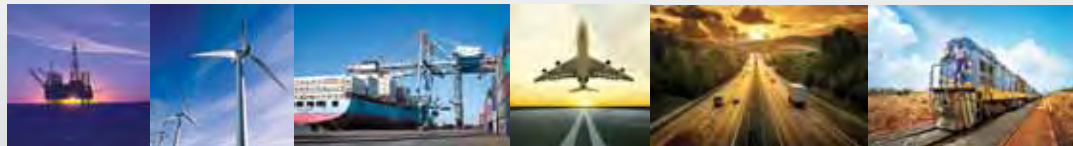


Infrastructure in BRAZIL:

Projects, Financing instruments, Opportunities



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Infrastructure in Brazil: projects, financing instruments, opportunities

Over the past decade, Brazil joined the group of the most dynamic emerging countries of the world. We live a period of rapid and sustained economic development, based on production growth, soundness of fiscal and monetary institutions and investment, credit and consumption expansion. The great crisis of 2008 slowed, but not interrupted, the sustainable growth path, which will accelerate in the next years.

The Gross Domestic Product (GDP) is currently among the ten largest in the world, either in nominal terms or in purchasing power parity. The country's domestic market is one of the most dynamic of the global economy, with growth rates of around 8% in recent years despite the international crisis. On the heels of an ambitious and successful income distribution and social inclusion program, the country now has a market of over 100 million consumers with huge growth potential. The unemployment rate has unprecedentedly dipped below 5%.

Brazilian agriculture experiences a period of extraordinary dynamism, thanks both to the vitality of its entrepreneurial class and technological advances in the industry. The country became the world's largest exporter of beef, poultry, coffee, sugar, orange juice and tobacco, and the second largest exporter of soybeans.

Relying on a modern and diversified industrial park, Brazilian economy produces a wide range of manufactured goods, automobiles (3.3 million units in 2012), aircraft and sophisticated machines.

The new challenge of the Brazilian economy, therefore, is to overcome the recessive effects of the great crisis of 2008 and to provide the infrastructure the country needs to continue on its path of economic and social development.

Infrastructure investments have tripled in real terms over the last ten years, reaching about \$ 100 billion in 2012. However, the new cycle of economic expansion will require even greater investments in logistics and energy.

The infrastructure works already in place have not been enough to keep up with the dynamism of foreign trade of the country, which quadrupled from 2002 to 2012; the passenger flow of its airports, which doubled in the same period; and the traffic on its highways, which also doubled over the last ten years (as did the number of licensed vehicles).

The income growth of Brazilians, the social inclusion process and the resumption of economic development (dormant for two decades) have forced the country to accelerate investments, especially in infrastructure, at this critical moment.

To achieve this, the Government has adopted a series of investment stimulus measures that include reducing interest rates, enacting tax cuts and launching an ambitious new strategy for recovery of logistical planning and execution of major infrastructure works.

In 2012 President Dilma Rousseff launched the Logistics Investment Program, designed on the basis of a strategic partnership with the private sector and focused on the renewal and integration of the Brazilian transportation network. The goal is to meet the growth demands of a country with continental dimensions. The Program consists of a wide concession set in transportation logistics, which implies large private investment in infrastructure. Between March and September 2013, the Brazilian government will make concession auctions for large projects for highways (7,500 km), railways (10,000 km), airports (Rio de Janeiro and Belo Horizonte) and ports.

In oil and gas, 2013 will see the 11th and 12th Bidding Rounds (in concession regime) and the 1st Bidding Round of the Pre-Salt Layer (in production sharing regime). In electricity, a series of auctions will be carried out between 2013 and 2017 for the generation of 33,000 MW from hydropower, wind power and other sources and the installation of 23,200 kilometers of transmission lines.

It is also scheduled for September 13th, 2013, the concession auction for the operation of the first high-speed railway in Brazil, which will connect the cities of Rio de Janeiro, Sao Paulo and Campinas, in a total length of 511 km.

In order to facilitate investment projects in infrastructure, which will add to around US\$ 235 billion in the coming years, the Government has enacted a number of tax and bureaucratic benefits, including for nonresident investors, as well as innovative financing instruments such as infrastructure debentures and Receivables Investment Funds (FDICs).

Brazil has a strong and transparent regulatory framework in the areas of concessions and public-private partnerships, coupled with modern and well-structured financial intermediation institutions.

As such, its immense business opportunities are as relevant as they are numerous, all to be leveraged in a country that uniquely gathers the conditions to continue to grow sustainably for the benefit of the whole of its population.

Brazil in numbers



-  **Territorial Area:**
8,515,767 km²
-  **Coastline:**
7,367 km
-  **Population :**
194 million
-  **Form of Government:**
Democratic Republic,
with a presidential system
-  **Nominal GDP (2012*):**
R\$: 4.5 trillion
US\$: 2.4 trillion
-  **GDP per capita in (2012*):**
R\$: 22.7 thousand
US\$: 12.3 thousand
-  **Risk rating by major agencies:**
Moody' s: Baa2
S & P: BBB
Fitch : BBB

*Estimated by the International
Monetary Fund (IMF)

Source: Brazilian Institute of Geography
and Statistics (IBGE) and Brazilian
Central Bank

Produced by: Ministry of Finance



Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Economic Outlook

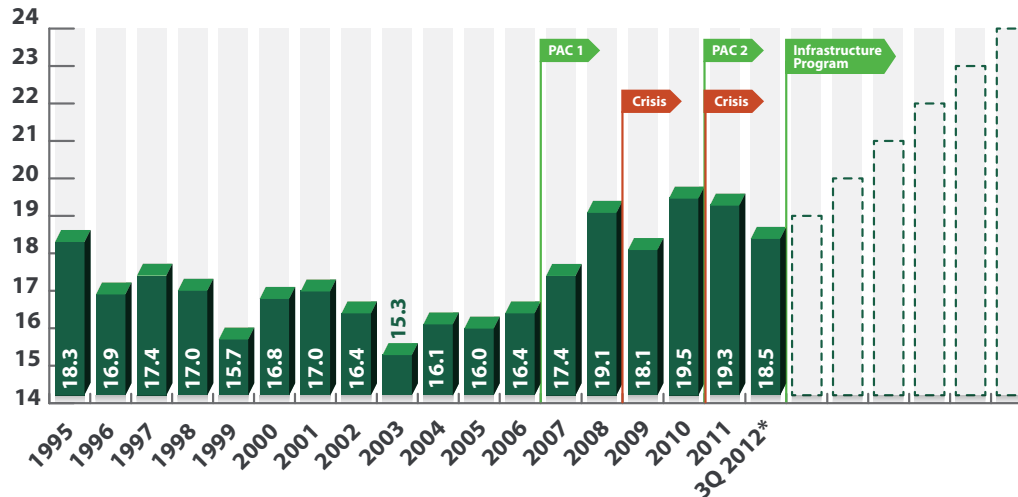
Ministry of
Finance



Increased investment as a government priority

One of the main challenges of the Brazilian economy is increasing its investment rate. As of 2008 it has reached new heights, which have fluctuated between 18% and 20% of GDP. The goal of the Government is to increase gross fixed capital formation even further in order to ensure sustainability to the acceleration of economic growth.

Gross Fixed Capital Formation as a % of GDP



* 4-Quarter accumulated up to 3rd quarter of 2012

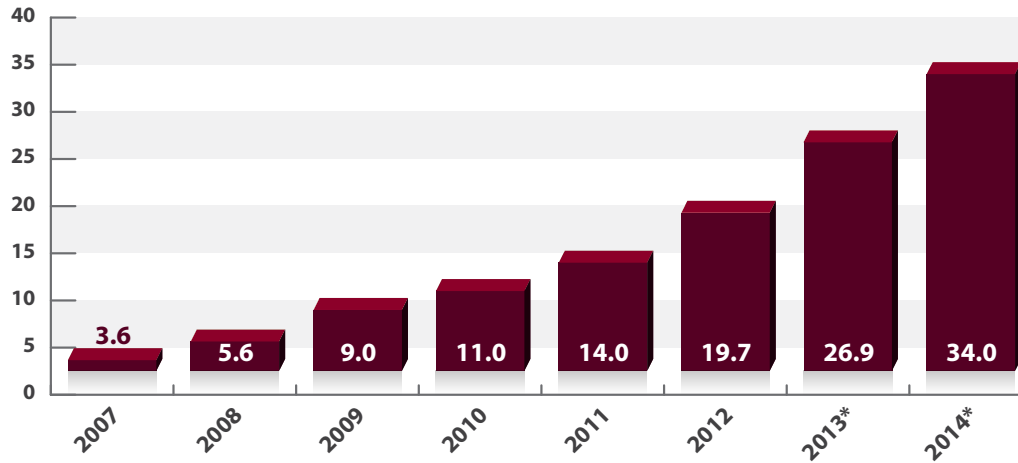
Source: Brazilian Institute of Geography and Statistics (IBGE)

Produced by: Ministry of Finance

Growth Acceleration Program (PAC)

The launch of the Programa de Aceleração do Crescimento (“Growth Acceleration Program”, or PAC) in 2007 multiplied public and private investments in the Brazilian economy, especially in infrastructure.

