

**Itaúsa' Conference Call Transcript**  
**2003 Results**  
**March 10, 2004– 12:00 am (EST)**

**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'd like to turn the conference over to Thomas Karsten, from Thomson Financial. Please, go ahead, sir.

**Mr. Karsten:** Good morning, ladies and gentlemen and welcome to Itaúsa's conference call to discuss 2003 results. I'm Thomas Karsten with Thomson Financial Investor Relations Brazil. I'd like to mention that a slide presentation has also been made available on the company's website at [www.itausa.com.br](http://www.itausa.com.br) during this call. Questions to the executives may be sent by e-mail.

Before proceeding, let me also mention that forward-looking statements are being made under the safe harbor of the Security 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 - this morning - Mr. Henri Penchas, Investor Relations Director of Itaúsa and Senior Vice-President of Itaú Holding; Mr. Silvio de Carvalho, Executive Director of Itaú Holding; Mr. Álvaro Penteado, Investor Relations Manager of Duratex; Mr. Reinaldo Rubbi, Investor Relations Director of Elekeiroz and Mr. Ricardo Setubal, Investor Relations Director of Itaútec-Philco. First, Mr. Henri Penchas will comment on the 2003 results and afterwards the management will be available for a question and answer section. It is now my pleasure to turn this call over to the management. Mr. Penchas, you may now begin.

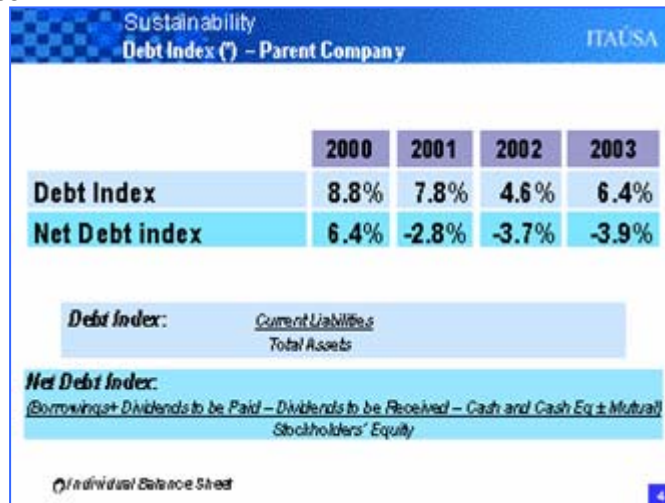
**Mr. Henri Penchas:** Thank you, good morning. It's a pleasure to present Itaúsa's numbers of 2003 in this conference call. This presentation is split in four segments, as you can see in the slide number 2. First one, parent-company sustainability; the second one, performance of the major controlled companies, where my associates will present financial highlights and volumes highlights of each part; Itaúsa consolidated and Itaúsa in the stock market. Let's begin.

**SLIDE 2**

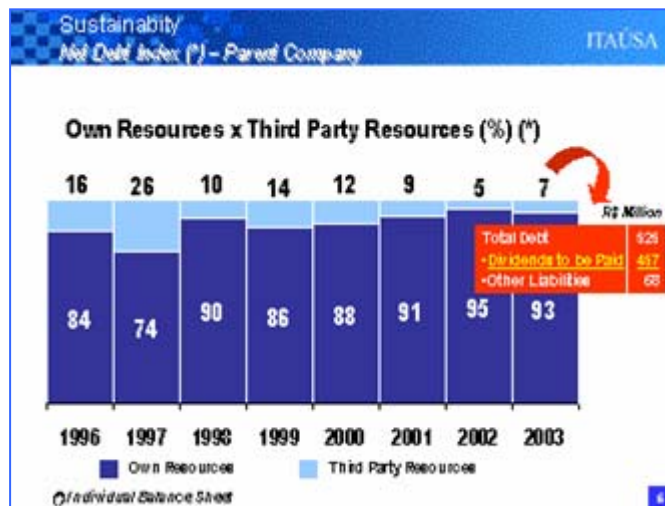
Slide number 3; liquidity, general liquidity of Itaúsa at the end of 2003 at the level of 1.7, very, very high;

Sustainability		ITAÚSA			
High Liquidity Level (%) - Parent Company					
	2000	2001	2002	2003	
<b>General Liquidity</b>	0.60	1.35	1.99	1.70	
<i>General Liquidity:</i> $\frac{(\text{Current Assets} + \text{Long Term Receivables})}{(\text{Current Liabilities} + \text{Long Term Liabilities})}$					
<small>Individual Balance Sheet</small>					

Slide number 4, debt; only 6.4% and the net debt is negative in 3.9%, that means more liquid assets than liabilities.



