

Alexandre Falcão, Morgan Stanley:

Good morning, everyone. Actually my first question is regarding the perspectives for 2009 in terms of covered lives and health care. I have talked to a lot of your competitors; in terms of perspective the year is not particularly bright, first because of SMEs and second because of unemployment.

I would like to know what you guys are feeling right now after two months into the year, how are premium negotiations and how are volumes evolving, and if there is clarity on some guidance for the year. Thank you.

Arthur Farme D'Amoed Neto:

Thank you for your question. I guess any comment on that respect should be taken into consideration under the current volatility that we have seen. You are right in respect to the not-so-large membership increase, we expect a combination of price adjustments given the inflation and a medical inflation, and membership increase may be a slightly lower this year as compared to what we have seen in 2008. I guess this is the first part of your question; and if you do not mind to repeat the rest of it, please?

Alexandre Falcão:

Yes, actually in terms of SMEs, are you guys seeing any retraction on that front that was one of the main drivers in the past in terms of growth? Is there anything happening there that you can share with us?

Arthur Farme D'Amoed Neto:

Sure. You probably remember that SMEs in our case have increased by 25%, 20% every quarter. We still see a high degree of underpenetration in the segment, which will somehow offset any major impact from the deceleration affecting the whole economy.

So far we have not noticed any change in the past that we have observed over the second half of the 4Q, and in January and February. So, I would say maybe it is a little bit early for us to position ourselves in terms of some perspective to that segment.

Alexandre Falcão:

OK. Thank you. And if I could follow up with one more question, just regarding the auto insurance, we saw a significance decrease in auto sales in the last quarter of the year. Are there any signs already that insurance market on that front is decelerating and what are the perspectives for the year? Thank you.

Arthur Farme D'Amoed Neto:

Yes. We had a very good quarter in terms of sales in auto, and as of now, after maybe more than 44 days into the year 2009, we have not noticed any deceleration in sales; this does not mean we do not expect a lower growth rate this year, but you have got to have in mind the fact that new vehicles account for something between 10% and 15% of the portfolio, depending on the company, and in our case that is in that range. So, that should be the portfolio portion that should be more affected, especially in the 1H. Overall, of course we do expect some reduction, but nothing that we have not experienced so far.

Alexandre Falcão:

Fantastic. Thank you so much.

Jonathan Prigoff, Equinox Partners:

I was going to ask something that was already asked, but maybe I will follow up: you guys just said that about 10% to 15% of auto premiums are from new customers. Are the other premiums just coming from you approaching customers from other companies, or is it people that do not currently have insurance but are signing up for them? And can you maybe tell us what the retention rate is for you guys among your auto insurance customers?

Arthur Farme D'Amoed Neto:

Absolutely. Thank you for your question. I guess what I could share with you is that we have a retention rate ranging from 75% to 78%. So, we rely on the loyalty from customers and brokers in renewing with SulAmérica. This is a market that overall has increased with the entry of new cars, instead by credit, as you are probably aware of. And that may be the target for the year 2009, concentrating in retention and renewal, as we expect, as I just mentioned, some deceleration in new car sales.

Jonathan Prigoff:

OK. Thank you.

Operator:

We show no further questions at this time. I would like to turn the conference back over to Mr. Patrick for any closing remarks.

Patrick de Larragoiti Lucas:

Thank you very much for all of you for the participation on the call of SulAmérica concerning our 2008 results. Our Investor Relation department is at the disposal of any investors, if you would like to make any additional questions. Thank you very much and good-bye.

Operator:

The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.

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