PAC Investment (disbursements), US\$ billion



*Projections

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

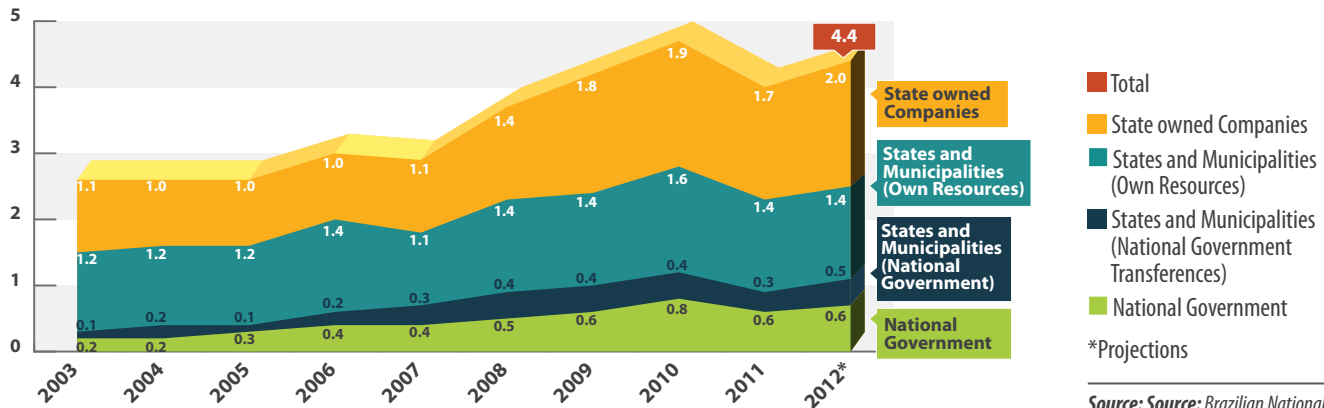
Source: Brazilian National Treasury (STN)/Ministry of Finance

Produced by: Ministry of Finance

Public sector investment widens

Public investment has grown significantly since 2007, with the recovery of economic dynamism and the Brazilian Growth Acceleration Program (PAC), and will follow an upward trend in the coming years, contributing to a positive economic scenario and to increased gross fixed capital formation.

Public Sector Investment as a % of GDP



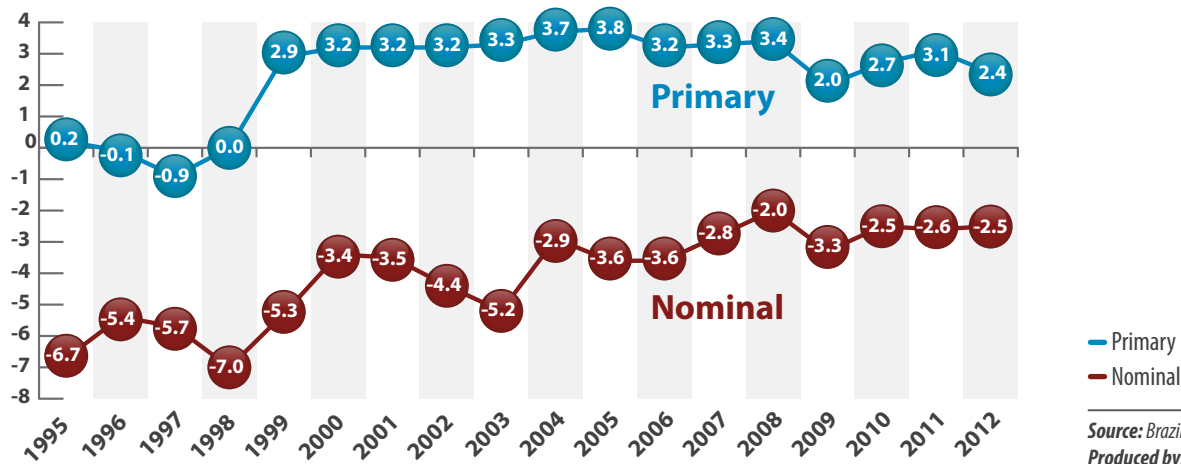
*Projections

Source: Source: Brazilian National Treasury (STN)/Ministry of Finance
 Produced by: Ministry of Finance

Sound fiscal fundamentals

Brazil has currently one of the best fiscal performances in the world. The recent decrease in basic interest rates will contribute, over the coming years, to the lowest nominal deficit of the public sector ever seen, due mainly to the lower financial cost of carrying its debt load.

Primary result and nominal result as a % of GDP

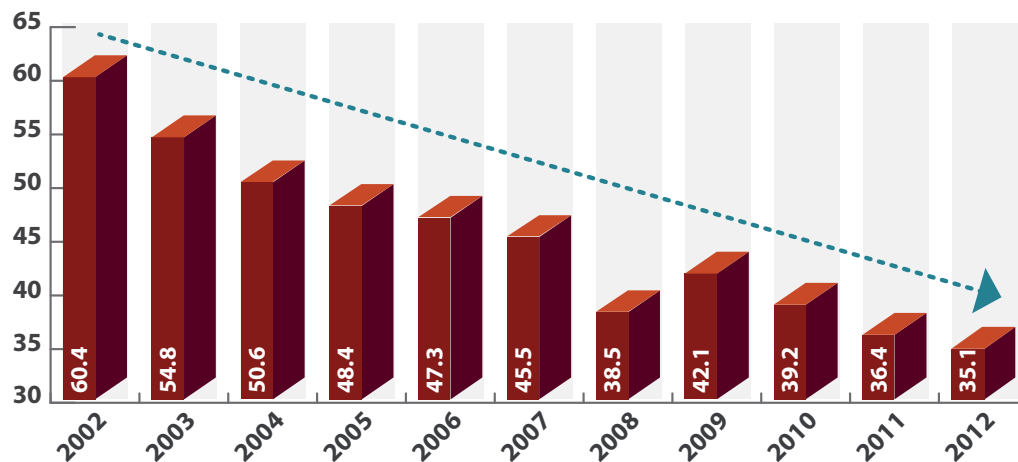


Source: Brazilian Central Bank (BCB)
Produced by: Ministry of Finance

Reduced public debt

Over the last decade, the Brazilian government has managed to achieve consistent decrease of its net public debt/GDP ratio, reaching 35% at the end of 2012. This path to fiscal soundness has been kept steady even in an environment of international financial crisis and the consequent adoption of countercyclical fiscal policies, such as tax cuts and the expansion of public investment.

Consolidated Public Sector Net Debt, in % of GDP

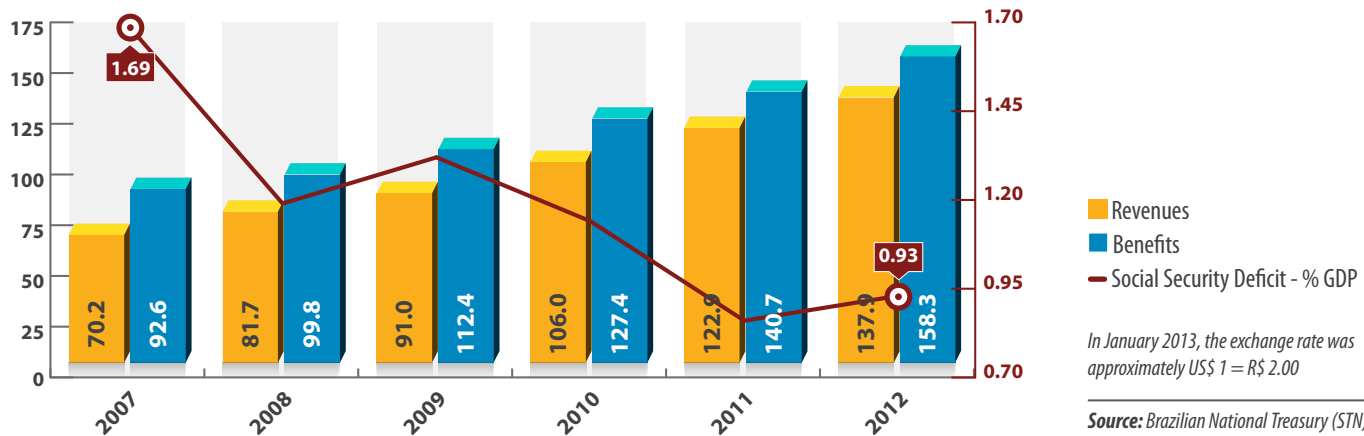


Source: Brazilian Central Bank (BCB)
Produced by: Ministry of Finance

Three largest Central Government expenditures under control

The main expenditures of the Brazilian Government are all under control. Social Security Deficit, which has once represented 1.8% of GDP, is currently at 0.93%. Some changes in Social Security, such as the creation of the Public Employees Pension Fund, confer even greater actuarial balance to the government's spending.

Social Security revenues and benefit payments, in US\$ billion and as a % of GDP



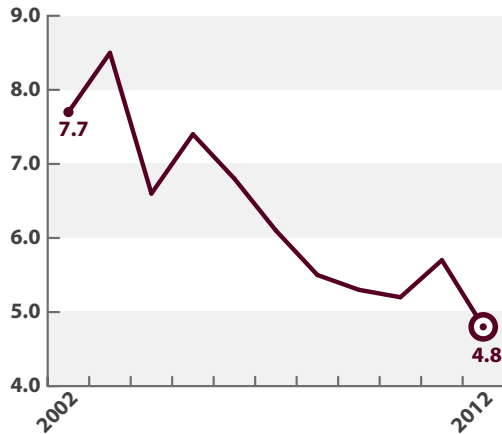
In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Brazilian National Treasury (STN)/
Ministry of Finance
Produced by: Ministry of Finance

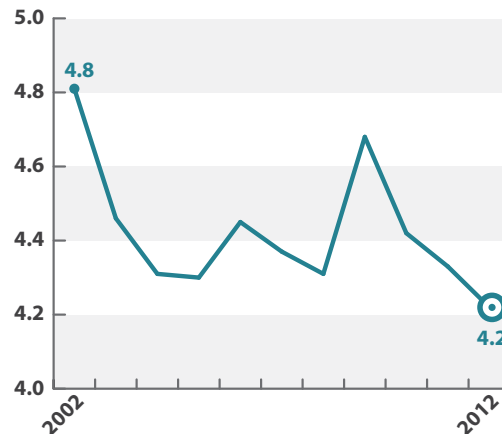
Three largest Central Government expenditures under control

Personnel expense is also under control: Spending in that area in 2012 amounted to 4.2% of GDP, against 4.3% in 2011. With regard to expenditures on interest payments, Brazil has seen a downward trend in that trajectory due to the decrease in the net debt/GDP ratio and decreases to the basic interest rate. In 2012 this expense represented less than 5% of the Brazilian GDP, and the trend continues downward.

