



**International Conference Call
Itaúsa– Investimentos Itaú S/A
4th Quarter 2012 Earnings Results
March 7th, 2013**

Operator: Ladies and gentlemen, thank you for standing by. This is Itaúsa's conference call to discuss the 2012 earnings.

At this time all lines are in a listen-only mode. Later there will be a question and answer session and instructions to participate will be given at that time. If you need assistance during the call, please press the star key followed by zero (*0). As a reminder, this conference is being recorded and broadcast live on Itaúsa'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 **Henri Penchas**, Investor Relations Officer of Itaúsa; **Guilherme Pereira**, Chief Financial Officer of Itaútec; **Marcos Antonio De Marchi**, Investor Relations Officer of Elekeiroz; **Flavio Marassi Donatelli**, Investor Relations Officer of Duratex; and **Alfredo Egydio Setubal**, Investor Relations Officer of Itaú Unibanco Holding.

After the presentation, the management will be available to answer the questions made by phone or e-mail.

It is now my pleasure to turn the call over to Mr. Penchas.

Mr. Henri Penchas: Good morning. It is a pleasure to be again with you to speak about the financial numbers of 2012 of Itaúsa.

We intend to make this presentation speaking about the parent company, after that my colleagues will detail information about Itaútec, Elekeiroz, Duratex, Itaú Unibanco and I intend to close the presentation speaking about Itaúsa in the stock market. After that, all of us we are here to hear your questions that eventually you have.

Slide number 4 we can see the liquidity of Itaúsa and from our liability, so 92% are our own assets and just 8% represents debt. From the 8% (that's R\$ 2.5 billion) R\$ 1.6 billion represents a dividend payable to our shareholders.

Slide number 5, the overall liquidity of Itaúsa. It's very, very reduced. Our net debt index is 2.3% only, we are able and we are studying - we are always open to study -

an investment that makes sense to increase the value of the company to our shareholders.

Slide number 6, just demonstrating that all the dividends that we receive from Itaú Unibanco we paid to...through the shareholders of Itaúsa.

The slide number 7 showing what are the capital increases after the distribution of the dividends and, as you see, in 2011 we didn't have capital increase by cash.

The page number 8, we can see that the increase of the dividends from 2010 / 2011 from R\$ 1 billion to R\$ 1.6 billion and now we intend to pay just net of the capital increase; R\$ 747 million and to have a capital increase of R\$ 915 million as of June 2013.

On the right we can see that if we had an increase in the dividends of 10% each year, from 2010 to 2011 and 2012, the total dividends would have reached R\$ 2.3 billion. That's exactly what will happen when we have a capital increase of R\$ 915 million this year considering the R\$ 1.6 billion paid in 2011 and the R\$ 747 million paid in 2012.

Page 9, just showing the distribution of the total assets of Itaúsa between subsidiary and controller companies and the total assets from the R\$ 29.6 billion in subsidiaries the distribution is to financial area with R\$ 27.3 billion - that's 92% - , industrial area with R\$ 2.2 billion - that represents 7.6% - , from the industrial area Duratex represents R\$ 1.4 billion, Elekeiroz R\$ 400 million, Itautec R\$ 400 million.

Let's skip to slide number 12, where we can see from equity income that 96.8% was booked from the financial area, just 3.1% from the industrial area, and in 2011 96.4% and 3.4% from the industrial area.

On slide number 14 without changes in relation to the last year, just a composition of the shares of the main companies.

On slide 15 the evolution of the net income, recurring net income, stockholders equity and we can see there is a small reduction in the net income as we saw in the page 12 is due mainly to the small decrease in the net income of the bank.

Slide 17 we can see the main financial indicators of Itaúsa per company and the evolution of the total numbers of Itaúsa, the total assets, operating revenues, net income - with a small reduction due to the bank - , stockholders equity, return on equity and the still very high fund generation of R\$ 19 billion in the year.