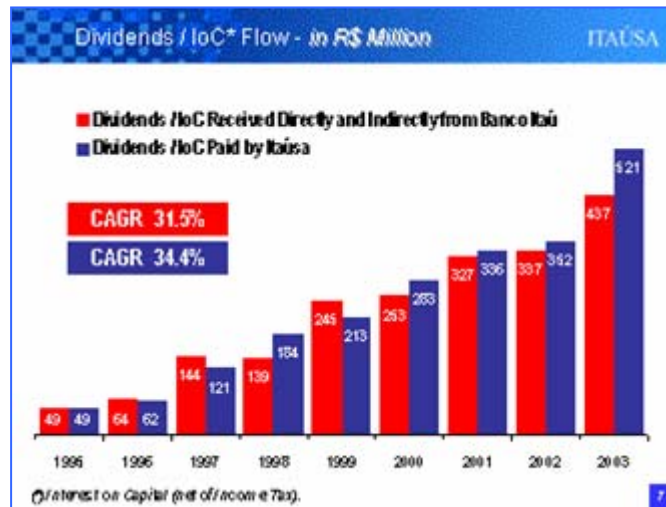
Slide number 5, own resources versus third parties resources; third parties resources only 7% and that means R\$ 525 million in which 457 million are dividends to be paid to the shareholders and other liabilities of 68 millions, mainly income tax on the payment of interest on capital. So, as you can see, Itaúsa works basically with its own resources.



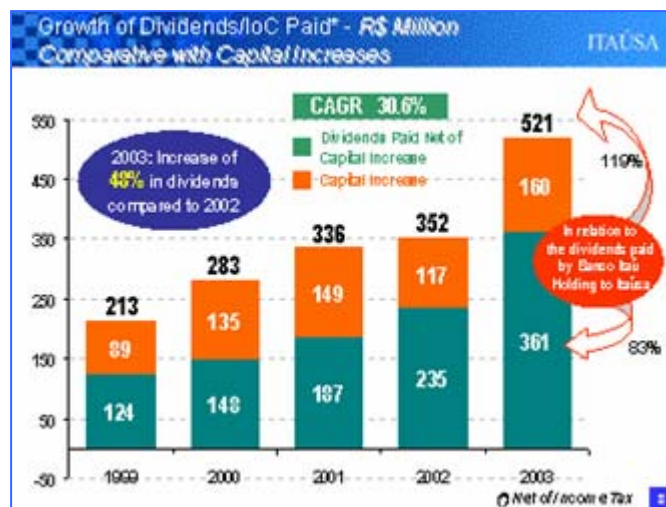
Slide number 6, return on equity; the conglomerate, 22.2% in 2003; the parent company 20.5% and the minority stockholders 24.1%. The growth, the compound annual growth rate of the parent company since 96 to 2003, of 7.8%.



Slide number 7; dividends received from the bank and dividends paid to the Itaúsa shareholders, in the year of 2003 Itaúsa will pay 521 millions and received only 437 millions from Itaú. As you can see also in this slide number 7, the compound annual growth rate of Itaúsa's dividends of 34.4% since 95%... since the year of 1995.



Slide number 8, a comparison of the dividends and the capital increase by cash. As you can see in the green bars, this year the liquid, the net dividend, net of the capital increase represents 361 millions, that means 83% of the dividends received by Itaúsa of Banco Itaú Holding Financeira and the compound annual growth rate of the net dividend, is of 30.6% since the year of 1999.



Next slide, page 9, statement of added value; please note the high increase of the remuneration of the government, through mainly taxes of 52.5% since 2002 to 2003 and the remuneration of the shareholders of 1.2 billions in 2003, with an increase of 42.6% in relation to 2002.

**Statement of Added Value – R\$ Million** ITAÚSA

	Values		Variation
	2002	2003	%
<b>Added Value</b>	<b>8,772</b>	<b>10,628</b>	<b>21.2</b>
• Remuneration of Work (*)	3,345	3,650	9.1
• Remuneration of Government	2,294	3,499	52.5
• Remuneration of Stockholders'	961	1,228	42.6
• Remuneration of the Industrial Financing	233	202	-13.3
• Reinvestment of Profits	2,039	2,049	0.5

(\*) Social Securities Charges are not included

Let's talk now of the performance of the main subsidiaries, slide number 11. In this slide we show the composition of the net income of Itaúsa in 2002 and in 2003. As you can see, the equity income increased for 1.6 billions to 1.8 billions and this equity was represented in 94.2% of the equity income of the financial sector and 4.4% from the equity of the industrial sector.

