verena Wachnitz, T. Rowe Price:**

Hi, thank you. Congratulations on the strong results. I have a couple of questions. The first question is: in general, your margin outlook going forward for the next six months, twelve months, there will be a lot of openings going on in the 2H and in 2009, and I was wondering whether expertise had any expectations particularly to what is regarding the evolution of your margin and even the openings.

And then the second question is on the Lago Sul project, on the approvals, whether there was an update on the situation there. And finally, just very briefly, if you could comment on the short-term negative impact from the Santa Ursula structuring that you mentioned in the press release, whether it is going to be meaningful and how it is going to be. Thank you.

**Hans Melchers:**

Thank you for your question. First, regarding margins, we are going to have a new shopping center operation in the 2H and we have new shopping centers to come. So if we have four of the shopping center openings and expansions now, margins should go up. What would change margin in this half would be any new announcement and results coming from real estate projects that can be announced in the near future.,

Regarding costs, we believe— we say the last quarter only —during that the last six to nine months, we have increased costs due to investments in the Company; bringing these people, as we mentioned, to the projects that we are developing especially in this year.

Regarding Lago Sul, we are still negotiating the malls – this is in our plans –we are negotiating the approval with the local authorities, so we look at this every week. It is not something that behind us; we are still negotiating that. But unfortunately, we have not got, so far, the permission again to start construction.

In terms of Santa Úrsula, the strategy is going to get worse before it is going to be better right. So we are working on a plan, in fact we already implemented a plan, it is going to be under renovation. There are many changes that we intend to do in terms of reorganizing the architecture of the shopping center, making it easier for the consumer flow. And more

than that, we have a new client segmentation. Let me rephrase: regarding just the mix for the target client we have in this mall. We have, as you know, Ribeirão Shopping, the most important shopping in Ribeirão Preto, that is under expansion and renovation right now. And as we successfully did in Belo Horizonte – we are segmenting the two shopping centers to have the right mix to achieve the target consumers we want to achieve.

**Verena Wachnitz:**

Great. Thank you. And just on the margins, if you could clarify, you expect margins to go up going forward? Can you give us any range of guidance or not?

**Hans Melchers:**

Verena, unfortunately we do not give guidance. We would rather work hard every day here, but we try not to share our expectations for the time being.

**Hans Melchers:**

Thank you very much.

**Marcello Milman, Santander:**

Hi. Good morning, and congratulations on the results. I have two questions. The first one is on the service revenue line where we observed increased. In the release, you mentioned that it was attributed to brokerage revenues. I just wanted to clarify that brokerage charge on the leasing of the stores and which is paid by your partners in your malls; is that the case? And whether or not this level of R\$21 million in service revenues is sustainable or if it was a concentration of leasing of stores in this quarter, and we should expect this to go down? This would be the first question.

**Hans Melchers:**

Marcello, this is Hans speaking. Regarding services, as you may see, we have some very good results. You also should take a look at our leasing that actually 82% of our shopping centers will call expansions and in green field, which is actually a new success. This led to a very good brokerage and, as you mentioned, a brokerage that we charge also more partners for the true success we had. And the same way we all had some very good news in service now. One example, for example, are most important for Mother's Day and Valentine's Day, which this year were very good, so we will also get some fees for this campaign.

And also merchandising, for example. Merchandising improved our revenue line and this way also our NOI. And we have got this way also a higher management fee due to these very good results. So all these allied are actually very positive numbers this quarter.

**Marcello Milman:**

Yes. But particularly on the brokerage revenues; was this quarter a strategic quarter in which you had a lot of area to be leased and so it concentrated a lot of the revenues? Or should we expect a similar level of revenues for the next coming quarters?

**Hans Melchers:**

Many of the merchandising contracts we signed, for example, now; so the revenue of merchandising you will see in the whole future plus brokerage will see now. So I believe that we will still maintain very high service levels, but I do not believe that it will be as high as it was this quarter.

**Marcello Milman:**

OK. Thank you. And the second question would be related to G&A expenses. We observed the increase, as you guys mentioned; this relates to the investments in the development team. Right? My question would be whether or not this level will be maintained to be diluted overtime as malls are opened, or was this specific quarter with the expenses and we should expect nominal declines in that line?

**Hans Melchers:**

Marcelo, we will answer your questions on G&A. But just still on your first question. Just one other thing that also increased our service revenue this quarter is the increase in turnover. We are searching for the best way to adequate our tenant mix, and sometimes you have got to change a store from one place to the other. There are stores that change with new ones, they pay a transfer fee.

And also since we have, as you realized, a higher than last quarter turnover it is also considered. Then I would not say if something is going to happen for a longer time. It happens from time to time, but not quarter to quarter.

Regarding G&A, one of the expenses that we had was bonuses from 2007 paid into 2008. And the bonus for 2008 has already been provisioned, so it has been included month by month. So I would expect that to have that a positive impact on G&A.

**Marcello Milman:**

Just to clarify: part of the bonus or the whole bonus for 2007 was booked in this quarter or you are saying you are spreading the 2008 bonus quarter over quarter?

**Hans Melchers:**

Both.

**Marcello Milman:**

Both. OK, thank you.

**Rafael Pinho, Bulltick:**

Good morning, gentlemen. Sorry if this question was answered. I arrived a little bit late. I would like to have your view on rent going forward. You have been an expressive increase in rent, above what we expected down here. And I would like to have your idea

on trends going forward; I know you do not give a specific guidance, but what kind of increase should be expected going forward? Should we still expect your taxes over inflation, what is your view in terms of demand and rent going forward?

**Hans Melchers:**

First, we will certainly move carefully to the scenario in Brazil in terms of slowing down its... Nevertheless, as already mentioned, we have been investing – we have not started in this quarter, but are doing that, at least, strongly in this whole year – making our shopping centers better every day. With huge amounts that you see that we have in renovation, and it has been huge compared to the year before. When you do these investments, it is to make the shopping better and to protect sales in the future. With sales being high, it gives us a much comfortable position to negotiate rent.

So, answering your question, I would say, there are two sides for it. Let us see what happened with the Brazilian economy, number 1; number 2, from our side, we are preparing all malls with better mix, with renovation, with investments, to make it better, and last, or even continue to grow above the average of shopping centers in Brazil and above retails, projecting space for rent negotiation.

Let me just remind you. In the last quarter, we showed that MorumbiShopping was elected the best shopping center in São Paulo, and Morumbi is going through renovation again. We had one expansion in 2006, renovation in 2007, and now we are investing more money in renovating the mall. There is new staff there every day. Why do we do that? Because we work for the consumers. We work for our guests. So we have got to protect and we have got to make the shopping center the best place for them to go for leisure and for shopping center as well.

**Rafael Pinho:**

All right. Thank you. Have a nice day.

**Operator:**

There appear to be no further questions. I will turn the floor back over to Mr. Armando d'Almeida Neto for final considerations. Mr. Armando, you may give your final considerations now.

**Armando d'Almeida Neto:**

I want to thank you all again for the time to listen to our calls, our views, and hope to be with you soon. Thank you very much. And any questions that you might have from the earnings release, please contact our Investor Relations team. Thank you once again, and have a good day.



**Operator:**

Thank you. This concludes today's Multiplan's 2Q08 earnings conference call. You may disconnect your lines at this time.

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