Translation of the questions from the Conference Call in Portuguese

1Q08 Results
Multiplan
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Guilherme Vilazante, UBS Pactual: Good afternoon everyone. My question relates to your investment program. On slide 13, we can see that until 2010 there is something close to R$ 1 billion programmed, and the company has currently R$100 millions available in cash.
We would like to have an idea of how is the funding going to be, and if there is an average IRR expected for your projects – if you could say something about that, since you have so many projects planned.

Armando d'Almeida Neto: Thank you. Considering your second question, we don't have an average IRR, due to the huge number of projects. And the projects vary from expansions to acquisitions, passing by the development of new shopping malls; but you know what we think about the financial return from an expansion or a new mall.

So, just to remind you, in a new project, in a g*reenfield,* we expect about 15% of IRR, although as we say, it's not "written in stone". We can accept lower returns but we look for a minimum 15% of return, and in the last projects we've had higher returns than that. For the expansions, we expect an IRR of at least 20%.

The CAPEX which we demonstrate here will be financed with debts, yes; there are many available ways of financing it in the market, reminding that most of it comes from the development of new projects, which gives us a bigger control on *when* to spend, depending on the market scenario face new debts.

And obviously, we basically analyze all funding alternatives, doing always what brings us a better return, but we look the local debt market as a main opportunity for leverage.

Guilherme Vilazante: So it points out a change of posture by the company, which is much more aggressive. Is there a maximum level of leverage which the company would be willing to achieve, maybe a relation between the EBITDA and the net debt or any kind of target value, so we can have a goal?

Armando d'Almeida Neto: Guilherme, we have as an internal parameter three times the EBITDA. But if we comeback to 2006, the opportunity of acquisition of Bozano and Simonsen Centros Comerciais made the leverage higher.

Actually, we have no problems with debts, we have problems with what we are going to do with the money, we have problems making money from a funding which is still expensive in Brazil, with good projects. That is our major concern.

Guilherme Vilazante: All right. Thank you.

Eduardo Almeida, DLM Invista: Good afternoon everyone. My question is about the relatively sharp fall of the EBITDA margin, which fell around 8 p.p. I would like to understand the reasons for this event and the trend for the next quarters; if we could expect it to get closer to 70%. What is the expected trend for the EBIDTA margin? Thank you.

Hans Melchers: Concerning the EBITDA margin, as you may know, we are a multi-use enterprise, with different kinds of operations, with different margins. So, it is better to analyze one by one for an enhanced understanding of the fall of the margin. Regarding the shopping centers, we've had a small reduction this quarter due to some non-recurring expenses.

There is a disclosure in the earnings release that explains some expenses which shall not comeback in the future. In the same way, a change on our *mix*, in this quarter, affected some incomes, due to the cost to re-adequate our *mix*. Our parking income increased 200% and as you know, the parking margins are not equivalent to shopping malls ones.

Besides, Multiplan puts the revenue on top and the expenses on the bottom of the balance sheet, what obviously brings the margins down. That basically explains our fall, as well as a bigger investment on G&A for the future pipeline. Furthermore, some of the expenses from the malls under development are already being considered.

What to expect in the future? First, considering shopping malls, some of the non-recurring expenses will not come back, so the shopping malls margins shall increase. In the same way, as Mr. Armando specified, the merchandising inside the malls should make the revenue increase. We are also working with costs reduction.

Regarding the head-quarters, we shall maintain the same levels of expenses due to the actual development of our pipeline. As you may have seen, we will increase our parking revenues, so the margins should be affected by the same proportion.

Eduardo Almeida: OK. Thank you.

Thiago Zancaner, Neo Investimentos: Good afternoon everyone. I arrived a little bit late; I'm not sure if my question was already answered, or if it is inside the release, which honestly, I haven't had the time to finish reading it. But I've seen in the presentation and also in the release the project of Brasília, which I thought had been abandoned for some reasons such as zoning and much more. So it came back? Is it still in the *pipeline*?

José Isaac Peres: We had a chat with some authorities from Brasília, they confessed there was some kind of rush; we are adjusting the project to what they consider executable.

Therefore, it is not a discarded project. We would like to point out that the project is based on ground lease negotiation. It means we do not have to pay for the land yet. It will only be paid after the mall has been built, i.e. as a share of our shopping revenue.

So, our risk in this project is zero, but if we succeed, it will bring a great result. I'm just saying that in this case, specifically, we do not spend any money.

Thiago Zancaner: Ok, Thank you. And Hans, you made a comment on the question over the EBITDA, but do you have any kind of guidance for this EBITDA margin?

Hans Melchers: Well, as we always announce, Multilplan has a strong pipeline in development and improvements, so, due to all the changes we should have in the future, we prefer not to give any guidance.