Public debt interest payments as a % of GDP



Federal Government payroll expenses as a % of GDP

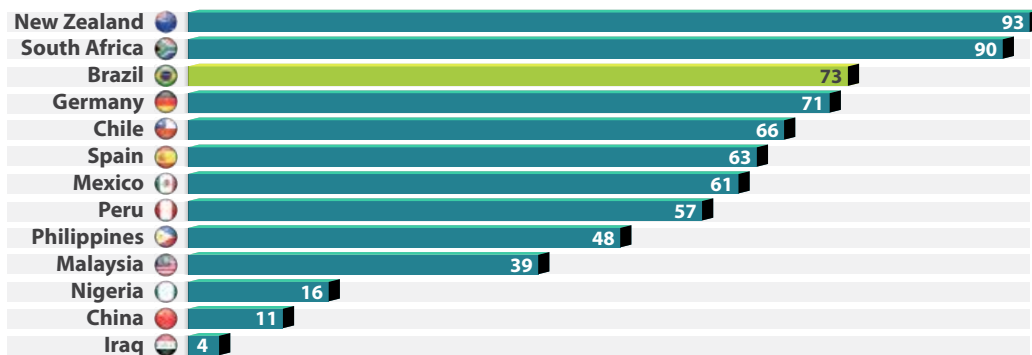


Source: Brazilian National Treasury (STN)/
Ministry of Finance
Produced by: Ministry of Finance

Fiscal transparency

The public sector pursues primary result targets in accordance with fiscal responsibility principles and legislation, which constitute a cornerstone of its economic policy. From a list of 100 countries, Brazil has recently been considered by the International Budget Partnership to be the 12th most transparent nation, with a 73-point budget transparency index.

2012 Open Budget Index



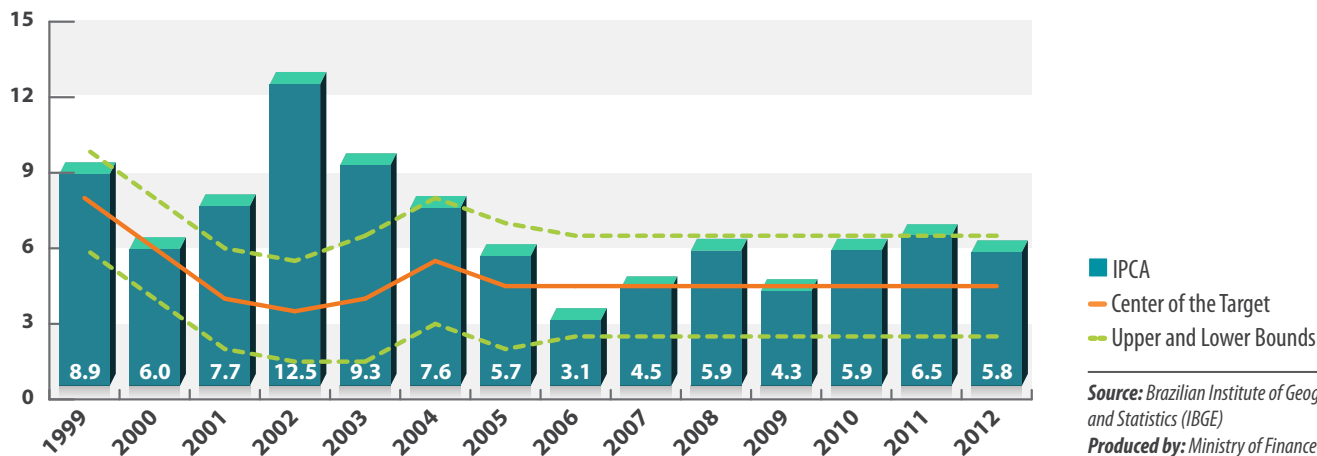
*Source: International Budget
Partnership*

Produced by: Ministry of Finance

Inflation under control

The IPCA inflation index ended 2012 at 5.8%, representing the ninth consecutive year of achieving inflation targets. For 2012, the target set by the National Monetary Council was in the range of 2.5% to 6.5%. In recent years, domestic prices have suffered increased pressures due to the behavior of commodity prices in international markets, among other factors.

CPI inflation, IPCA Index in % YoY



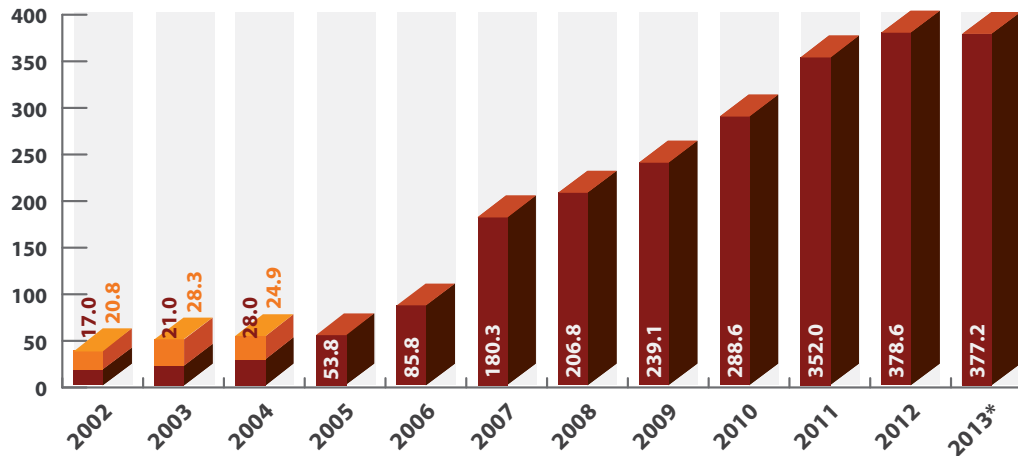
Source: Brazilian Institute of Geography and Statistics (IBGE)

Produced by: Ministry of Finance

Strength of the external sector

The external sector of the Brazilian economy has enjoyed a comfortable position for several years. To address any turbulences in global financial markets, the Central Bank currently has over US\$ 370 billion in international reserves, which equates to about 16% of GDP and 170% of the annual imports of goods. The low external vulnerability of the Brazilian economy can be verified by its net creditor position, i.e. its volume of international reserves is greater than the external debt of the country. Moreover, the current account deficit - US\$ 54.2 billion in 2012 - was largely financed by flows of foreign direct investment, which amounted to US\$ 65.3 billion over the same period.

International Reserves, in US\$ billion



IMF Loans
International Reserves

* Position on February 1st 2013

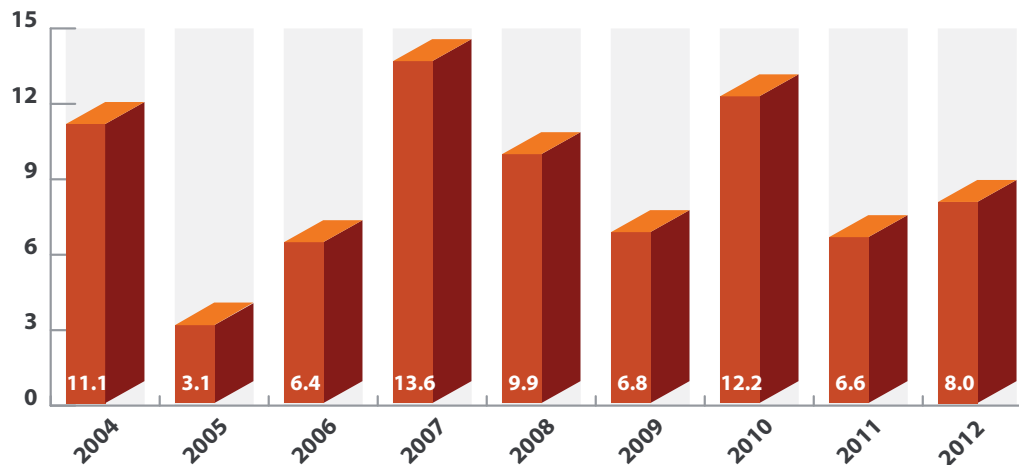
Source: Brazilian Central Bank (BCB)

Produced by: Ministry of Finance

Dynamism in retail sales

Since 2006, retail sales are growing at annual rates above 6%, proof of the robustness of the Brazilian market even in times of international crisis. The Brazilian market is currently one of the most dynamic in the world.