**Income Distribution by Sector – Parent Company** ITAÚSA  
in R\$ Million

Company	2002	2003	2003/2002 Net Income
<b>R</b>			
<b>E</b>			
<b>P</b>			
Itaú Holding	1,408	1,708	100.4%
Duralex	35	20	1.0%
Itaúco-Philco	37	70	1.0%
Elektroz	28	34	2.2%
Others	38	20	7.7%
<b>Total Eq. Share in Income (*)</b>	<b>1,596</b>	<b>1,832</b>	<b>114.1%</b>
Exchange Variation	351	(19)	-1.3%
Financial Result	105	30	6.3%
Administrative Expenses	(79)	(69)	-4.4%
Extraordinary Result	(419)	(262)	-16.8%
Income Tax and Social Contribution	(17)	0	
<b>Net Income</b>	<b>1,537</b>	<b>1,561</b>	

(\*) RSP: Equity Share in Income

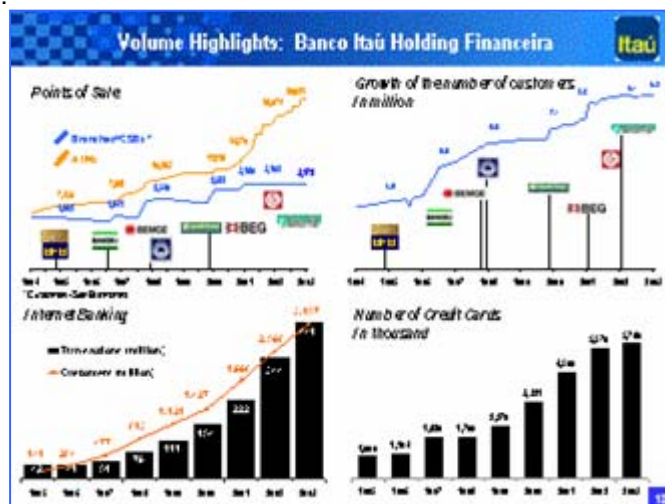
After that in 2002 we had an income of 351 millions due to the devaluation of the Real in comparison to the Dollar of 52.3%. In 2003 we had a valuation of the Real in comparison of the Dollar of 18.2, so we had an expense of 19 millions and the extraordinary result, that in 2002 was an expense of 419 millions and an expense of 262 millions in 2003. So the net income had a small increase from 1.537 billions to 1.561 billions.

Next slide, page 12, where you can see the growth of the numbers of the four main segments of Itaúsa. Note the increase of the total assets from 114 to 122 billions; the equities, the stockholders' equity from 11.8 to 14.7 billions; the net income from 2.9 to 3.3 billions; the internal fund raising from 8 billions to 8.4 billions; return on equity from 24.5 to 22.2 and the total dividends paid to the shareholders with an increase from 861 to 1.2 billions. Now Mr. Silvio will speak about the Banco... He will make the presentation of Banco Itaú.



		Financial Area				Consolidated Conglomerate
		Itaú	Industria	Seguros	Outros	
Total Assets	2003	118,738	1,668	983	441	122,330
	2002	111,141	1,667	945	414	114,819
Stockholders' Equity	2003	11,879	937	313	235	14,769
	2002	9,036	905	309	182	11,838
Net Income	2003	3,152	64	10	37	3,277
	2002	2,377	72	53	37	2,900
Integral Fund Raising	2003	8,192	139	79	58	8,371
	2002	7,394	171	116	58	8,000
ROE (%)	2003	26,5%	6,8%	3,3%	15,8%	22,2%
	2002	26,3%	7,9%	17,3%	20,4%	24,5%
Total Dividends	2003	1,108	26	9	11	1,228
	2002	829	25	16	10	861

**Mr. Silvio de Carvalho:** Good morning. I would like to talk about some important figures that we select, that we consider important for the sustainable growth of the bank. First we selected the points of sale, number of branches and customer side branches, that Itaú achieved 3.172 in the end of 2003 and the numbers of ATMs that Itaú has today, about 20 thousand ATMs - that it is very, very important to make some competitive advantage in relation to other players. Other important component in our strategy that is linked with our technology is the impressive figures that we show in this slide 13, about the numbers of customers that utilize Internet Bank; today we have 3,100 million customers that utilize Internet and make transactions - about 441 million during 2003.



Other important figure is related with the growth that we had during the last couple of years related with the numbers of customers that here in Itaú we are talk about the active customers 9,200 million active customers that make in the minimum one transaction during the month. The other important figures that give important operation for the bank, is the number of credit cards. Today Itaú has 5,780 million cards that make transactions each month.

In the slide 14 we would like to talk about the acquisitions and the corporate reorganization that Itaú made during 2003. In terms of acquisitions we concluded the operation related with Banco BBA and the integration of this bank in the conglomerate. In March... in 10 March of 2003 the Banco Itaú-BBA started the operations with... assuming the corporate companies that come in from Banco Itaú together with the corporate customers that Itaú-BBA had... Banco BBA had before. This is become the largest wholesale bank in the Brazilian market. Other important factor that we'd like to talk about is about the creation of Banco Itaú Holding Financeira, with the conversion of the shares of Banco Itaú to Banco Itaú Holding. Today we have below Banco Itaú Holding Financeira, two arms: Banco Itaú-BBA, that is responsible for the wholesale market and Banco Itaú that is responsible for other operations of the bank, as retail, private bank, middle market and asset under management and other business. According our strategy we would like

to talk about the acquisitions of Banco Fiat that happened in March 2003. This operation fits very well with our strategy in terms of finance and leasing new vehicles; it generates goodwill about R\$ 462 millions during 2003. Other operation that we finished in the end of 2003 is acquisition of Banco AGF and AGF Vida e Previdência and life insurance operations that AGF owned the transactions that generate a goodwill about 53 million.

