



**Itaúsa's International Conference Call about the
2006 Earnings Results
March 8, 2006**

Operator: Ladies and gentlemen, thank you for standing by. At this time all lines are in a listen-only mode. Later there will be a question and answer session. Instructions will be given at that time. If you should require any kind of assistance during the call, please press star, zero. As a reminder, this conference is being recorded.

At this time I would like to turn the conference over to Ms. Daniela Ueda of Financial Investor Relations Brasil. Please go ahead.

Ms. Daniela Ueda: Good morning, ladies and gentlemen, and welcome to Itaúsa's conference call to discuss the 2006 results. I would like to mention that this conference call is being broadcast live on the company's investor relations website, www.itausa.com.br. A slide presentation is also available on that site.

Before proceeding let me mention that forward-looking statements are being made under the safe harbor of the Securities Litigation Reform Act of 1996. Actual performance could differ materially from those anticipated in any forward-looking comments as a result of macroeconomic conditions, market risks, and other factors.

With us today in São Paulo are the Investor Relations Directors Henri Penchas, for Itaúsa; Alfredo Egydio Setubal, for Banco Itaú Holding; Plínio do Amaral Pinheiro, for Duratex; Reinaldo Rubbi, for Elekeiroz, and Ricardo Egydio Setubal, for Itautec.

First Mr. Henri Penchas will comment on the 2006 results. Afterwards, management will be available for a question and answer session. It is now my pleasure to turn the call over to Mr. Henri Penchas.

Mr. Henri Penchas: Good morning, thank you for being with us in this conference call. I will begin presenting some numbers of Itaúsa, after that my partners, investor relations directors of the main companies, will comment the main numbers of their companies and in sequence I will show more details about Itaúsa. Let's begin.

Slide number 3 you can see the high liquidity of the parent company.

Page 4, the debt index, and the net debt index of the parent company.

Page 5, the own resources and the third party resources, where we can see that 92% of the liabilities are own resources and just 8% are third-party



resources. And from the number of third party resources, more than 98%, 99% are dividends to be paid.

Slide number 6, the composite annual growth, recurring, and total, of the conglomerate, where you can see the huge annual growth of those numbers.

Page number 7, the dividends flow. The blue bars, the dividends paid by Itaúsa, and the red bars, the dividends received directly and indirectly from Banco Itaú Holding to Itaúsa, with a composite annual growth rate of 25.5% in the dividend flow of Itaúsa.

Slide number 8, where we can see that the huge dividends paid net of capital increase with a composite annual growth rate of 32.7% for Itaúsa in the period.

Slide 9, the dividend yield, where you can see the total dividend yield of Itaúsa - 5.53% in 2006 and 4.25% net of capital increase for 2006 and bigger than the dividend yield of Banco Itaú Holding Financeira.

Slide 11, the main financial highlights of the conglomerate, where we can see the big evolution of the total assets, stockholders' equity, the net income, the internal fund-raising, return on equity and the big increase also in the total dividends paid to the market from 2005 to 2006.

Now Mr. Alfredo will explain the main numbers of Banco Itaú Holding Financeira.

Mr. Alfredo Setubal: Good morning, two slides about Itaú Holding. The first one with the highlights for the year of 2006. Net income of R\$ 6.2 billion considering just the recurring result of the bank, not considering the amortizations of goodwill and restructure expenses related to BankBoston acquisition in Brazil, Chile and Uruguay. If we consider the amortization, the net profit would be R\$ 4.3 billion.

The ROE of 2006, considering the average capital, because we issued shares to pay Bank of America for this transaction of BankBoston, in September, and in the last days of December, so the average return on equity last year, 32.6% considering the recurrent results and 22.7% if we consider the amortization of the goodwill.

In terms of the efficiency ratio, a little bit below on the slide, 48.3%. It was the first time that we achieved a below 50% level. Considering BankBoston, eight months of BankBoston, the efficiency ratio should be, could be 47.6%. In line with what we have been saying in the last quarters that we would continue to reduce below 50% and I think this year we will continue in this trend.

Non-performing loans 5.3% for the year of 2006. The number in this table of 2005 is the number, because we changed the way this number is calculated

according to the Central Bank regulations, the comparable number would be 4.5% compared to 5.3% between the years.