Broad retail sales, with seasonal adjustment, in % YoY



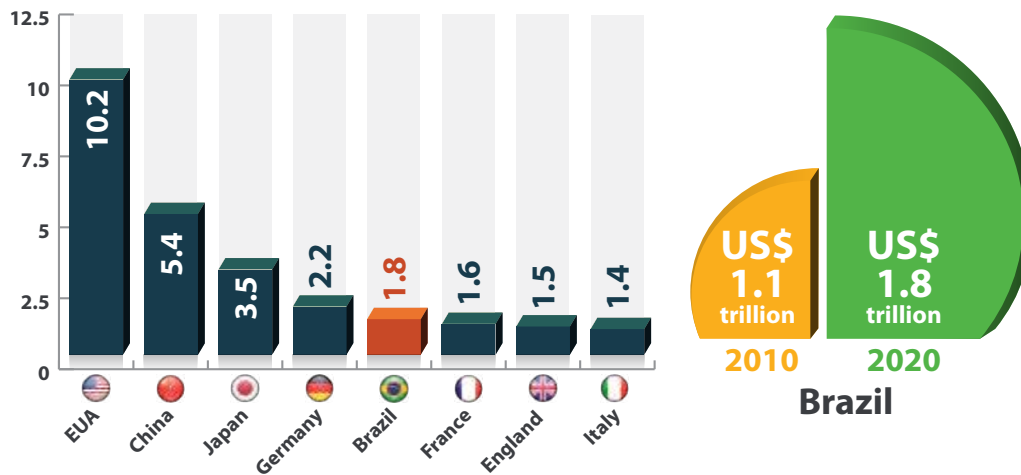
Source: Brazilian Institute of Geography and Statistics (IBGE)

Produced by: Ministry of Finance

Fifth largest global market in 2020

In 2020, Brazil will be the fifth largest consumer market in the world, with a forecast of US\$ 1.8 trillion in household consumption. In the same year, it is estimated that Brazil will be positioned among the top three markets for automobiles and motorcycles, food and beverages, clothing and perfumes and fragrances.

Global consumer market in 2020, in US\$ trillion



In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

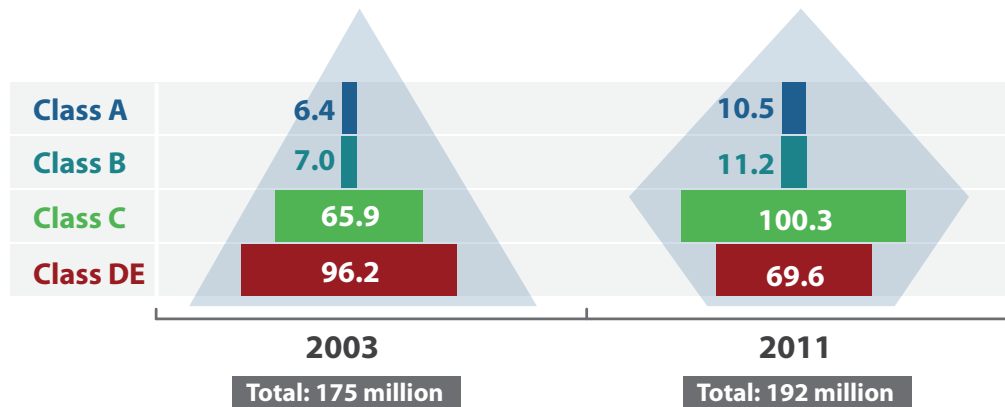
Source: Exame Magazine and McKinsey

Produced by: Ministry of Finance

A middle-class society

In recent years Brazil has established itself as a middle-class country. More than 50% of the population currently belongs to class C (middle income), with strong consumption potential. The wealthier classes (A and B) also saw rapid expansion, with cumulative growth of about 80% in the last ten years.

Social classes, in million of people*



*Based on PNAD (IBGE) data

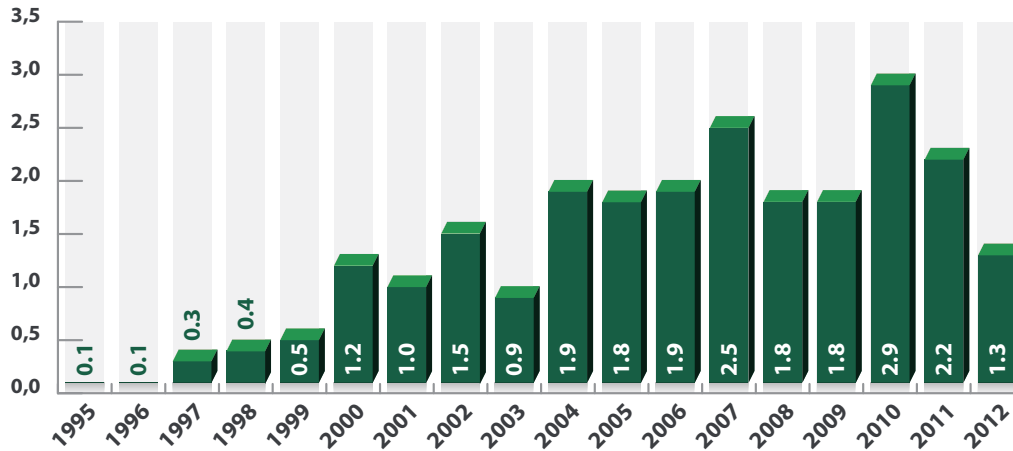
Source: Institute for Applied Economic Research (IPEA)

Produced by: Ministry of Finance

A dynamic labor market

The creation of formal jobs has been one of the great virtues of Brazil's economic performance. Unlike most countries, the labor market shows strong growth in Brazil, with sustained growth also in wages and consumption. Nearly 19 million new formal jobs were created between 2003 and 2012.

Formal job creation, in millions of jobs

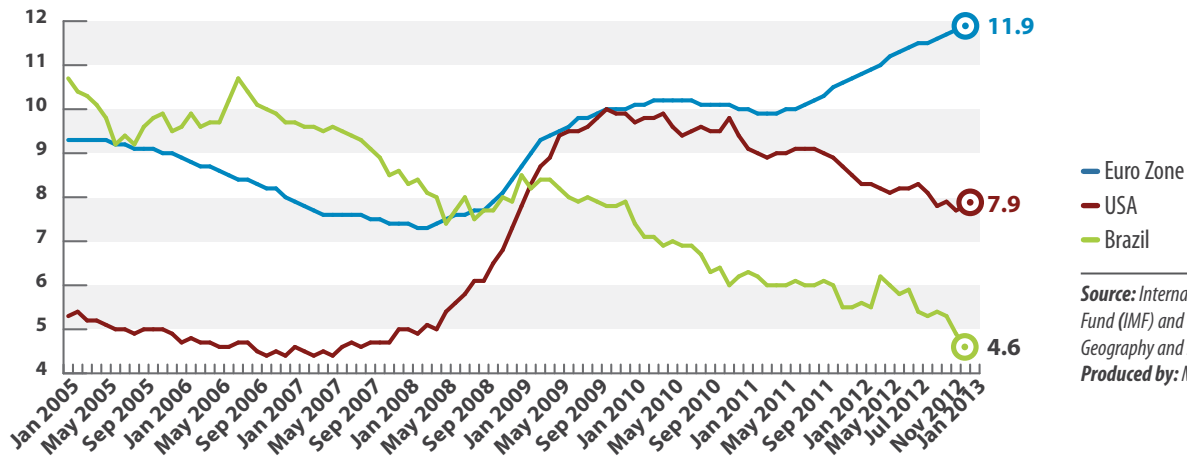


Source: General File of the Employed and Unemployed (CAGED) and Annual Social Information Relation (RAIS)
Produced by: Ministry of Finance

Less unemployment

Since the outbreak of the global crisis in 2008, the evolution of the Brazilian labor market has shown a distinct trajectory from that of rich countries.

Unemployment rate in selected countries, in %



Source: International Monetary Fund (IMF) and Brazilian Institute of Geography and Statistics (IBGE)
Produced by: Ministry of Finance

New macroeconomic framework

Since 2011 the Brazilian government has adopted monetary , fiscal and exchange rate policy measures that aim to increase the competitiveness of domestic production without abandoning its inflation-targeting, floating exchange rate and fiscal responsibility principles.

Monetary Policy	Exchange Rate Policy
<ul style="list-style-type: none"> • Low interest rates • Inflation Control 	<ul style="list-style-type: none"> • Maintaining competitiveness • Floating exchange rate with less volatility
Tax Cuts (US\$ 23 bn in 2012 alone)	
<ul style="list-style-type: none"> • Payroll Tax Reduction (40 sectors) • Reform of the Merchandise Circulation and Services Tax (ICMS) • Reduction of the Tax over Industrial Products (IPI) • Reform of Social Contributions (PIS/COFINS) 	