Banco Itaú Holding Financeira – Acquisitions in 2003	
	02/26/03 - Conclusion of the acquisition of Banco BBA and corporate reorganization (03/24/2003). • Goodwill of R\$ 1,394 million
	03/10/03 - Start of Banco Itaú-BBA's Operations • Largest Wholesale Bank in the Brazilian Market
	03/24/03 - Creation of Banco Itaú Holding Financeira S.A. • Conversion of Banco Itaú's Shares to Itaú Holding
	03/26/03 - Conclusion of the acquisition of Banco Fiat S.A. Itaú has the exclusivity in Brasil for 10 years on financing and leasing of new vehicles. (Goodwill of R\$ 462 million)
	10/20/03 - Acquisition of Banco AGF, AGF Vida e Previdência and the Life Insurance Group Portfolio of AGF Seguros. (Goodwill of R\$ 53 million)

In the slide 15 we mention that this acquisition that we talked... just about 2003 and the other acquisitions that Itaú made since 95, generate a goodwill about R\$ 4.5 billion that is totally amortized in our consolidated balance sheet. It not will cause any other amortization in the futures, is totally amortized. Now I would like to transfer to Mr. Álvaro Penteadó to talk about Duratex.

Volume: Banco Itaú Holding Financeira – Acquisitions in 2003	
	02/26/2003 - Conclusion of the acquisition of Banco BBA and the
	03/10/03 - Start of Banco Itaú-BBA's Operations
	03/26/03 - Conclusion of the acquisition of Banco Fiat S.A. Itaú has the
	10/20/03 - Acquisition of Banco AGF, AGF Vida e Previdência and the Life Group Portfolio of AGF Seguros. (Goodwill of R\$ 53 million)

**Total goodwill amounts related to the acquisitions of Itaú Holding were completely amortized in the Consolidated Balance resulting in R\$ 4.5 billion**

**Mr. Álvaro Penteadó:** Thank you, Silvio. I'd like to start commenting an important issue regarding capacity expansion. As you may know, Duratex has finished a great deal of capacity expansion, we have invested around US\$ 700 million since 1995 and from 2002 until 2003 we have expanded capacity mainly or principally in particle board, our capacity's improved by almost 40% and within the lines of MDF, HDF, SDF that stands for medium, high and super density fiber-board, by more than 160%. One comment here, in vitreous china capacity decreased by almost 4% because we shut down one of our plants due the obsolesses of the equipment. We are expanding capacity within vitreous china by 30% by the end of the first half of 2004. Regarding the use of this installed capacity, as you can see, by the end of the year 2003 hard board will utilize by almost 92% of the capacity; particle board 63%; MDF, HDF, SDF, 55%; metal fittings, 80%; and vitreous china 86%; remembering that particle board and MDF we expanded capacity during the year of 2003.

Duratex in Quantities			
Highlights	2002	2003	Var. %
<b>Installed Capacity (Annual)</b>			
Hardboard (in m <sup>3</sup> )	360,000	360,000	-
Particle Board (in m <sup>3</sup> )	360,000	500,000	38.9%
MDF/HDF/SDF (in m <sup>3</sup> )	240,000	640,000	166.7%
Metal Fillings (in 1,000 pieces)	14,400	14,400	-
Vitreous China (in 1,000 pieces) <sup>(*)</sup>	3,300	3,180	-3.6%
<b>Use of Installed Capacity:</b>			
Hardboard	90.2%	91.8%	
Particle Board	71.1%	63.2%	
MDF/HDF/SDF	97.7%	95.6%	
Metal Fillings	79.5%	80.0%	
Vitreous China	77.9%	86.1%	
<b>New Products Released</b>			
Deca	88	33	
Wood	73	100	

(\*) The production & capacity of the vitreous china capacity is 30% in 2002, reaching 4,140 thousand pieces in 2003.

Regarding the new products released, this is very important for Duratex, since it differentiates the company from the competitors by allowing to achieve or keeping a better selling mix.

In slide 17, regarding the production in Deca, you can see that we had a reduction of almost 9%; this regards the concentration of this line of business in the civil construction industry. As you know, this industry was very impacted during the year 2003 due to the economic scenario in Brazil, which was very difficult for these consuming products.

Duratex in R\$ Millions			
Financial Highlights	2002	2003	Var. %
<b>Production</b>			
Deca (in 1,000 pieces)	14,523	13,318	-8.3%
Wood (in m <sup>3</sup> )	881,172	905,580	2.6%
<b>Sales</b>			
Deca	303.2	333.4	10.0%
Wood	563.7	656.2	16.4%
<b>EBITDA</b>			
Deca	39.6	57.6	45.5%
Wood	170.8	167.0	-2.2%
<b>Total</b>	<b>210.4</b>	<b>224.6</b>	<b>6.7%</b>
<b>Exports (in US\$ Million)</b>	<b>41.5</b>	<b>46.5</b>	<b>12.0%</b>
<b>Investments</b>	<b>303.0</b>	<b>172.8</b>	<b>-43.0%</b>

(\*) Except where indicated

In the wood division, however, due to the capacity expansions we had an increase in production by almost 3%. Although we had a reduction in terms of production in Deca, as you can see in sales in Reais we had an improvement of almost... of 10%; this is mainly due to price increases and a better selling mix during the year of 2003 and in the wood division, that we had an improvement of almost 3% in volumes, in financial terms we improved by 16% due to a better selling mix.

