

Q4 2012 Earnings Call

Company Participants

- Carlos Medeiros, CEO

Presentation

Operator

Good morning, ladies and gentlemen. and thank you for waiting. At this time, we would like to welcome everybody to BR Malls' conference call. Today with us, we have Mr. Carlos Medeiros and Leandro Lopes. We would like to inform you that all participants will be in listen-only mode during the Company's presentation. After that, there will be a question-and-answer session. At that time, further instructions will be given. (Operator Instructions)

Now, I will turn the conference over to Mr. Carlos Medeiros who will begin the presentation. Mr. Carlos Medeiros, you may begin your conference.

Carlos Medeiros {BIO 15324538 <GO>}

Hi. Good morning. Thank you for participating in our Fourth Quarter 2012 conference call results. As we've done in previous quarters, we will start with a brief summary of the Fourth Quarter results and then Leandro and myself will be available for questions and answers. We'll be referring to a presentation which is available on our website during the first part of this call before we open to Q&A.

In terms of the highlights of the quarter, our net revenues reached BRL336 million, up 27% compared to the same period of last year. For the full year, our revenues were up 30% reaching BRL1.1 billion. Our NOI in the quarter reached BRL315 million, up 30% with an NOI margin of 91.6%, which is the highest margin that we have had in the last 12 quarters.

For the full year, our NOI reached over BRL1 billion, up 34% year over year. The margin for the full year was 91.3%, the highest over the last three years. On a same mall basis, our NOI grew 20% in the quarter and 16.4% for the full year.

Our adjusted EBITDA reached BRL267 million in the quarter, up 28% with an adjusted EBITDA margin of 79.4% in the quarter. For the full year, our EBITDA totaled BRL910 million, up 32.9% and our adjusted EBITDA margin was 81%, the highest in the last three years. Our FFO was 269% higher than in the same period of last year reaching over BRL1 billion with the effects of the fair value. The adjusted FFO was BRL122 million in the quarter, up 31% and BRL420 million for the full year, up 27%.

Our net income reached over BRL1 billion, up 269% for the quarter and then BRL1.7 billion for the full year. That includes the recognition of the fair value of our investment

properties, which led to a non-cash positive effect of BRL1 billion in the Fourth Quarter, which increased the total value of our investment properties to BRL16.1 billion, up 28% on - over the previous year.

In terms of our same-store rent, as we have already announced a few weeks ago, we were up 10.2% in the quarter for rent and 7.6% for same-store sales. For the full year, same-store rent was up 9.6% and same-store sales up 7.4%.

In terms of M&A, we concluded the acquisition of Shopping Capim Dourado in the City of Palmas, Tocantins in the quarter as well as we also concluded the increase in our interest in two malls, Amazonas Shopping and Maceio Shopping. We have also opened two greenfields in the quarter, Londrina Norte and Sao Bernardo. We have also announced a new greenfield project in the quarter, which is Cuiaba Plaza Shopping. And we have also announced the expansion of Shopping Rio Anil, and the development of a commercial office tower at Shopping Campo Grande.

In terms of liability management, we started the refinancing of our perpetual bond, which we concluded in the February of this year. And also we concluded another refinancing bond BRL500 million. These two refinancings generated a net present value of over BRL63 million for the Company.

At the end of the year, we also announced to the shareholders that we will be proposing at the General Annual Shareholders Meeting the payment of BRL215 million in dividends, which is an increase of 215% of the previous year. And this amount represents approximately 57% of our adjusted FFO, excluding maintenance CapEx. We expect to be able to propose in the coming years to the shareholders the payment of approximately 55% of the adjusted FFO, excluding maintenance CapEx and dividends.

With that, I conclude this brief summary and I open to any questions that you may have. Thank you.

Questions And Answers

Operator

(Operator Instructions)

This concludes the question-and-answer session. At this time, I would like to turn the floor back to Mr. Carlos Medeiros and Leandro Lopes for any closing remarks.

A - Carlos Medeiros {BIO 15324538 <GO>}

Thank you very much for participating in our Fourth Quarter 2012 conference call. We wish you all a good afternoon. Thank you.

Operator

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

This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2022, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

FINAL

Bloomberg Transcript