On slide 18, we just like to show what will happen in the year of 2013 when we apply the new IFRS11 where we don't have it for the proportional consolidation of the bank, so in the first column we will have the numbers of 2012 consolidating the bank and in

the left column we will have the numbers of December 2012 if we had already considered the IFRS11.

As you can see the total assets and total liabilities would reduce, the bank will be considered as a normal investment with an income recognized by the equity method and no change in the stockholders equity either in the net income of the company.

And now I would like Guilherme to speak a little bit about Itaotec.

Mr. Guilherme Pereira: Thank you Henri. Good morning everyone, it is a pleasure to be here today participating in this conference call. I am going to start with slide 20 where I try to give you a brief overview on Itaotec 2012 performance.

2012 was a very difficult year for us in terms of financial results, since we faced a very significant impact coming from the macroeconomic change we had in Brazil.

I would like to highlight the main ones starting with the currency devaluation as the US dollar became stronger we had a significant impact on our cost of goods sold for hardware products, for automation and computing business.

The second one is the interest rate cut we had in Brazil; this directly affected our business since we have many of our customers as financial institutions. And the last one is the economy slowdown, we have a lower growth pace than expected and as a consequence our net revenue for 2012 was at the same level we had in last year.

Aiming to protect our profitability, Itaotec implemented several actions in order to cope with these negative impacts coming from the market itself. We tried to... in fact, we implemented actions to increase our operational performance decreasing our costs in many different areas, especially in the G&A expenses. It is also important to highlight that in the fourth quarter we recognized an asset of R\$ 65 million in respect of a special judicial order (*precatório judicial*).

Moving to the next slide, slide 21, you can find more details on our financial results and also a breakdown of our net revenues by segments. As you can see, the automation segment represented 26% of our net revenues, the computing business 45% and the services business 29% of our net revenue in 2012.

Going to slide 22, I will give you some more information on the performance of each business unit. Starting with automation solutions, it was a good year where we increased our sales in 6.3% versus 2011, the increase was mainly driven by the retail automation sales – we had a good performance by selling software and also fiscal printers in the segment – in terms of unit shipped we had a small decrease in the ATM, we shipped 8000 units in 2012 versus 8.400 in 2011.

In case of computing business although we see an increase on the units sold - units shipped - especially in the mobile segment as notebooks and netbooks, where we

increased our units shipped by 11%, it was not reflected in the net revenue since we faced a very difficult scenario in terms of price with the competitors especially in the retail market decreasing their prices, so the net revenue for computer business was 2.9% lower than 2011.

In case of services, it remained stable, exactly the same amount we had in 2011 and in this case we were able to compensate or to offset the impact we had coming from the financial institutions by increasing our sales in the telecommunication and infrastructure.

Moving to slide number 23, you can see some more details on the working capital management and I can say that this management here has provided us or lead us to a very healthy situation that can be viewed in the slide 24 where we have our indebtedness in a level of minus R\$ 45 million. It was the ninth consecutive quarter that Itautec was able to maintain the net debt at a negative level.

Moving to slide 25, as you can see, Itautec keeps investing on strengthening its products and solutions portfolio and maintaining our investments in R&D and as a consequence you can see that, again, we received two important recognitions among others - the World Finance Technology Awards and the Fintech 100.

Finally, we are confident that the important actions and measures we took and that we have been taking since the second semester of 2012 will be fundamental and will allow Itautec to become much more competitive along 2013.

Now, I would like to pass the word Mr. Marcos Antonio De Marchi who will talk about Elekeiroz.

Mr. Marcos Antonio De Marchi: Thank you Guilherme. Good morning it's a pleasure to be here to talk about Elekeiroz, the Chemical Company of Itaúsa. Talking a little bit about the chemical industry, it is a US\$ 5.100 billion sales worldwide, it is one of the most important worldwide industries (in Brazil is number six and is chemical work) with sales of US\$ 157 billion in 2011 and it's growing up above the average of the sector.