Regarding the performance measured by the EBITDA, Deca had an improvement of 45% mainly due to a better selling mix and the solution of our operations in Argentina; we had industrial operations there, that experienced bad years during 2001, 2002 and now these are only commercial operations that are generating already positive numbers.

In the wood division, however, we faced a decrease in terms of EBITDA due to the difficulties in raising prices and due to higher operational expenses.

Regarding exports we are experiencing growth from one year to another, by 12%. This is a new focus of the company; we have some structure projects to improve exports named the Inter-G plus project of furniture exports and ceramics, vitreous china, products to Europe and US. In the future we expect to achieve something like 15% of revenues back to exports.



Regarding the CAPEX, in 2002 we invested close to R\$ 300 million; this volume was much lower in 2003 since we were finishing the expansions that I mentioned before, we have invested R\$ 170 million; for 2004 probably something like US\$ 35 million and for 2005 US\$ 20 million. Now I would like to turn to Mr. Ricardo Setubal that will address Itautec issues. Thank you.

**Mr. Ricardo Setubal:** Good morning, slide 18, production volume highlights. Production automation, we produced 11 thousand in 2003; computer, we produced 108 thousand; in consumer area we produced 931 thousand products, same level; semiconductors 532 thousand and print circuit board we produced 337 thousand, we decrease 19%. Use of installed capacity, in automation, 62%; in computer 50%; in consumer 62%; in semiconductor 50% and print circuit board 59%.

Itautec - Philco			
Volume Highlights	2002	2003	Var. %
<b>Production (in 1,000 pieces)</b>			
Automation	15.4	11.2	-27.3%
Computer	127.3	108.8	-14.5%
Consumer	926.5	931.0	0.5%
Semiconductors	508.0	572.0	12.6%
Printed Circuit Board (in 1,000 m <sup>2</sup> )	419.0	337.0	-19.8%
<b>Use of Installed Capacity</b>			
Automation	85%	62%	
Computer	59%	50%	
Consumer	61%	62%	
Semiconductors	63%	50%	
Printed Circuit Board	52%	59%	

Slide 19, financial highlights; sales - Solution and Automation, 300 millions, we reduce 28%; Service Integrations 261 millions, the same level as last year; Consumer Computer Products, 743 - we increase 6% and Components, 138, we reduce 5%; the total sale is 1,448 billion, we reduce 4%. Investments R&D; we invest 50 millions in R&D; Promotion and Advertisement, 37 millions, we increase 15%; fixed assets and equipments for rental, almost 30 millions - we reduce 60%; the total investment is 170 millions, we reduce 24%; Inventory, 198 millions, we reduce 13%; EBITDA, 97 millions, we reduce 37%; net debt index, 133 millions, the same level. I like to transfer to Mr. Rubbi from Elekeiroz.

Itautec - Philco			
in R\$ Millions			
Financial Highlights	2002	2003	Var. %
<b>Sales</b>			
Solutions and Automation	424.4	305.4	-28.0%
Services and Integration	249.8	261.3	4.6%
Consumer and Computer Products	696.7	743.9	6.8%
Components	146.2	138.2	-5.5%
<b>Total</b>	<b>1,517.1</b>	<b>1,448.8</b>	<b>-4.5%</b>
<b>Investments</b>			
R&D	50.0	50.6	1.2%
Promotions and Advertisement	32.8	37.8	15.2%
Fixed Assets and Equip. Rental	73.7	29.2	-60.4%
<b>Total</b>	<b>156.5</b>	<b>117.6</b>	<b>-24.9%</b>
<b>Inventory</b>	<b>228.1</b>	<b>198.3</b>	<b>-13.1%</b>
<b>EBITDA</b>	<b>156.5</b>	<b>97.2</b>	<b>-37.9%</b>
<b>Net Debt Index</b>	<b>136.8</b>	<b>133.8</b>	<b>-2.2%</b>

**Mr. Rubbi:** Good morning, I would like to talk something about Elekeiroz operation, which is a chemical operation, on the slides 20 and 21. We got a new record on our deliveries to the market in 2003, selling 512 thousand tons a year, which is 3% higher than in the previous year.