Net interest margin remained almost stable in the year, even considering the reduction in interest rates, the SELIC rate, we were able to keep in the same level of 2005 because of the increase in the credit portfolio, especially in segments with high margins like individuals and small and mid-sized companies.

The number of branches increased last year compared to 2005 because of the acquisition of BankBoston, with almost 70 branches, and mainly because of the opening of new branches at Banco Itaú that we have been doing in the last years. The number of clients considering the bank clients, the account holders clients and clients of Itaí, credit cards, car financing and other products that we offer in the market, the total is 19.3 million and 19.5 million when we consider the BankBoston clients.

In the next slide the three segments that we usually make the presentation of Banco Itaú Holding. Talking about the year of 2007. Expectations - in the case of Banco Itaú we expect small delinquency ratio reduction in the year because of more tight credit selection and because of the growth of the economy that this year probably will range between 3.5% and 4%.

Efficiency ratio, an improvement, we expected with the growth of revenues and more control of the expenses, especially the synergies that we will achieve from the second quarter ahead, in the integration of BankBoston, we believe that we can reduce a little bit more the efficiency ratio.

The credit growth, we expect 20%, 25% in terms of growth mainly because of credit for individuals and SME and the main growth probably will continue to be in the car financing that we expect 40% growth this year.

In terms of fees we expect fees to grow by 10% considering Banco Itaú and 15% considering the whole Itaú Holding. This number, of course, will be influenced by the 12 months of consolidation of BankBoston. We expect to open 130 branches this year, continuing the improvement in our presence in the retail market and the expansion operations in Argentina, Chile, and Uruguay. Chile and Uruguay, we are starting to operate these banks. Chile, this week and Uruguay, probably by the end of this month, and Argentina, where we are going to increase our participation in terms of corporate business.

Itaú BBA is the wholesale and investment banking. This year the focus will continue to be investment banking activities especially in terms of offers, equity offers and fixed-income offers in the local and international markets, where Itaú BBA last year was second in terms of offers, volume of offers for fixed income and third for equity offers, and we were also third in Brazil for M&A business.

Risk-management is also always a point to improve. Itaú BBA is very active in terms of treasury activities, so this is a continuous area that we improved to market, to control risk-management activities.

Service fees, as long as we see a slight reduction in the credit portfolio for large companies, service fees are more the target to improve the relationship and revenues from large companies and more activities Itaú BBA will be in charge of the corporate business in Argentina, Chile and Uruguay from now on, so we expect to be more active in these segments in these countries.

Itaucred is our financial area for consumer credit. Taií is our brand. This year we will finish the investments of Taií. Taií will open 100 new points of sales and we will finish the target of almost 1,000 points of sales considering the JVs and its own stores through the country.

Credit portfolio for consumer credit will increase by 50%, of course the base is not very high, and here in these numbers we don't include payroll loans.

Efficiency ratio, as long as we expect to finish the investments and get more clients and more revenues, efficiency ratio will improve as we expect also delinquency ratio to reduce as long as we get more experience in this business.

And we continue to expect the break-even to be achieved for the end of this year in terms of Taií operations. In terms of vehicles, 40% in terms of growth for the portfolio, and we expect delinquency to maintain almost in the same level of last year, that was 4.8%. And credit card also is a very important business. We expect 20% growth in billing and the delinquency ratio that will probably continue to be very high.

I am now passing the word to Reinaldo Rubbi. He will talk about Elekeiroz activities.

Mr. Reinaldo Rubbi: Thank you Alfredo, good morning for everyone. 2006 was not a good year for the petrochemical industry at all, due to the international oil and nafta price increase and volatility. At the end or by the fourth quarter of 2006, started a reduction on the prices of the oil and the nafta in the international market, so in this end of the year we started to recover the margins in the industry.

Locally we had problems in the consumption of the domestic market, that didn't grow. We exported - we are talking about slide 15 - the growth of the internal, domestic market was only 1%, which obliged the company to turn the production to the exports, so we exported to more than 25 countries and our exports more than doubled from the level of 2005.

The drop in the inorganic products, about 8%, was due to a maintenance program in the beginning of 2006.

Regarding the highlights in millions of reais, due to the high prices of the raw materials the net revenues increased by 10%. The internal market of the organic products grew about 2% and the inorganic products, again responsible for the big drop, dropped 25%, and the exports doubled in value also.

The net export revenues as percentage of the organic revenues is about 21.2%, which is a very comfortable and high level for this kind of industry in Brazil.