The industrial chemical segment in which Elekeiroz is engaged represents about a half of the Brazilian chemical industry. Despite being Brazil the biggest chemical industry in Latin America, we still have a deficit of US\$ 28 billion regarding chemical products. However, the participation of the imports has decreased from 34% to 30%, we still have a big amount in one of the biggest deficits in the Brazilian economy.

Well, the chemical sector consistent with the Brazilian industry in 2012 was not at that rate, it was let's say flat in consumption of chemicals against 2011.

On page 28 we can see the charts showing exactly what I told you with the exports growing to US\$ 15 billion, but the imports growing to US\$ 43 billion and for that the US\$ 28 billion deficits in the trade balance of the chemical industry.

Elekeiroz, on the page 29, represents the market where Elekeiroz acts had a weak performance in 2012. And, however, Elekeiroz was above average in almost all the segments it serves; intermediates for plasticizers grew 9% and plasticizers 6.8%, 45% growth in the other organic chemicals, which means the capacity increase of 2 EHA was very successful, 10% increase in the intermediate for thermosetting resins and 4.5% in intermediate for fertilizers.

In the page 30, we can see the performance indicators. The volume has increased in 10%, net revenue has increased in 16% to R\$ 900 billion and 11% of gross margin, the Ebitda has grown, against 2011, 41% and R\$ 38 million and the net income was zero plus in 2012.

Page 31 we showed that we have invested in the future in 2012 by creating a R&D department that is working not only alone, but also in partnership with technical institutes in Brazil to increase our... to enrich our portfolio. We will have investments of 1.2% of sales in R&D in 2013.

The management cockpit was implemented in Elekeiroz that is a tool that enables a decision-making process much more quick and aligned with the company strategies. We have invested R\$ 38 million about half of that in the expansion of UPR (the resins of polyester) and we have worked in HSE and we have as a result a decrease in the accident rates.

In the page 32 we conclude that Elekeiroz is ready to grow, is committed to the best practices in corporate governance, has an strategic plan that is contemplating several options of growing that has a team that is a skilled and cohesive, we are also firm committed to environmental protection actions as well as developing products coming from renewable sources and we still remain as only integrated producer of oxo derivatives, phallic and maleic anhydrides and plasticizers in South America, and 70% of the power consumption of Várzea Paulista is produced in house, and we keep also the low indebtedness in 2012.

Thank you very much and now the word is of Flávio Donatelli talking about Duratex.

Mr. Flávio Donatelli: Thank you De Marchi. Good morning, it's a pleasure to be here again. Let's talk about Duratex on slide 34. You will see that 2012 was a very good year for Duratex; we reached a record in shipment volumes in 2012. The wood sector grew 16% in volume when compared with 2011, and Deca grew 1%. We reached a record in net revenue of R\$ 3.5 billion, an increase of 14.3%. Our current Ebitda amounted to R\$ 1 billion, a growth of 30% of last year. In the recurrent ROE of 11.4% and in the fourth quarter we reached 13.2%.

We are announcing a 10% stock dividend to be approved in the General Meeting in April and during 2012 we maintained our investment in organic growth, but this year we acquired an important business outside Brazil, a company in Colombia, and we entered the complementarity segments as you will see during the presentation.

There in 2012, Duratex had a very important event that was that we were selected to be a competent of the Dow Jones Sustainability World Index.

On slide 35 you will see that in 2012 we are replacing our logo. The Rhino, which was our role during the last six years, is being replaced by this new logo. We believe that this new logo will bring contemporary and that the combination of the light and the fluid lines can give the idea of a drop or leaf that gives association with Duratex commitments to sustainability.

And the new feature refers or remembers us the letter “d” of Duratex, which highlights tradition, a solid company and ethics.

On slide 36, you can see at the top the growth of Duratex has been consistent over the last few years, in 2012 we reached R\$ 3.4 billion in net revenues, a growth of 14% over 2011. Our recurrent Ebitda reaches R\$ 1 billion - 30% margin - , our recurrent net income of R\$ 437 million, a growth of 25% over last year. And our recurrent return on equity reached 11.4%.