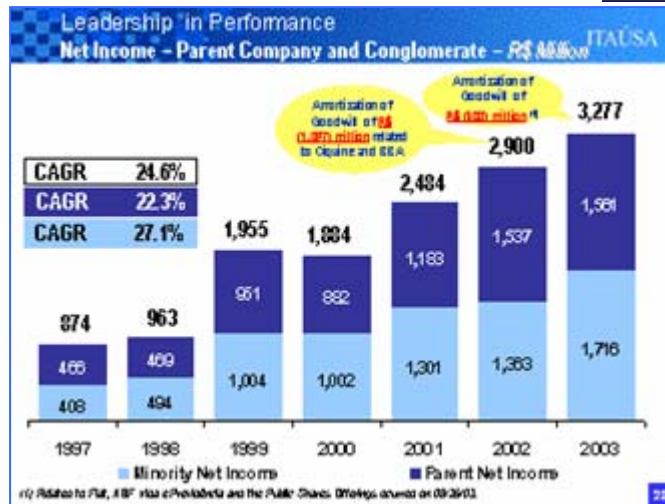
Elekeiroz			
Volume Highlights	2002	2003	Var. %
<b>Total Production (Thousand tons.)</b>	<b>499</b>	<b>512</b>	<b>3.0%</b>
<b>Sub Total Organics</b>	<b>240</b>	<b>234</b>	<b>-2.0%</b>
National Market	200	186	-7.0%
Exports	40	48	20.0%
<b>Sub Total Inorganics</b>	<b>259</b>	<b>277</b>	<b>7.0%</b>
<b>Exports in % of Organics</b>	<b>17%</b>	<b>21%</b>	<b>23.5%</b>
<b>Use of Installed Capacity</b>	<b>84%</b>	<b>85%</b>	<b>1.2%</b>

We got this performance due to the increasing of the non-organic chemicals, which grows 7%, from 259 thousand tons to 277 thousand tons and also due to our more increased growth in the exports. We got an increase of 20% on the exports for all over the world coming from 40 thousand tons a year to 48 thousand tons a year. This represents almost 21% of our total deliveries. This is very important because the domestic market in Brazil decreased in chemical products, 2.2% last year. Talking about revenues, we increase the revenues to a level of R\$ 653 millions, with an increase of 52%; in the national market we got an increase of 48% reaching R\$444 millions; the exports achieve R\$ 97 million, which increased 75% from the previous year. The exports, again, represent something like 20% of the total revenues of the company. Our operating income increased by 17.2%, reaching R\$ 52.4 million; the final net income reached R\$ 37.2 million, with a small increase comparing with the previous year and our EBITDA increased 29.3%, reaching R\$ 84.2 millions. Another important indicator is the level of EBITDA over the total net revenue, which got 16 points of percentage. The major happening in 2003 was the consolidation of the operations of Elekeiroz and Ciquine, now we are completely integrated, we acquired Ciquine in the middle of 2002 and we spent the year of 2003 and the end of 2002 in order to consolidate both operations in the three sites... the three existing sites. I would like now to transfer again the words to Mr. Henri Penchas who is going to talk about Itaúsa again. Thank you very much.

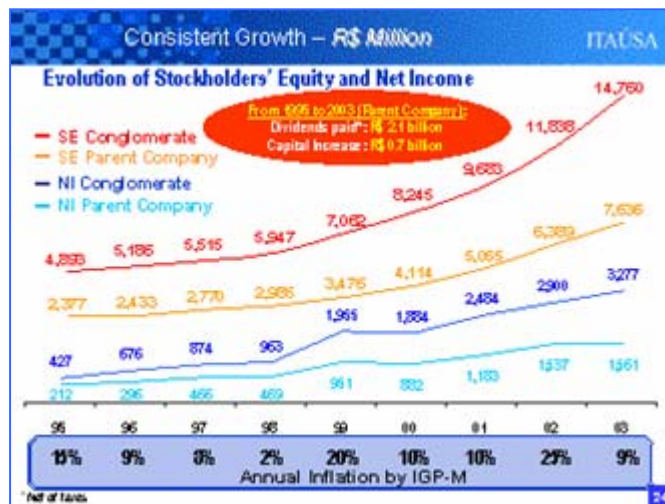
Elekeiroz to R\$ Millions			
Financial Highlights	2002	2003	Var. %
Gross Revenue	429.3	653.7	52.3%
<b>Total Net Revenue</b>	<b>355.3</b>	<b>541.7</b>	<b>52.4%</b>
National Market	299.8	444.7	48.3%
Organics	265.0	383.5	44.2%
Inorganics	33.8	61.2	81.1%
Exports (only organics)	55.5	97.0	74.8%
Net Revenue (export/organics)	17%	20%	
Operating Income	44.7	52.4	17.2%
Final Net Income	37.0	37.2	0.5%
EBITDA	65.1	84.2	29.3%
EBITDA / Total Net Revenue	18%	16%	

In 2003 it is worth highlighting the rationalization of the operations, by specializing the productions focused on the specific local and international markets on the three industrial plants: Camagari (alcohols, phthalic anhydride and plasticizers - DOP and DEP); Taubaté (special plasticizers) and Várzea Paulista (sulphuric acid, carbon disulphide, fumaric acid, polyester resins, formaldehyde, concentrated urea formaldehyde, plasticizers-DOF, phthalic anhydride and maleic anhydride).