Thiago Zancaner: OK, Thank you.

Luiz Iani, DLM Invista: Good afternoon everyone, congratulations for the results. I have two questions; the first is related to the industry of merchandising inside the malls. If you could highlight what it represents out there, in the American and other markets; and how do you expect this can contribute from now on to Multiplan's portfolio;

And the second question is related to new projects. We see new projects in towns on the country-side which will probably have a stores *mix* composed by a bigger number of anchor sores than satellite stores. How do you predict the IRR for this kind of projects?

And regarding other projects, we see some lands which were bought some time ago without anything being announced yet, like Campo Grande's land. Are you having trouble in terms of approval? What is the average time you work on to approve the construction of a new shopping mall? Thank you.

Armando d'Almeida Neto: Thank you for the question. I will start with the *merchandising*.

Merchandising in the malls is growing because of several reasons, one of them is the growth of alternative media. The mall concentrates a very specific public, to whom you can expose your product directly.

We have an approximated flow of 150 million people per year consuming in our malls, where a campaign would hit specifically your target consumer. Besides, some cities, like São Paulo, are restricting the number of outdoor advertisements due to some campaigns, so companies are looking for the malls to expose their publicity.

Thus we believe it would be better to expand your merchandising in places like shopping malls. It has grown the past months and we expect to an even bigger growth. Some numbers from the United States, for instance: 20% of the money invested in the media market goes to alternative media. This figure is actually divided between the operation costs, which are normally around 40% and the other 60% for the actual market where the media is being exposed.

It means that it represents 12% of the investment in the United States while in Brazil it is only one third of it, 4%. That is why we believe it is a very promising market that we will explore in a very effective way, avoiding that a simple walk in the mall becomes a run over barriers.

Keeping always in mind that, in the mall, the focus is the consumer, in a way that we can make him feel comfortable enough to walk and consume, with a bigger exposure to the products. I will now pass to Mr. Peres, so he can answer your second question.

José Isaac Peres: Indeed, you have posed questions about the development of new projects. We are developing a new project in Barra da Tijuca, a new one in Campo Grande, another one in São Caetano do Sul, in São Paulo, and also in Jundiaí and in Maceió.

We are really moving towards some regions a little bit further from what we call prime regions, except for Rio de Janeiro, where the land we have acquired is located in a very nice and central area. But we are actually focusing our products on the growth of the C class.

This new malls will have more anchor stores and therefore the area for satellite stores will reduced. But if you compare the cost of acquisition and the return rate from of an existing mall acquired and a new shopping mall developed, I would say we should have a return rate 100% or 200% higher for a new development over an acquired one.

So, it will take us longer but we will bring a much more consistent and profitable result to the investors and to the company.
We have seen acquisitions being made, paying 24 times the EBITDA. It is an outrage, we would never do that once we have projects in development which will bring us a return of 20% to 25%.

We think the market is more competitive, but we trust fully in the credibility of Multiplan face the retail market. Nowadays, when we lunch a new shopping mall, we have about 70% or 80% of the stores taken in about 90 days. It demonstrates the Multiplan's strength in the market, which we do not explore it completely, but we understand all the possibilities we have inside the market.

Luiz Iani: Just one last question. About Minas Gerais, the Diamond Mall had a great performance this quarter. It had growth well above bigger than Multiplan's portfolio. I live in the neighborhood and you guys are really making a fantastic job changing the *mix* of stores over here. I just wanted to ask you about the fair, which still has a high vacancy rate, and we know about the future project of the supermarket. How is everything going with that, because I feel the results could be even better, if you could accelerate this process.

José Isaac Peres: I believe it should happen this year; it is very close to be concluded. We have picked a high quality supermarket, since it is a high quality mall. By the way, just like almost all of our malls, it is a premium one, but still accessible for all classes.

So, I believe it will bring us a very good return since the old food court was something I consider "romantic", almost non-profitable. And the rent paid by the supermarket, around R$100 thousand per month, will give us an additional profit.

Luiz Iani: All right. Thank you.

Operadora: There appear to be no further questions. I will turn the floor over to Mr. Isaac for final considerations. Mr. Isaac, you may give your final considerations now.

José Isaac Peres: First, I would like to thank you all for your patience. Certainly, we will have more information and details to give, and they will all be available. I would like to tell you that we will remain focused in our strategy, on being a big shopping mall constructor.

Even if we continue to make acquisitions, our strength will remain on the creation and generation of new projects. Besides that, the real state sector will present a strong result, which will highly contribute to the EBITDA, probably on the next year, because we are developing projects on highly evaluated areas, which are under Multiplan's control for a long time and are now hitting the market.

I can assure you that we are on the right track, and that this company has never had in its history the volume of projects which we have now. I hope this effort will be financially compensated to everyone. Thank you very much.

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