

**Operator:**

Good afternoon. Welcome everyone to Multiplan 1Q08 earnings conference call. Today with us we have Jose Isaac Peres, CEO; Mr. Armando d'Almeida Neto, CFO and IRO; Mr. Marcello Barnes, Development Officer; and Mr. Hans Melchers, Planning and IR Manager.

Today's live webcast and presentation may be accessed through Multiplan 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 remarks, there will be a Q&A 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 management and on information currently available to the Company. They involve risks and 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. Armando d'Almeida Neto, you may begin your conference.

**Armando d'Almeida Neto:**

Thank you very much, thank you all for joining our call. On behalf of Mr. Peres I am going to read a message and then we will start the presentation.

"Our core goals for our strategy in 2008 continue to involve a focus on efficiency of management and operations, improvement of our existing portfolio where possible, as well as capitalizing on our strength and expertise in development, and investing in strategic acquisitions. All of these is derived from the overriding principle that we allocate our time efficiently to activities that contribute most to our shopping center portfolio, pursuing opportunities for growth that are aligned with generating attractive returns for our shareholders.

The quarter financial results were strong. Armando will address the specific details in his presentation. But I am very pleased with the operating performance of our centers. Adjusted income was 31% higher in the 1Q08 and adjusted FFO are comparable 33% higher. Vacancy in the shopping center portfolio remained extremely low, a mere 2%, and a doubled-digit sales growth continuous with the same-store increase of over 14%.

In our earnings release, we highlighted the transactions which were executed in the quarter where we were able to put R\$160 million to work. Each purchase was strategic and will add to long-term shareholders' value.

We are excited about the prospects of each and every transaction that we were able to successfully complete. What we did not specifically address in our press release was our

significant pipeline of new deal, which we are currently evaluating. Let me address that now.

There are currently over ten different shopping center projects under initial review for potential future investment. A current value estimate to the capital requirement would be over R\$2 billion with projected incremental EBITDA value of approximately R\$280 million. Those figures relate to a potential for an additional 380,000 sq. m. of GLA in which we would plan to have an average ownership interest of 75%.

We are at various stages evaluating those new developments. But it is safe to say that there is an abundance of opportunities and we will continue our disciplined and focused approach to development as we are in acquisitions. In addition to those shopping center opportunities, we are also currently evaluating 11 complementary projects involving residential and commercial unit sales. These products in aggregate represents R\$1.2 billion in potential sales value with capital investment requirement of approximately R\$900 million.

We presently estimate an average development ownership of over 70%, culminating in a potential profit close to R\$230 million. Almost all those residential and commercial projects are located in close proximity to our shopping centers, which reinforce the demand for mixed use concept that we successfully have been developing for a number of years. On the overall economic front, Brazil's improvement to investment grade status was a welcome sign that the investment world recognized the hard work and perseverance of the Government and people of Brazil. We believe this credit upgrade will have a ripple effect on the economy, as foreign investments continue to grow and jobs are created. The wealth of the average Brazilian will also grow resulting in more disposable income.

While there is uncertainty around the world with the global credit crisis, and our stock price is significantly below its true value, we remain excited about the future prospect for growth and prosperity for the remainder of 2008 and beyond. I will now turn the call over to Armando."

In order to save more time to the Q&A session, I will not go through the whole presentation but some selected slides. So, please, let us go to slide number nine.

I want to highlight that the 66,000 sq.m. Barra Shopping Sul, likely to be the largest shopping center in the South region of Brazil, will start operations in the 2H08. It is also important to remind you that we have this mall fully leased. Shopping Vila Olímpia, in the heart of the city of São Paulo, has already started construction; leasing of stores is moving fast and we forecast its operation to start next year.

We can move now to slide number ten; there we will detail our seven different mall expansions already under way that will positively impact our revenue starting in 2008. They not only add another 44,000 sq.m. in GLA, but anticipate consumer needs, new trends, as well as a better store mix that will help to consolidate our leadership presence in those cities.