As you can see in the bottom, you know that we are in the middle of a huge program of investments both organic and as acquisitions, that didn't have brought return to the company up to now. If you do not consider the financial costs over the ongoing investments, - net of income tax - ROE would reach 12.3%.

On page 37 you can see the shipments of Deca, which grew over 30% when compared with the 2009 volume, net revenues reached R\$ 1.2 billion in 2012 and the recurrent Ebitda of R\$ 272 billion, 23% margin.

In the wood division, we had an outstanding performance. Our shipment grew 16%, our net revenue R\$ 2.2 billion and we reached an Ebitda of R\$ 732 billion, a margin of 33% margin of the Ebitda.

On page 38, you know that the mission of Duratex is to generate wealth in a sustainable manner and in 2012 we had recognition of all the efforts that Duratex has done in terms of sustainability. We were selected to be a component of Dow Jones Sustainability World Index. This index is one of the most prestigious sustainability indexes in the selective financial market.

Around 2.5 thousand companies were invited, only 304 were selected, only nine Brazilian companies, a total of 34 criteria were evaluated and Duratex was the best grade in five of these criteria; antitrust policy, international standards production, crisis and risk management, transportation and logistics, stakeholder engagement.

For us to be part of this index is an indication that Duratex will continue to generate results in a sustainable manner.

Disclosing our investments during 2012, in the wood segment, in the wood division we will inaugurate in the beginning of this third quarter of 2013 a new MDF plant in the state of São Paulo with a capacity of 520,000 m³ a year. We are increasing our capacity to 670,000 m³ in our MDP plant in the South of Brazil and, as I mentioned, we acquired 37% stake in Tablemac – the biggest panel company in Columbia.

In the chart you can see the evolution of our capacity and in the bottom line that up to the mid of this year we will announce the new plant to be ready in 2015, this new plant to we don't know yet if it will be to produce MDF or MDP, but we will be announcing this through the first half of this year.

In the Deca unit, in the Deca division, we acquired an industrial valves in São Paulo with a capacity of 780,000 items a year, we increased our metal fitting capacity in the city of Jundiaí - close to São Paulo - , we are reaching 18.2 million pieces of capacity in this plant and in April we will start the operation of the new plant of sanitary ware in Rio de Janeiro with a capacity of 2.4 billion items a year, an increase of 25% over our actual capacity.

And we announced in the end of last year the acquisition of all the shares of the Thermosystem, a company based in the South of Brazil which produces electronic showers. This acquisition is aligned with our strategy to enter in new products within the segments of construction material.

And at the end of the page 41 we... a huge program of investments, our Capex in 2012 reached R\$ 832 million, for 2013 we are forecasting investment of R\$ 660 million with a very low indebtedness. The net debt equity of the company is only 34% and our multiple of the net debt of over Ebitda have reached 1.3x in the end of the year.

Our low debt allows Duratex to continue its growth strategy in both organic and acquisitions.

Thank you and I will call my colleague Setubal to talk about Itaú Unibanco Holding. Thank you.

Mr. Alfredo Setúbal: Thank you Flávio. It's a pleasure to be with you today. We are going to see the numbers of 2012 for Itaú Unibanco Holding. Always remembering that these numbers are a little different on the numbers that were showed by the bank because here we are showing numbers in IFRS accounting.

The recurrent result in this IFRS R\$ 13.4 billion is considered a good number considering the environment of lower interest rates and spreads and more

competition in the system, this means a return on equity of almost 18%, the total fund of own funds and manage funds, raised deposits and everything, we achieved R\$ 1.4 trillion and we announced an investment in technology of R\$ 10.4 billion in a new data center and the development of new systems and new platforms to serve our clients; everything of this investment will be made in the next three years.

We announced also last year a partnership between Itaú Unibanco and Banco BMG in a new venture, in a new bank to create a business of payroll loan and we expect this new venture to generate assets of around R\$ 12 billion in the coming years.

