Operator:

Good morning, ladies and gentlemen. At this time, we would like to welcome everyone to the Aliansce 1Q14 earnings conference call. Today with us, we have Mr. Henrique Cordeiro Guerra, Executive Director, and Mr. Renato Botelho, CFO. We would like to inform you that this event is being recorded and all participants will be in listen-only mode during the Company's presentation.

After the Company's remarks are completed, there will be a question and answer session for investors and analysts. At that time, further instructions will be given. Should any participant need assistance during this call, please press *0 to reach the operator. There will be a replay facility for this call for one week.

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of the Company's management and on information currently available to the Company. They involve risks, uncertainties, and assumptions, because they relate to future events and therefore depend on circumstances that may or may not occur in the future.

Investors should understand that general economic conditions, industry conditions, and other operating factors could also affect the future results of the Company and could cause results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to Mr. Henrique Cordeiro Guerra, who will start the presentation. Mr. Henrique, you may begin your conference.

Henrique Cordeiro Guerra:

Good morning. I would like to welcome everyone to the conference call to discuss the operating and financial figures of Aliansce for the 1Q14. The operating and financial figures from the 1Q14 confirm the strength of Aliansce's portfolio and business strategy. Despite the healthy growth in same-store sales and same-store rents of 7.7% and 8.6%, respectively, in the 1Q14, we witnessed a slowdown from historic rates in these indices.

The seasonal impact of Easter occurring in April is in part responsible for this performance. In April 2014, same-store sales and same-store rents were 11.4% and 11.9%, respectively. In the 1Q14, total occupancy and occupancy costs for the portfolio were 97.4% and 10.5%, respectively.

During this past quarter, our gross revenues increased by 13.7% to reach R$126 million. Our NOI increased 13% to reach approximately R$100 million, and adjusted EBITDA grew by 14% to reach R$80 million. The NOI and adjusted EBITDA margins were 89% and 67.9%, respectively. As is customary in the 1Q, the EBITDA margin was adversely impacted by the payments of 2013 annual bonuses. The adjusted AFFO was of R$38.9 million in the 1Q14.

The high NOI margins and occupancy rates in the portfolio are indicative of the strength of our assets, especially in light of the Company having opened five new malls in the last two years. These indicators confirm the return on invested capital generated to our shareholders. Our strategy of using our balance sheet to fund Aliansce's growth has served the Company well. Since the beginning of 2011, our own GLA expanded by 184,700 m^2, representing an increase of 70%.

We have done it in a conservative and disciplined manner, while generating incremental returns to our shareholders. Given that approximately 87% of the Company's debt is indexed to low volatility indices, our balance sheet is guarded from the current environment of rising interest rates and greater uncertainty in financial markets in Brazil. All of our debt is self-amortizing and has an average tenure of approximately six years.

Despite our high degree of confidence in the architecture of our balance sheet, we are committed to reducing our leverage. This is expected to occur through the increased cash generation provided by our portfolio and through the continuation of the disposition of non-core assets. We are prepared for the challenges and remain enthusiastic about the opportunities that lie ahead. We will continue to make our malls unique destinations to Brazilian families.

With that, I would like to turn over to the presentation and begin this next session. As is customary, on page two, please, we usually list the assets that we have, broken down by the assets that have greater than five years of operating history and malls that have less than five years of operating history, as you can see here in this page, as well as the third-party malls that are managed by Aliansce. In total, we have 19 malls in operation, representing almost 450,000 m^2 of own GLA, 43% of this GLA has less than five years of operating history. In total, the Company has 31 malls under management with presence in all regions in Brazil.

Shift to the operating highlights on page three, please. As you can see on the upper left-hand corner, our sales expanded by 20.5% between the 1Q13 and the 1Q14. Same-store sales grew by 7.7%, on the upper right-hand side of the page, as shown there. Excluding the Easter effect, the same-store sales growth would have been of 9.6%.

Shifting now to page four, please; occupancy rates. Occupancy rate in the portfolio stood at 97.4%, as we had mentioned before, and occupancy cost at 10.5%. You can see here these two charts, showing basically the growth between more mature assets and assets that have less than five years of operating history, so called New Generation asset group here that we have in the Company.

Moving now to the financial highlights section of the presentation, on page five. On the upper left-hand side, rents revenues represented 73% of our overall growth revenues. This is broken out by minimum rents representing 83.5% of our rental income. Percentage rent 7.4%; stands and kiosks, 9.1%; parking revenues represented 14.3% of our revenues; services rendered, 8%; and proceeds from key money, 4.4%.