The operating income and the net income, we split them in two semesters. The first half of the year we had a loss of R\$ 2.7 million, and in the second half of the year we got R\$ 21.5 million of profit. This is due to the effect of the oil and raw material prices for the petrochemical industry locally.

The Ebitda dropped from R\$ 82.5 million to R\$ 54.8 million and the Ebitda margin dropped to 7.6% of the net revenues. The market value of the company, reflecting the recovery of the margins at the end of the year, grew about 19% to a level of about R\$ 1 billion in the end of the year.

That is what I have to say by now and that will pass the word to Mr. Ricardo Setubal, who is going to talk about Itaotec.

Mr. Ricardo Setubal: Good morning. Slide 17. In the middle of last year Itaotec acquired Tallard. Tallard is present in North and Latin America markets in the distribution of IT products and services. It sells products of IBM, Apple and Avaya brand. It has subsidiaries in Mexico, Venezuela and Chile. The transaction amount is estimated in US\$ 16 million.

Up to now the company has disbursed US\$ 12.5 million. The gross revenues in nine months in 2006 - April to December – US\$ 108 million. Itaotec has become the largest IBM distributor in Latin America.

Slide 18. The main reason which has motivated the acquisition, an important geographic complementation. Itaotec is in Brazil, Argentina, Ecuador and Tallard is in Mexico, Venezuela and Chile. Expansion of line-up for communication and technical support for Apple products; operational integration with Itaotec America and Itaotec Mexico; Itaotec America moved to Tallard office in Miami.

Contribution to Itaotec's global extension: Itaotec will be able to export bank automation through these new channels. Business is attractive because it adds value to the Itaotec skills within the same market segment.

Slide 19. Corporate restructuring. Sale of Tatuapé site. Investment agreement with Camargo Corrêa Desenvolvimento Imobiliário, CCDI. By early January underwriting of 7.5% from CCDI capital by R\$ 38.1 million. Simultaneously CCDI granted acquaintance of the real property from Tatuapé site by the same amount. By late January Itaotec offered the market 50% of its shares in CCDI

obtaining an amount of R\$ 41.3 million net paid commission. The consolidated capital gain after taxes has totalized R\$ 33.5 million. The remaining CCDI shares owned by Itaútec still have potential of a new gain in the case of the selling of these shares is decided in the future.

Slide 20. Now we are going to talk about figures and units. In the automation area there has been a 61.6% growth, totaling 41,700 units. In the IT area there has been a 78.2% increase, summing up to 539,100 units. In relation to figures we are going to talk about Brazil sales, exports plus Itaútec operations abroad and resale area. Concerning Brazil's sales, IT area has grown 21.1%, totaling R\$ 616.1 million. Service area has increased 19.3%, summing up to R\$ 300 million and automation area has grown 46.2% totaling R\$ 200 million. The total amount in Brazil has increased 24.5%, totalizing R\$ 1.116 billion. Itaútec abroad plus exports has grown 26.2%, summing up to R\$ 47.2 million. Resale Itec plus Tallard has increased 289% totaling R\$ 302 million. The total recurrent operations has grown 44.9% summing up to R\$ 1.466 billion.

The consumer products Philco was sold in September 2006 to Gradiente and component area was finished in the end of 2005. The whole company sales were quite the same, totaling R\$ 1.466 billion.

Slide 21. We are going to talk about financial highlights. As I told you before the net revenues are still quite the same, the margin is now 19.2%, the operational expense has decreased 7.8% totaling R\$ 250 million. The financial result was R\$ 3.2 million. The net profit has increased 7.7%, summing up to R\$ 50 million. The ROE, return on equity, was in 2006 15.1%. The net debt was R\$ 48.5 million. The net debt divided by Ebitda was 0.7, which was too low. The stockholders' equity has increased 11.7%, totaling almost R\$ 350 million. The market value has grown 14.5%, summing up to R\$ 594.2 million. The distributed dividend has increased 9.2% totaling R\$ 14.3 million. That finishes my presentation and I would like to invite Mr. Plínio Pinheiro to carry on with Duratex presentation.

Mr. Plínio Pinheiro: Good morning. During the first semester of 2006, Duratex launched a public offering divided in two operations: a primary offering when we raised around R\$ 200 million. These proceeds will be invested or will be the funding for our new investment program that we are going to announce during this month of March. The other part of the public offering refers to a secondary offer. The sellers were the controllers - Itaúsa, Itaúsa Foundation and PREVI, the foundation from Banco do Brasil. The main reason for this secondary offering is to increase the liquidity of the preferred shares of the company.