We also finished the tender offer for the shares of Redecard, so now Itaú Unibanco has total control of 100% of the shares of Redecard and from now we are going to integrate more Redecard into the bank operations and products and everything, we will probably be able to grow in a much faster pace than before.

Going to slide 44, we see the results of the bank, total managerial financial margin of R\$ 55 billion and the recurrent net income of R\$ 13.3 billion. I think it is important to see the numbers of administrative expenses of R\$ 2.9 billion added 2.9% increase, so an increase below inflation that was a good achievement and we expect to continue this trend.

We didn't achieve the efficiency ratio, this ratio was 45.4%. Last year our goal was to achieve a number close to 41%, but due to the difficulties and lower spreads and difficulties in growing revenues we were not able to achieve these numbers.

On page 45 our credit portfolio we have been reducing the risk of our credit portfolio in the last quarters, we achieved considering corporate private securities that we held in our treasury operations and the total credit achieved almost R\$ 550 billion.

We continue to reduce our car financing business, we reduced almost 20% of this portfolio last year and also we continue to reduce the credit for very small and small companies in line with the strategy of the bank to increase loans portfolio that brings less risk to our portfolio.

So, we continue to increase our mortgages and loans - it increased 34% last year - and also this strategy of payroll that I mentioned with the new venture with BMG.

On page 46 we can already see the improvement in the NPL ratio because of this new strategy of reducing the risk. We finished 2012 with an average ratio below the end of 2011. We finished with 4.8%, but both individuals and companies are showing big improvement and we expect these numbers to reduce more through this year.

For the last slide, talking about Itaú Holding, our expectation in Brazilian GAAPs for 2013, the credit portfolio should grow between 11% and 14% even considering yet a reduction in our portfolio of car financing this first quarter. Expenses for provision for loan losses is something between R\$ 19 billion and R\$ 22 billion, remembering that



in 2012 this number was R\$ 23.5 billion, so, an important reduction in provision this year.

Banking fees and insurance fees a growth of 11% to 14% and non-interest expenses continues to grow below inflation as something between 4% and 6% and our risk-adjusted efficiency ratio an improvement of 200 basis points to 400 basis points in this year.

Now I give back the word to Mr. Penchas for his final considerations.

Mr. Penchas: Thank you Alfredo. Just to close the presentation, there are six slides about our stock in the market.

The slide 49, due to very important achievements for the ninth time we were selected to compose the Dow Jones Sustainability Index and we have the highest score on the sector in 12 criteria, also on this page we were selected for the sixth time to be in the Corporate Sustainability Index of the BM&FBovespa in Brazil.

Slide 50 and 51 showing the performance of our preferred shares to growing the number of operations and also the value of the same operations, reaching in January 2013 - in the slide 51 - R\$ 111 million a day with 6,709 transactions a day.

Page 52, the famous page of the discounted in the price of the shares of Itaúsa in comparison of the some of the parts, now with the discounts of 20% without taking into consideration the control premium of the shares.

Slide 53 just the evolution of the discount where in December 2007 was 23%, we reached December 2011 15.9% and now we are at a level of 20.2%.

And the last slide, page 54, showing the appreciation in R\$ of the share of Itaúsa in comparison with the Brazilian Index (Ibovespa) and the interbank rate in Brazil where we can see the very good performance of Itaúsa against those indexes.

Thank you for being with us today, now I myself and my colleagues we are open to the questions you may have. Thank you.

Q&A Session

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 (1) key on your touch-tone phone. If at any time you would like to remove yourself from the questioning queue, press star 2.

ITAÚSA

Operator: This concludes today's question and answer session. Mr. Penchas, at this time you may proceed with your closing statements.

Mr. Penchas: Thank you for being with us one more time. I want to thank you again and, please, if you have any doubt, any questions, I and my colleagues we are here to help you by phone, by e-mail or how we can help eventual questions you may have. Thank you, until the next conference.

Operator: That does conclude Itaúsa 2012 earnings conference for today. Thank you very much for your participation.