If we, please, go to page 11, as you probably remember, in late April we announced the acquisition of 37.5% of Shopping Santa Úrsula in the city of Ribeirão Preto, state of São Paulo. Our strategy in the acquisition of this modern architectural shopping was to consolidate our position in the wealthy city of Ribeirão Preto, since we already own 76%

of the Top of Mind Ribeirão Shopping. This is a classical turnaround case due to the high vacancy and low lease income. Shopping Santa Úrsula present nowadays 18% vacancy rate compared to our 2% in Ribeirão Shopping; while the rent per square meter in Santa Úrsula is approximately R\$260 a year, in Ribeirão Shopping it is R\$550.

It is important to highlight that they are synergies that will help to bring cost down and that the price of R\$3,200/sq.m. paid to this mall represents approximately 60% of the actual reposition cost.

We can go now to page 12, just to reinforce that we recently acquired privileged located areas in the State of São Paulo and Rio de Janeiro to future commercial developments. We are actively seeking for premium locations that will allow the continuity of our growth strategy.

Now, moving to the financial and operation highlights, but with a brief stop on slides 15 and 16. Some of the pictures are to reinforce the very good moment that we are going through on the retail sales market in Brazil, and to point out the appropriated mix of our democratic shopping centers to attend the projected consumer class's participation.

On the next page, the sooner-than-expected but well-deserved upgrade by S&P, who has a very positive effect to our business in the middle to long run. We understand that this is a starting point and not the final line, but enough to increase our expectations on future growth of retail sales, access to a new investor's base, lower cost of funding, and longer-term investment horizon.

In slide 17, we want to share the 21% growth on our shopping center sales triggered by the organic growth and the acquisition of shopping Pátio Savassi, in the city of Belo Horizonte, in June last year. It is important to mention that this shopping's sales grew by 22% quarter on quarter, and that also our Diamond Mall grew 28% as well, reinforcing the consolidation strategy rationale that we based these acquisitions upon. Our same-store sales increased by 14% quarter on quarter, an important achievement taking into consideration that in 2007, our same-store sales growth was 16%.

In regards to rent revenue growth of 11%, we might point out that due to the malls revitalization and expansion in progress, and recent mix change, we eventually extended grace periods and discounts to some tenants.

You can, please, move forward to slide 18. During the 1Q, we had an increase in all shopping-related revenue lines, highlighting the solid growth of parking and rent. Considering only shopping center revenues, we grew by 24%. Our G&A cost is 21% higher quarter on quarter due to investments implemented throughout 2007, but it is still 49% lower than 4Q07. Our adjusted net income reached R\$50 million already in the 1Q, a 31% growth.

Moving to slide 19, please. A breakdown on the rent revenue highlighting a 30% increase on this promising world of merchandize. Some analyses show a potential growth in alternative media or out-of-home media in Brazil in the short to middle run.

We presented high sales, reduced delinquency by half when compared to the 1Q07, increased occupancy rate to almost 98%, and lowered the cost of a retailer being in all malls by measuring rent as a percentage of sales, creating room for future rent increase.

After detailing the different lines of our main revenue source, we now go to page 20 to discuss the impact on our adjusted fund from operations. FFO growth was 33% during the 1Q08 to R\$58 million. This figure shows the cash generation capacity of Multiplan and, together with a cash position presented in the next slide, demonstrate our capacity to implement our growth strategy. Our EBITDA margin was reduced by 8 p.p. quarter on quarter, but pretty much in line with the 4Q07 figure.

Now, on slide number 21, please, we show an increase in our indebtedness for R\$252 million mainly due to non-bank financing for the acquisition of land and minority participation acquisition in 2006 and 2007. We continue to be on our net cash position.

Last but not least, on slide 22, we had our Morumbi Shopping elected the best shopping center in São Paulo by Veja magazine among 60 other malls.

I appreciated your time and attention and invite you to the Q&A session, reminding that besides Mr. Peres and myself, we also have Mr. Barnes, the Director of Development, and Mr. Hans Melchers, IR and Planning Manager.

**Rodrigo Oliveira, Credit Suisse:**

Good afternoon, everyone. Two questions: we saw a few land acquisitions this quarter including one in Jundiaí, where Multiplan has no shopping malls. And I was trying to understand how often we can see these kinds of opportunities without, let us say, any link to the shopping mall activity.

The second question is regarding parking fee revenues. I have seen a substantial increase year on year and you guys are also charging from only six shopping malls; I was thinking or wondering how high can this go, or how many shopping malls this can be implemented in, and how high can this be in terms of your total revenues?