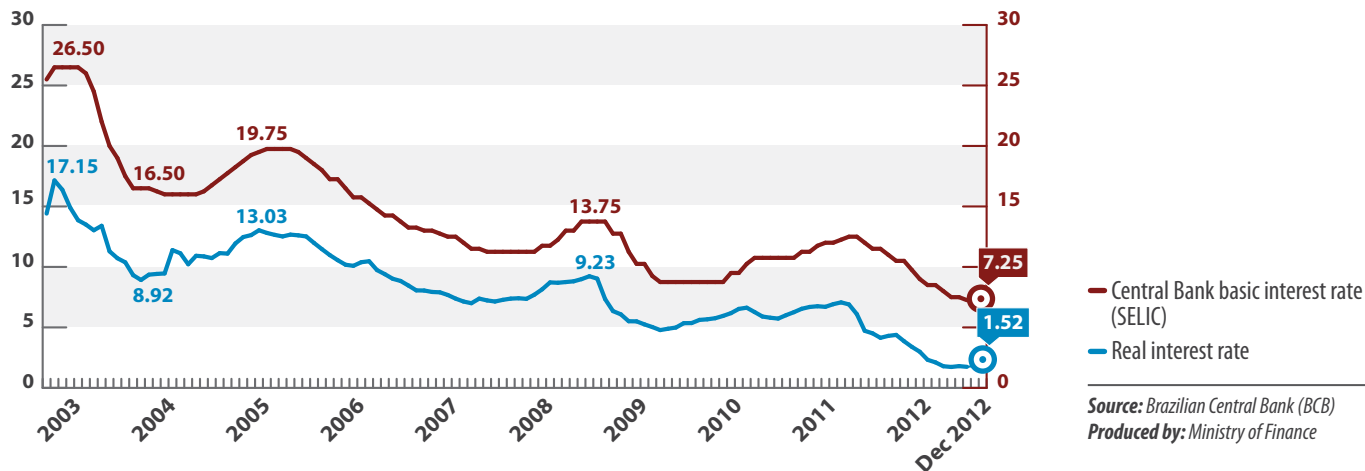
In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Produced by: Ministry of Finance

Lower interest rate

Economic conditions allowed the Central Bank of Brazil to continuously reduce the basic interest rate of the economy (the SELIC Interest Rate) beginning in August 2011 and always maintaining inflation within the established targets. In late 2012 the SELIC rate target was at 7.25% per annum, which implied a real rate of about 1.5% per annum, levels finally compatible with those of countries with similar conditions to those of Brazil.

Nominal and Real interest rates, in % per year



Competitive exchange rate

The enormous expansion of the monetary base conducted by the Central Banks of advanced economies since 2008 raised the risk of encouraging excessive flows of capital towards emerging countries, as warned by the International Monetary Fund and other multilateral bodies. The Brazilian foreign exchange regime is a floating one, but the Government is dedicated to preventing that the exchange rate may fluctuate in artificial levels which, in the medium term, could bring imbalances to the external sector of the economy.

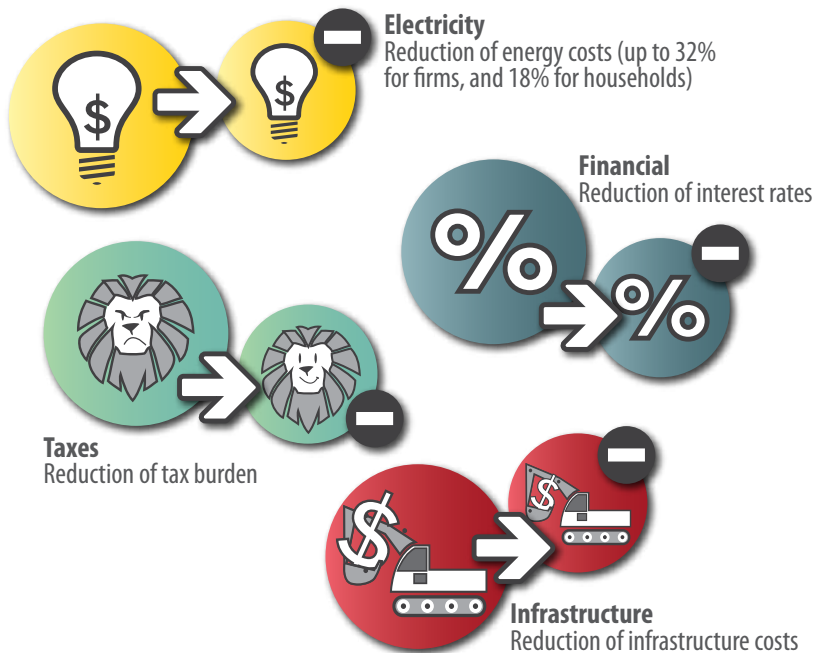
Exchange Rate, R\$/US\$



Source: Brazilian Central Bank (BCB)
Produced by: Ministry of Finance

Reduced costs for investment

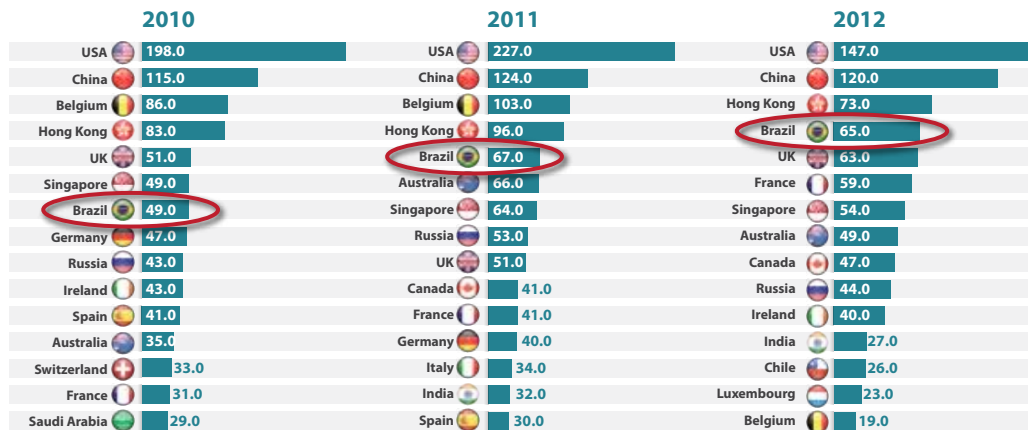
The Government has put in place several measures aiming to reduce investment costs, among which the following stand out:



Foreign direct investment at high levels

The high flows of foreign direct investment into Brazil not only have contributed to the expansion of its gross fixed capital formation but also attest to the high confidence the international markets deposit in Brazil. According to estimates by the UNCTAD (United Nations Conference on Trade and Development), in 2012 Brazil ranked 4th internationally on volume of FDI inflows, bested only by the U.S., China and Hong Kong.

Foreign Direct Investment (FDI), in US\$ billion

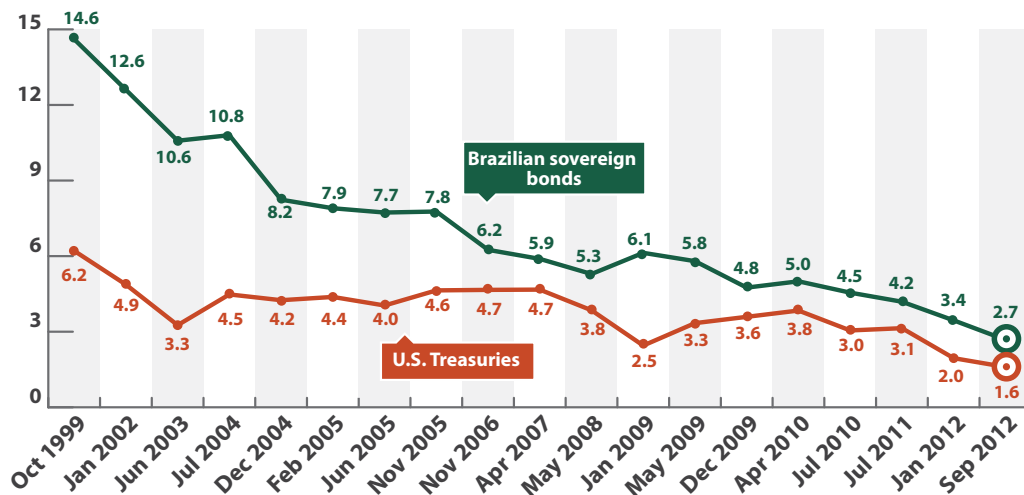


Source: United Nations Conference on Trade and Development (UNCTAD)
 Produced by: Ministry of Finance

Demand for sovereign bonds

Brazil's commitment to fiscal responsibility and economic dynamism contributed to the reduction of its credit risk and boosted the attractiveness of Brazilian government bonds abroad. As an example of this appeal, the Treasury issued its Global 2023 bonds on September 5, 2012 at a rate of return for investors of 2.686% p.a., the lowest rate in history for Brazilian external debt securities.

Brazilian sovereign bond issuance yield and US Treasury* yield, 10-year, in % YoY



*Secondary market on the same date

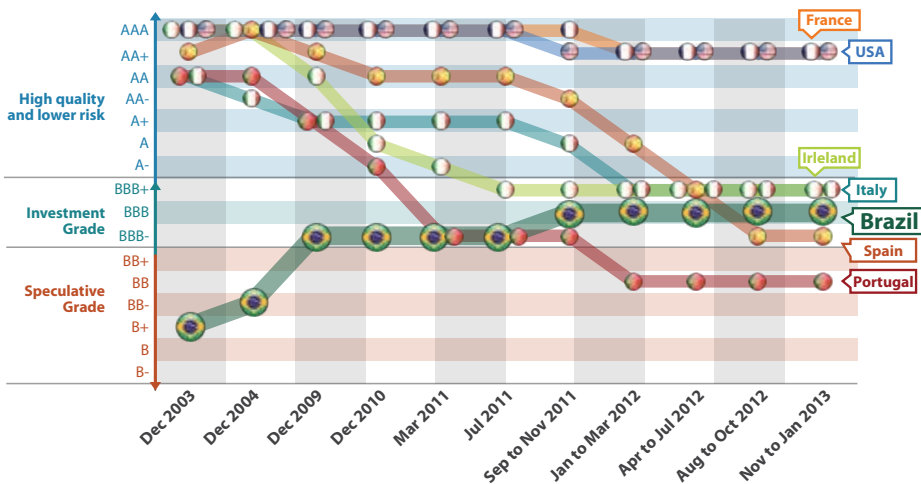
Source: Brazilian National Treasury (STN)/Ministry of Finance

Produced by: Ministry of Finance

Reduced country risk rating

In 2012, despite the burden represented by the international financial crisis in advanced economies, the main rating agencies maintained their investment scores assigned to Brazil, highlighting its fiscal soundness and macroeconomic environment as well as the dynamism of its economy.