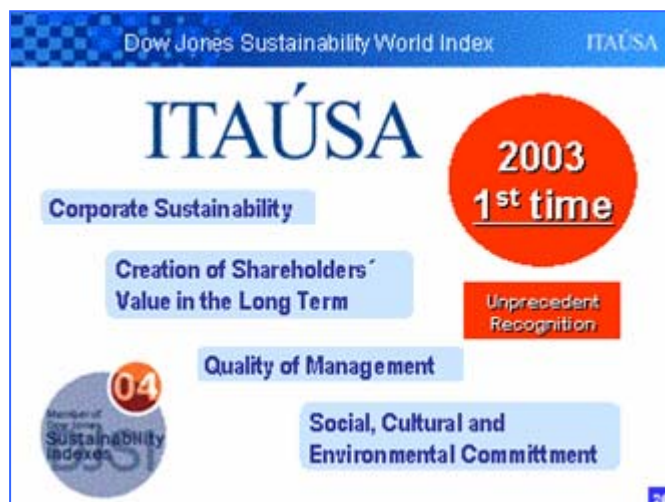
**Mr. Penchas:** Slide number 23, where you can see the consolidated net income of the parent company and the conglomerate. As you can see, the conglomerate had a compound annual growth rate since 97 to 2003, of 24.6% and the compound annual growth rate of the parent company had a very high number of 22.3% since 97 to 2003 and that after the full amortization of all the acquisitions, of the goodwill of all the acquisitions made during this period.



Slide number 24, the evolution of stockholders' equity and the net income; please note the big evolution of the stockholders' equity of the parent company, of 2.3 billions in 95 to 7.6 billions in 2003, after paying R\$ 2.1 billions of dividends and with capital increases by cash of only 700 millions.



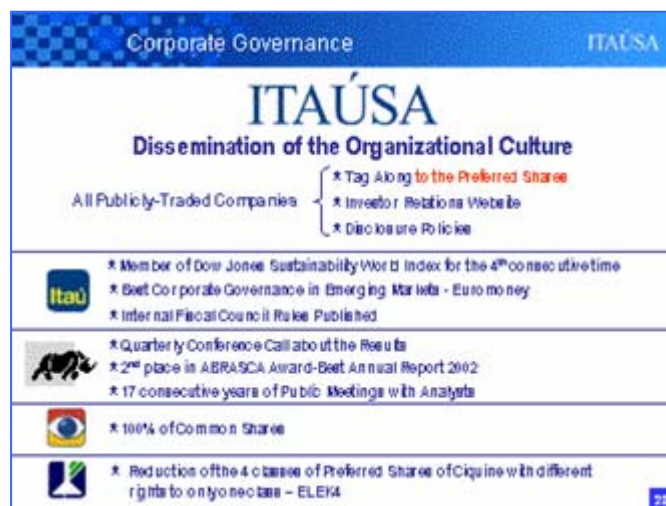
Let's talk now about Itaúsa in the stock market. Slide 26, Itaúsa was included for the first time in the Dow Jones Sustainability Index that measures the companies by, basically, their corporate sustainability, the creation of shareholders value in the long term, the quality of management and social, cultural and environmental commitments.



Slide 27; Itaúsa was considered the third company in emerging markets in the corporate governance index. If we consider all the developed and the emerging markets Itaúsa would have been the sixth company in the world.

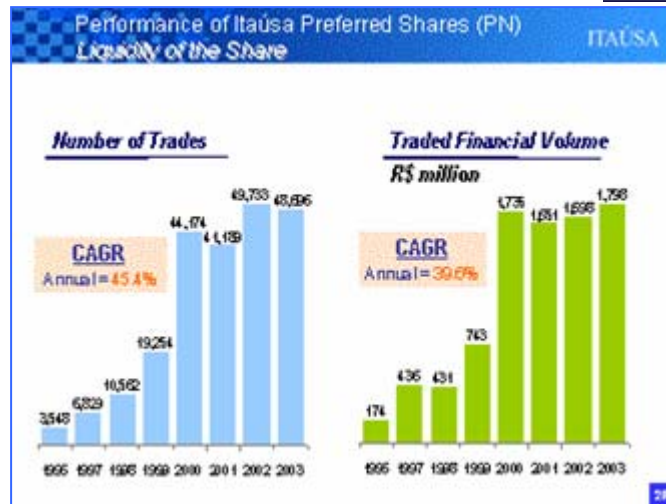


Slide 28; Itaúsa, one of the functions of Itaúsa is the dissemination of the organizational culture to all the controlled companies, so all our publicly traded companies offer the tag-along for the preferred shares, they have an investor relations website and they have very strict disclosure policies. Beside of that, Itaú Holding is a member also of Dow Jones Sustainability World Index for the fourth consecutive time; is considered the best corporate governance in emerging markets and had the rules of the internal fiscal council published in 2003. Duratex has quarterly conference call about the results; won the second place in ABRASCA for the best annual report of 2002 and for 17 consecutive years they have public meetings with analysts. Itaútec-Philco converted all the shares in voting shares and Elekeiroz had a reduction of the number of preferred shares only to one class of preferred shares.