**Armando d'Almeida Neto:**

OK, thank you for your questions. Marcello will answer regarding to land.

**Marcello Barnes:**

Hi. Jundiaí is one of the cities very close to São Paulo; it is 45 km and 25 minutes far from São Paulo. And we always said that Brazil has almost a thousand cities without one single mall, and several cities with not very good malls; where the competition is not very strong. So, we have been looking for several sites and we chose Jundiaí since it is near São Paulo, also a lot of people are living in Jundiaí and working in São Paulo. The per capita revenue there is very high, the competition is not very strong, only one mall there. So, we moved to Jundiaí, since we are based in São Paulo.

And I think Armando could answer the question regarding the parking fees.

**Armando d'Almeida Neto:**

Parking fees, yes. Thanks, Marcello. Regarding parking fees, just reminding that our NTA parking operators started in the 1Q07, so there is pretty much of the impact of these new operations that was reduced in the 1Q07. Also, we have a higher flow of consumers in our malls. We had some malls that were able to increase the price of the parking tickets, but I would mainly say that NTA operations were a success that generated higher revenue of parking for us.

And you asked a question about the future, I would say we have four shopping malls that we do not charge for parking, yet we plan to have two of them start charging in 2008, and another shopping in 2009. That is our plan.

**Rodrigo Oliveira:**

Great. Thank you.

**Rafael Pinho, Bulltick:**

Good morning, everybody. The question is actually if you could give us a little more color on how has been consumption and people flow in your malls since the increase in interest rates.

We understand that is a major concern amongst investors; I would like to understand how that impacted you, although we know that your rent is much more on the fixed side than the available side, meaning that you are already charging pretty optimal values. But I would like to get a better understanding on people flows after that.

And the second question would be about the turnaround; if you could give us more color on your plans and your expectations on the acquisition of Santa Úrsula, what we could expect, when we could see improve in margins there? That is pretty much it.

**Armando d'Almeida Neto:**

OK, thank you very much. First, we see strong numbers for retail sales in Brazil for the last years. In our presentation we have one slide that shows the retail sales growth confident; slide number 16, please, in which we say retail growth. You see the average real incomes, the consumer trust index. So, we are going through a very good moment in retail sales in Brazil.

What we do to assure that? We have our malls performing over the retail sales figures releases. Last year, for instance, the sales in our malls grew by 21%, and if I am not mistaken, the retail sales was 9.6%.

What have we been doing? We have been expanding our shopping malls, revitalizing our malls, not in the case that you see a reduction on consumption, that we do not suffer a lot. We are protecting ourselves by having better malls. The expansion of the malls that we have detailed information on our earnings release, one of the intentions is to consolidate our operations to have a better mix and guarantee the flow of consumers on our malls. In regards to, I do not know if I answered the question.

**Rafael Pinho:**

Yeah, actually my focus was more on the more recent sales. Of course the upward trend on consumption in Brazil is pretty clear. The idea, for example, Mother's Day is the second major selling event in Brazil, as far as I understand; I would like to know what your feelings are on Mother's Day's sales, for example. Just to get a grasp on how consumers reacted to the interest rate increase?

**Armando d'Almeida Neto:**

Just one second, please. Two comments: first, those are 2Q figures that we cannot inform right now; and also we are still working on the information coming from the reports of the shopping centers. I will pass to Marcello that is going to talk about the turnaround in Santa Úrsula.

**Marcello Barnes:**

So, we acquired 37.5% of Santa Úrsula. We assumed the management in the beginning of May, we recently began managing the mall. There is still a very high vacancy rate there. The price that we paid per square meter compared with a new mall for several acquisitions was very low; and more than this, we own the best mall of the city, Ribeirão Shopping, and our biggest competitor was Santa Úrsula there. Santa Úrsula is very well-located, and we think that, a little bit different from Pátio Savassi, as that is not very full but in six months we can start being benefited, feeling the results of our management there, bringing new tenants, improving the mall, and I think in six months we will already see the results there.

**Rafael Pinho:**

All right. Thanks

**Operator:**

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

**Armando d'Almeida Neto:**

I just want to thank you all for participating in our call. And I wish you a good day. Thank you very much.

**Operator:**

Thank you. This thus concludes today's Multiplan 1Q08 earnings conference call. You may disconnect your lines at this time.

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