Risk rating by Standard&Poors

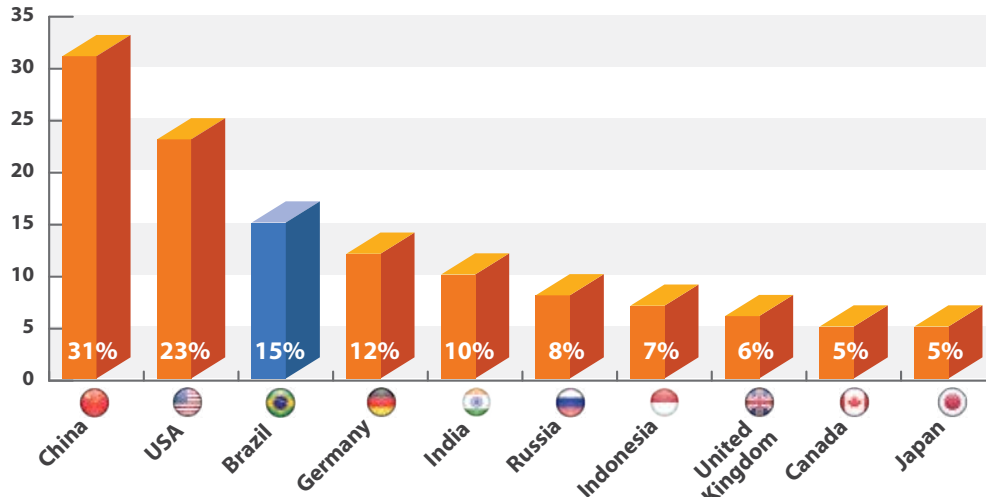


Source: Standard&Poors (S&P)
 Produced by: Ministry of Finance

Expected growth in business

A recent survey* with more than 1,300 CEOs indicated that Brazil is the third most often mentioned country as the one that the CEOs consider most important for their business overall growth prospects over the next 12 months (excluding the country in which the CEO is based).

Countries to where companies expect to expand their business, CEOs' answers as a % of total answers



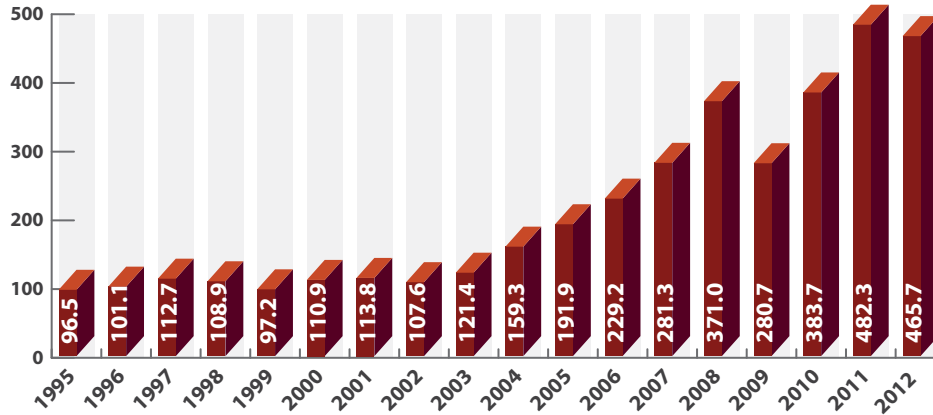
*"Dealing with disruption, adapting to survive and thrive", PricewaterhouseCoopers, 16th Annual Global CEO Survey, January 2013, p.12.

Source: PricewaterhouseCoopers (PwC)
Produced by: Ministry of Finance

Expansion of external trade

While investments in infrastructure have tripled in real terms over the last ten years, Brazil still needs more resources and projects in this area in order to keep up with the growth of income and demand seen in the country. With the increase of over 200% in Brazilian international trade flows over the last decade, it is paramount that the country can expand its infrastructure to facilitate the outflow of exported goods and the inflow of imported goods via its ports, railways, roads and airports.

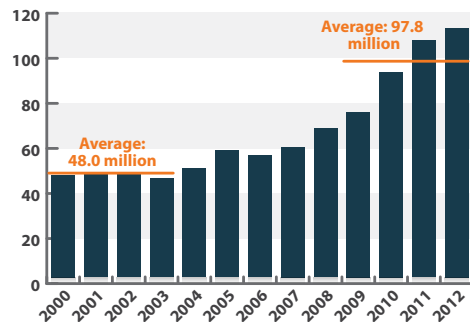
Brazilian trade flow, US\$ billion



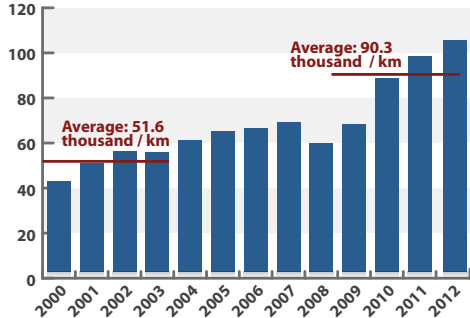
Source: Ministry of Development,
Industry and Foreign Trade (MDIC)
Produced by: Ministry of Finance

Demand for infrastructure

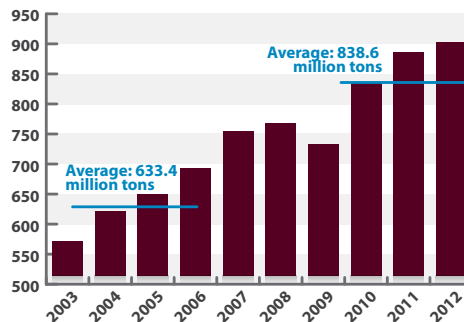
Airline industry, in million passengers



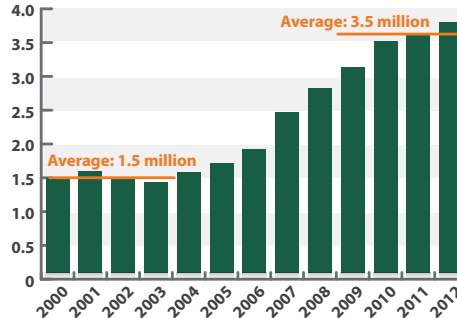
Thousand vehicles per km on highways under concession



Total cargo handling in ports, in million tons



New vehicles (buses, trucks, light commercial vehicles and cars), in million













Source: National Agency for Civil Aviation (ANAC), National Agency for Aquatic Transportation (ANTAQ), Brazilian Association of Highway Concessionaires (ABCR) and Brazilian Association of Automotive Vehicle Manufacturers (ANFAVEA)

Produced by: Ministry of Finance

Large investment programs

Several major infrastructure programs were announced over the last two years, with investments adding around US\$ 235 billion over the coming years, not to mention the major urban infrastructure works required for the 2014 World Cup and the 2016 Olympics.

Investment in scheduled concessions (estimate)	US\$ billion
Logistics	121.0
Roads 	21.0
Railways 	45.5
Ports 	27.3
High Speed Train (TAV) 	17.8
Airports 	9.4*
Energy	74.0
Hydro 	39.9
Wind, Biomass and Small Hydro 	19.0
Thermal 	1.4
Distribution 	13.7
Oil & Gas 	40.0
Total	235.0

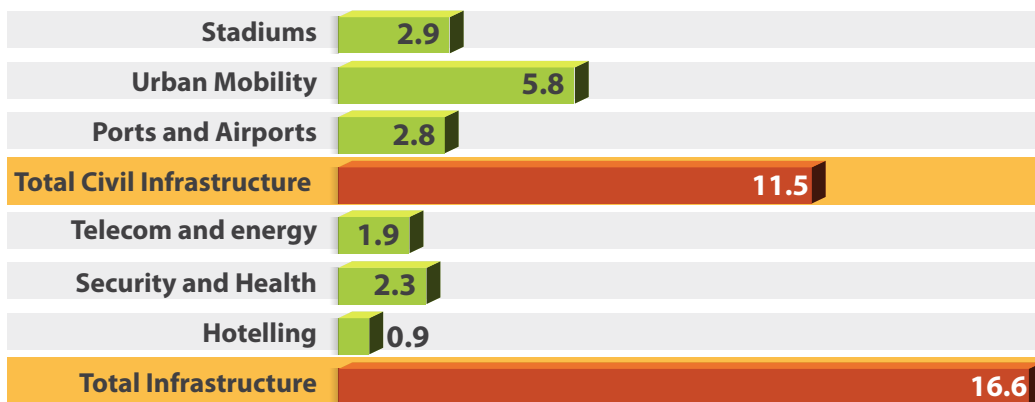
* Includes estimated investment in regional airports

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Logistics & Planning Company (EPL), Energy Research Company (EPE), Ministry of Mining and Energy (MME) and Ministry of Finance
Produced by: Ministry of Finance

World Cup 2014: investments in infrastructure

In US\$ billion



Olympics 2016: US\$ 6.3 billion in infrastructure*

* Estimate

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Ministry of Sports and Portal da Transparência

Produced by: Ministry of Finance



Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Capital Market Instruments

Ministry of
Finance



Financial Products of the New Capital Market

How can non-resident investors negotiate debt securities and funds in Brazil?