On the right-hand side of the page, we show here the expansion of gross revenues increasing 13.7% between the 1Q13 and the 1Q14. We see, here on this chart as well, the effect of organic growth, new malls, and acquisitions, and it is very positive to show how the organic growth of the portfolio has been supporting contribution to the overall expansion of revenues.

On page six, please, on the upper left-hand side, again we show same-store rents, same-area rents, during this past quarter in relation to the 1Q13, and also excluding the Easter effect we have basically the two growth rates, same-store rent expanding

8.7%; excluding the Easter effect, it would have been 9.4%. Overall rent revenues, 18.3% growth in rent revenues. Again, important: on the lower left-hand side of the page, we see the expansion of rent revenues, but also broken out by minimum rents, percentage rents, mall and media components, as well as the straight line adjusted.

On page seven, please, still with financial highlights, we show the expansion of NOI and NOI margin. Basically NOI margin remaining high, despite the fact that we opened two malls last year. NOI margin for this past quarter remaining with an 89% NOI margin. The expansion of NOI of 13%, adjusted EBITDA increasing 14%, as shown on the upper right-hand side. Slightly increase of EBITDA margin is shown in the page. Adjusted net income, we had net income of R$20.9 million; this is a lower amount than we had in 2013, given that the amounts in 2013 were impacted by non-recurring and non-cash items.

Continuing now on page seven, still with financial highlights section of the presentation. On the upper left-hand side, we see our NOI expanding 13.2% to reach R$99 million, almost R$100 million during this past quarter. Our NOI margin, a slight decrease in NOI margins, but very high margin considering that we opened two malls last year. Typically in the beginning the NOI margin of newer malls is lower than malls that had been in operation for a longer period.

On the upper right-hand side, we also show our EBITDA and EBITDA margin. Margin having a slight increase, while the EBITDA increased 14.1%, to reach R$79 million.

Our adjusted net income, on the lower left-hand side of the page, as shown was R$20.9 million. Considering the adjustments of non-recurring and non-cash items, this net income was lower than the net income that we had registered in the 1Q13. We see the same impact when we consider adjusted FFO, as shown on the lower right-hand side of the page. Adjusted FFO during this past quarter reached R$38.9 million.

Continuing now on page eight, principal growth drivers of the Company. We have an expected increase in our own GLA of 7.6%, between now and the end of 2015. This is driven by seven expansions in our malls, and these malls that have expansions currently underway have a current occupancy rate of 98.8%. This is an excellent opportunity for the Company to be promoting its growth in a way that is measured and also with discipline, but most importantly generating value for the malls and for our shareholders. The net CAPEX associated with these expansions is of approximately R$135 million.

Shifting now to page nine, please; expansions. Here on this page we show the ongoing expansions and the future expansions. We are talking essentially about the seven expansions that I had previously mentioned, representing an increase of 35,000 m^2 of own GLA, with expected opening until the end of 2015.

On page ten, please, just a few points relating to our debt and cash position, balance sheets. Our net debt at the end of the 1Q14 was of R$1.5 billion, total debt of R$1.9 billion, and total cash position of R$331 million. On the lower left-hand side of the page, we show the amortization schedule for the Company. All of our debt is self-amortizing. There is no assumption here of refinancing, so we can comfortably service and amortize our debt with the cash generation of the Company.

On the lower right-hand side, the pie chart shows the breakdown of our debt. As we had mentioned before, approximately 87% of our debt today is quasi-fixed, substantial portion of it is attached to the TR rate, representing 67.3% of our overall indebtedness. We think that this has served the Company well, and as we had mentioned before, I think this is something that provides us with a great deal of comfort, given the environment of rising interest rates that we currently have in Brazil.

Shifting to page 11, we list a number of financial and operating indicators on this page, and there is a comparison between the 1Q14 and the same period in 2013.

With that, I would like to conclude this session of the presentation. And my colleagues and I will be very happy to address any issues, any questions that you may have with regard to what has been presented. Thank you.

Operator:

Having no questions, this concludes the question and answer session. At this time, I would like to turn the floor back to Mr. Henrique for any closing remarks.

Henrique Cordeiro Guerra:

I would like to thank everyone for your interest today and wish everyone a very nice day. We remain available, should you have any questions about any aspects of our operations. Thank you very much.

Operator:

Thank you. This concludes today's presentation. You may disconnect your line at this time, and have a nice day.