Slide 29; you can see the very high liquidity of our share in number of trades and in the volume of trade, with compound annual growth rates of 45.4% and 39.6% since 96.



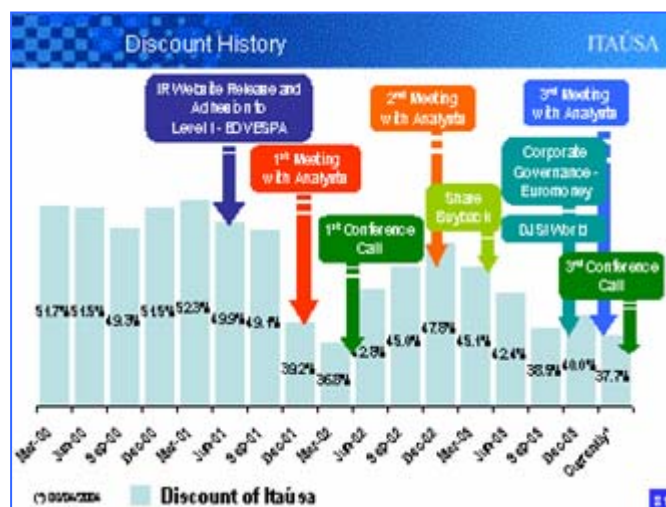


Slide 30: the discount of price of our share in relation of the sum of the parts. If you consider the shares of Itaú by their market value, Duratex, Itautec, Elekeiroz and BPI Portugal by their market value, the market value of Itaúsa is 37.7% lower than its assets valued by the market and that not including the control premium that Itaúsa has in that.

### Discount In the price of Itaúsa – on 03/04/2004

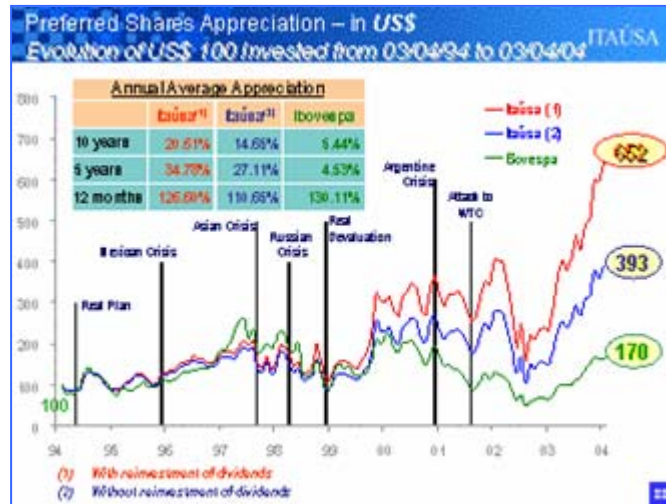
	Multiple	Market Value	Participation %	Market Value
Itaú Holding	2.7 x	32,684	46.7%	15,274
Duratex	1.0 x	923	47.6%	440
Itautec Philco	1.9 x	558	94.2%	525
Elekeiroz	2.1 x	472	96.4%	455
BPI	2.0 x	8,543	6.6%	564
Other Investments				903
<b>Total - Itaúsa</b>	<b>1.4 x</b>		<b>Not including the Control Premium</b>	<b>18,162</b>
<b>Itaúsa Market Value</b>				<b>11,325</b>
<b>Discount %</b>				<b>-37.7%</b>

Page 31 you can see the discount of the share, it was bigger in March 2000, 51.7%, reached currently 37.7% and in the past, the lower discount was 3.7%, on September 96.





Last slide, page 33, where you can see the evolution of US\$ 100 invested 10 years ago, 5 years ago and 12 months ago. The first column considering the reinvestment of the dividends, Itaúsa shares had a valuation of Dollar plus 20.6% each year in the last ten years; Dollar plus 34.78 in the last five years and Dollar plus 136.6 in the last year, against Dollar plus five in the IBOVESPA, Dollar plus 4.5 for five years and dollar plus 130% in the last year. Thank you, we are now open to the questions you may have.



**Operator:** Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press the “star” key, followed by the “one” key on your touch-tone phone now. If at any time you would like to remove yourself from the questioning queue, press the “pound” key.

If you would like to pose a question, please press the “star” key, followed by the “one” key on your touch-tone phone now.

Mr. Henri Penchas, at this time you may proceed with your closing statements.

**Mr. Penchas:** Thank you for being with us this morning and please, if you have any doubt or any question, please call me or my associates and we will be glad to answer your questions. Thank you.

**Operator:** That does conclude our Itaúsa’s conference for today. Thank you very much for your participation. You may now disconnect.