CMN Resolution 2,689 of year 2000, which rules on investments by non-resident investors in the financial and capital markets of investment, provides for all necessary information.

• More Info:



CMN Resolution 2,689

<https://www3.bcb.gov.br/normativo/detalharNormativo.do?method=detalharNormativo&N=100014927>

*Produced by: Ministry of Finance and
Brazilian Development Bank (BNDES)*

Financial Products of the New Capital Market

• Debêntures de Investimento e Certificados de Recebíveis Imobiliários (CRI)

Definition	Benefits for non-resident investors*	Minimum Requirements
Brazilian Private Sector Long-Term Bonds And Real-Estate Receivables Certificate	<ul style="list-style-type: none"> • Zero Income Tax rate (IR); and • Zero Tax on Financial Operations (IOF). 	<ul style="list-style-type: none"> • Weighted average term of over four years; • Remuneration by fixed rate, or linked to price index or TR- referential tax. Total or partial use of post-fixed interest rates are forbidden. • No repurchase by the issuer or related party, in the first two years after issuing, as well as the redemption of that bond before its due date, except in cases to be regulated by the National Monetary Council (CMN); • Proof that the security is registered in clearing houses duly authorized by the Central Bank of Brazil or the CVM (Brazilian SEC); and • Simplified procedure to demonstrate the purpose of allocating the proceeds into the future payment or reimbursement of expenses, costs or liabilities related to investment projects, including those aimed at RD&I. • No resale commitment undertaken by the buyer; • Periodic payment for yields, if any, must be least 180 days apart;

*In the case of investments from countries which are not subject to an income tax rate of 20% or more ("tax havens"), the above mentioned tax benefits do not apply.

Produced by: Ministry of Finance and Brazilian Development Bank (BNDES)

Financial Products of the New Capital Market

• Fundos de Investimento em Direitos Creditórios (FDIC)

Definition	Benefits for non-resident investors	Minimum Requirements
Credit Rights Investment Funds	<ul style="list-style-type: none"> • Zero Income Tax rate (IR); and • Zero Tax on Financial Operations (IOF). 	<ul style="list-style-type: none"> • The fund must have a minimum term of six years; • No full or partial payment for the main quotas during the first two years counted as of the closing date of the public offering of quotas that make up the initial assets of the fund, except in cases of early settlement of the fund provided for in its regulations; • No acquisition of quotas by their seller or transferor or by parties related to them, except in the case of quotas whose class is subordinated to the others for purposes of repayment and redemption; • Deadlines for partial redemption of quotas, including those from incorporated income, if any, must be at least one hundred eighty days apart; • Proof that the quotas are admitted to trading on an organized securities market or registered in a registry system duly authorized by the Central Bank of Brazil or the CVM (Brazilian SEC) under their respective areas of competence; • Simplified procedure to demonstrate the purpose of allocating the proceeds of the transaction to investment projects, including those focused on research, development and innovation; and • Mandatory presence of the following in the assignment agreement, regulations and the prospectus, if any, in manner to be determined by the CVM: <ul style="list-style-type: none"> • The goal of the beneficiary project or projects; • Estimated beginning and end times, or the description of the current phase and estimated end time for ongoing projects; • Estimated volume of financial resources required to carry out the uninitiated project or projects or for the completion of ongoing projects; and • Estimated percentage of resources to recapture with the sale of receivables compared to the financial resource requirements of the beneficiary projects. • At least eighty-five percent of equity represented by receivables, and the remaining portion by federal government securities, repurchase agreements backed by government bonds or quotas from mutual funds that invest in federal government bonds.

Produced by: Ministry of Finance and
Brazilian Development Bank (BNDES)

Financial Products of the New Capital Market

• Debêntures de Infraestrutura

Definition	Benefits for non-resident investors	Minimum Requirements								
<p>Brazilian Infrastructure Bonds</p>	<ul style="list-style-type: none"> • Zero Income Tax rate (IR); and • Zero Tax on Financial Operations (IOF). 	<ul style="list-style-type: none"> • Must be issued between January 2011 and December 2015. • Weighted average term of over four years; • Remuneration by fixed rate, or linked to price index or TR- referential tax. Total or partial use of post-fixed interest rates are forbidden. • No repurchase by the issuer or related party, in the first two years after issuing, as well as the redemption of that bond before its due date, except in cases to be regulated by the National Monetary Council (CMN); • Proof that the security is registered in clearing houses duly authorized by the Central Bank of Brazil or the CVM (Brazilian SEC); and • Simplified procedure to demonstrate the purpose of allocating the proceeds into the future payment or reimbursement of expenses, costs or liabilities related to investment projects, including those aimed at RD&I. • No resale commitment undertaken by the buyer; • Periodic payment for yields, if any, must be least 180 days apart; <p>Approval of Projects:</p> <ul style="list-style-type: none"> • According to the Decree, priority investment projects are those focused in infrastructure or in economic production that are RD&I-intensive and that: • Have been approved by the Ministry responsible for that sector through issuance of an approval Ordinance • Focus on deployment, expansion, maintenance, recovery, adaptation or modernization processes in the following sectors: <table border="1" data-bbox="635 826 965 927"> <tr> <td>• Logistics and transportation</td> <td>• Broadcasting</td> </tr> <tr> <td>• Urban mobility</td> <td>• Basic sanitation and</td> </tr> <tr> <td>• Power</td> <td>• Irrigation</td> </tr> <tr> <td>• Telecommunications</td> <td></td> </tr> </table> <ul style="list-style-type: none"> • Are managed and implemented by an SPE incorporated for this purpose. • Are issued by a utility provider or grantee or by an accredited utility company. 	• Logistics and transportation	• Broadcasting	• Urban mobility	• Basic sanitation and	• Power	• Irrigation	• Telecommunications	
• Logistics and transportation	• Broadcasting									
• Urban mobility	• Basic sanitation and									
• Power	• Irrigation									
• Telecommunications										

Produced by: Ministry of Finance and Brazilian Development Bank (BNDES)

Financial Products of the New Capital Market

• Fundos de Debêntures Incentivados

Definition	Benefits for non-resident investors	Minimum Requirements
Brazilian Infrastructure Bonds Investment Funds	<ul style="list-style-type: none"> • Zero Income Tax rate (IR); and • Zero Tax on Financial Operations (IOF). 	<ul style="list-style-type: none"> • Investments in Brazilian Infrastructure Bonds, as previously defined, must correspond to at least 67% of the Fund portfolio within the first two years and at least 85% in the remaining years. • Fund of Funds (FIC) investments in the previous funds must correspond to at least 67% of the FIC portfolio within the first two years and at least 95% in the remaining years.

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Brazilian Development Bank (BNDES)

Financial Products of the New Capital Market

• More Info (useful links):



Law 12,431 of year 2011

http://www.planalto.gov.br/ccivil_03/_Ato2011-2014/2011/Lei/L12431.htm



CMN Resolution 3,974 of year 2011

http://www.bcb.gov.br/pre/normativos/res/2011/pdf/res_3947_v1_0.pdf



Law 12,715 of year 2012

http://www.planalto.gov.br/ccivil_03/_Ato2011-2014/2012/Lei/L12715.htm#art71



Decree 7,632 of year 2011

Decree 7,632/11
http://www.planalto.gov.br/ccivil_03/_Ato2011-2014/2011/Decreto/D7632.htm



Brazilian Financial and Capital Markets Association

<http://portal.anbima.com.br/Pages/home.aspx>

Produced by: Ministry of Finance and
Brazilian Development Bank (BNDES)




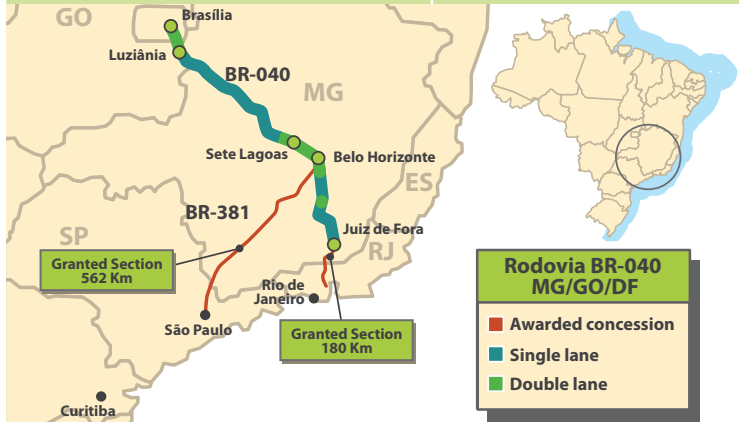
Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Highways

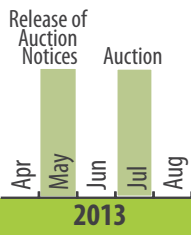
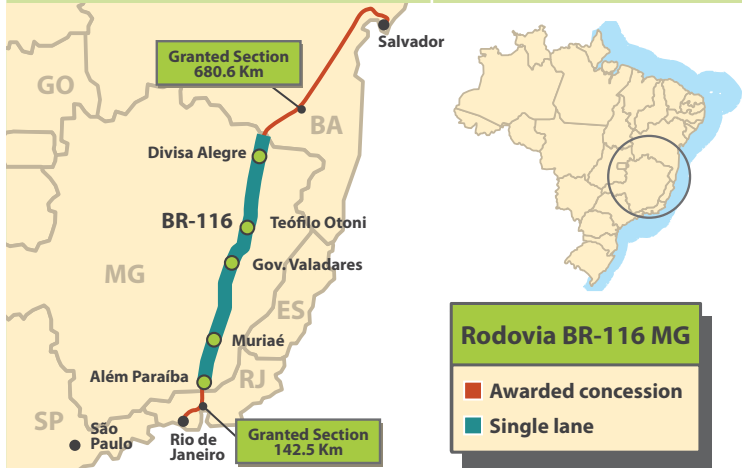
Ministry of
Finance