We can see in the bottom of this chart, before the offering, the other shareholders represented around 58% of the total shareholders of the company. After the offering the other shareholders represented 84% and the daily average traded volume of our preferred shares increased from R\$ 1 million per day between the years 2000 and 2005 up to R\$ 8.2 million per day during

2006 and almost R\$ 23 million per day during the year of 2007.

Slide number 23. We can see the very low financial leverage of the company. The net debt/Ebitda ratio is around 5% and it shows that the company lives a very comfortable momentum to initiate the new investment program. The capex during the last three years was very, very low and this is a time to consolidate the former capex that we launched in the year 2000 and now, as I told you before, we are initiating the new investment program.

Page 24. We can see some figures related to the performance of 2006 compared with 2005. The shipped increased by 9% in the Deca division reaching around 14 million pieces during the year 2006, 9% above 2005 and the Wood division we reached 1.2 million of cubic meters, 70% above the performance of 2005.

The net revenue increased 17%. The net revenue in the domestic market increased 19% and the net revenue from the exports increased 9%, basically in the Deca division and we launched a strong program to increase the exports in the last three years.

In the page 25, the Ebitda consolidated increased 26% in the total amount of 2006, R\$ 458 million, 26% compared to 2005. The Ebitda margin increased by two percentage points, reaching 31% in the end of 2006. Net revenues increased 65%. Dividends, 66%. The stockholders' equity, R\$ 1.4 billion, 33% above 2005, and the return on equity, 18% compared to 14% of the year 2005. As a reflex of such strong performance our market cap reached R\$ 4.2 billion in the end of 2006, 144% above the market cap of 2005.

In page 26 we can see a graph that shows in blue the performance of the stocks, a huge increase in 2006, around 140% increase during 2006 and the huge increase in the liquidity that we can see in the green columns. Now I return the word to Mr. Henri Penchas. Thank you.

Mr. Henri Penchas: Slide number 28 where we can see the growth of the net income of the parent company and the conglomerate and the compound annual growth rate of both of them. I would like to mention the compound annual growth rate of the parent company of 31.1% in the last six years.

Slide 29, the distribution of the income through the sectors: the financial area representing 93.7%; the industrial area, 5.1%, with an increase in the participation of Duratex, from 2.1% to 3.1% of the income distribution.

Slide 30, I would like to have your attention to the growth of the stockholder equity of the parent company with a compound annual growth rate of 20%, with very small capital increase by cash of R\$ 800 million and with a distribution... and after a distribution of R\$ 3.9 billion in dividends and interest on capital in that period.

Slide 32, corporate governance. We are very proud to be selected for the third time in the Dow Jones Sustainability World index with very nice scores for environmental policies, management system and supplier norms, and also the participation in the current portfolio of Bovespa, representing 6.66% of that.

Slide 33, liquidity of the shares. You can see the growth of the number of trades and the traded financial volume of the shares of Itaúsa.

Page 34, the discount in the price of Itaúsa, where we can see the reduction in the discount.

That reduction can be seen with more details for longer period in slide 35, where the discount was 51% in June 2000 until the 18.3% in February 2007. The information on Itaúsa discount is available monthly through our web site and we are sending also to the 12,000 people enrolled in our mailing list.

Slide 37, the evolution of US\$ 100 invested 10 years ago, five years ago, and 12 months ago in the stock of Itaúsa and comparing that with the Ibovespa and with the CDI in the same period. You can see that Itaúsa beat both indexes.

And just as a last slide, the creation of stockholder value of Itaúsa beginning with the dissemination of our organizational culture through our companies; prioritizing human capital; giving all the operational autonomy to the companies; leadership in the business sectors that we are - through products, markets and distribution; very strong brands; internationalization of the companies; capital structure and investments with consistency, looking always at the return on investments through the creation of stockholders' value. Please, at this moment I and my partners we are open to answer the questions you may have. Thank you.

Mr. Henri Penchas: Thank you for being with us and please don't hesitate to contact us if you have any questions in the future. Thank you again.

Operator: That does conclude our Itaúsa's 2006 results conference call for today. Thank you very much for your participation. You may now disconnect.