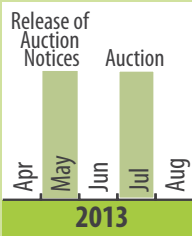
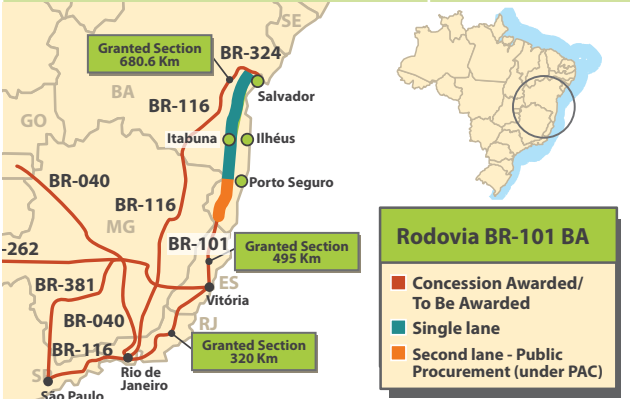
Concession: Highway BR-040 (MG/GO/DF)

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-040, Juiz de Fora (MG) – Entry point of BR-251 (Brasília - DF) • Total Length: 937 km • Length to widened: 715 km (222 km already widened) <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned to happen, including the construction of side roads between Luziania and Brasilia.</p>	<p>AADT 2011: 8,400 veh/day (61% light vehicles)</p> <p>Connects two important economic centers in Brazil - Rio de Janeiro and Belo Horizonte - to the fourth most populous city and the highest GDP per capita in the country - Brasilia. It is the main route for supply of coal to steel parks.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 11 toll plazas • Total Investment Estimate: US\$ 3.35 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.6 billion • Year 6 to Year 25: US\$ 1.75 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* ≥ 1,2 • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
			

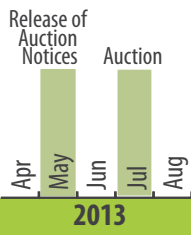
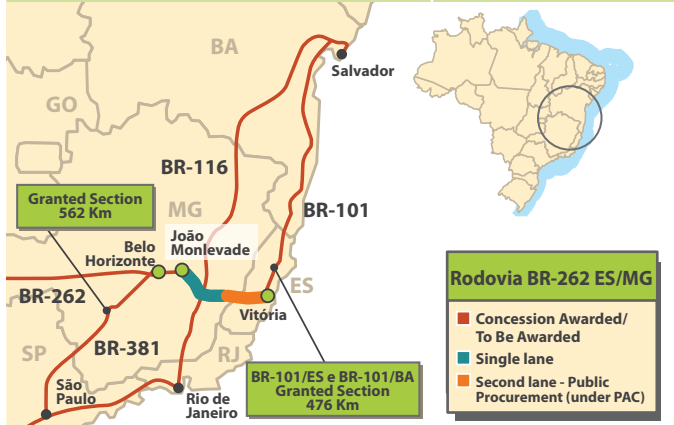
Concession: Highway BR-116 (MG)

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-116, RJ/MG Boundary (Além Paraíba) - MG/BA Boundary (Divisa Alegre) • Total Length: 817 km • Length to widened: 817 km <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned, including the construction of 27 km of side roads.</p>	<p>AADT 2011: 7,100 veh/day (56% light vehicles)</p> <p>Connects two important economic centers in Brazil - Rio de Janeiro and Salvador – across eastern Minas Gerais.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 8 toll plazas • Total Investment Estimate: US\$ 2.5 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.4 billion • Year 6 to Year 25: US\$ 1.1 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <p>2013</p> <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</small></p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
			

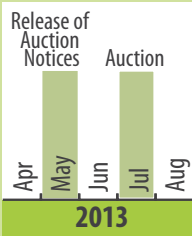
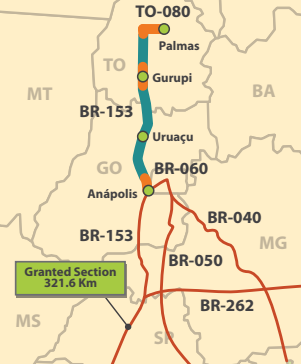

Concession: Highway BR-101 (BA)

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-101, Entry Point of BA-698 (Mucuri) – Entry Point of BR-324/BA • Total Length: 772 km • Length to widened: 547 km (225 km, widening under the PAC) <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned to happen, including the construction of 67 km of side roads.</p>	<p>AADT 2012: 5,900 veh/day (72% light vehicles)</p> <p>Connects the southern coast of Bahia to the states of Espírito Santo and Rio de Janeiro. BR-101 is a very important road connecting the northeast with the southeast and southern regions along the coastal line, where lives a great share of Brazilian population. Important ports are also connected by this road.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 9 toll plazas • Total Investment Estimate: US\$ 1.8 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.2 billion • Year 6 to Year 25: US\$ 0.6 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</small></p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
 <div data-bbox="472 824 711 1016"> <p>Rodovia BR-101 BA</p> <ul style="list-style-type: none"> ■ Concession Awarded/ To Be Awarded ■ Single lane ■ Second lane - Public Procurement (under PAC) </div>			

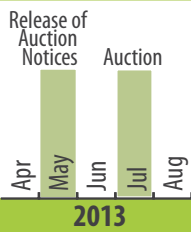
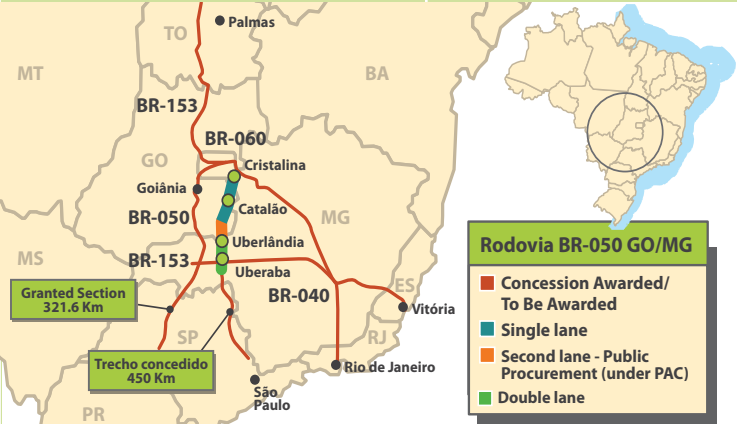
Concession: Highway BR-262 (ES/MG)

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-262, Entry Point of BR-381 (J. Monlevade) – Entry Point of BR-101/ES • Total Length: 377 km • Length to widened: 196 km (181 km, widening under the PAC) <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned to happen, including the construction of a beltway and 13 km of side roads.</p>	<p>AADT 2012: 6,000 veh/day (74% light vehicles)</p> <p>The state of Minas Gerais (MG) has the third largest population in Brazil. This road gives access to the ports of the state of Espírito Santo, the main gateway to MG exports and imports, constituting an alternative route for the flow of mining production.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 5 toll plazas • Total Investment Estimate: US\$ 0.85 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 0.5 billion • Year 6 to Year 25: US\$ 0.35 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</small></p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
 <div data-bbox="534 840 750 1008"> <p>Rodovia BR-262 ES/MG</p> <ul style="list-style-type: none"> ■ Concession Awarded/ To Be Awarded ■ Single lane ■ Second lane - Public Procurement (under PAC) </div>			

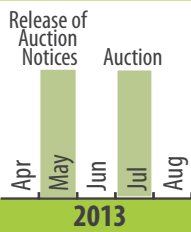
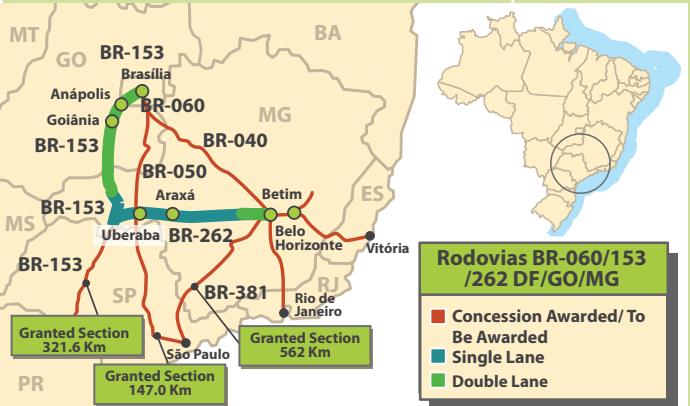
Concession: Highway BR-153 (GO/TO) and TO-080

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-153, Anápolis (Entry Point of BR-060/GO) - Entry Point of TO-080; TO-080, Entry Point of BR-060/GO- Palmas • Total Length: 814 km • Length to widened: 786 km (28 km already widened) <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned, including the construction of 10 km of side roads.</p>	<p>AADT 2012: 8,500 veh/day (59% light vehicles)</p> <p>Connects Palmas, Goiânia and the southeast of the country, crossing a major Brazilian agricultural pole. Palmas is the geographical center of the country, with the vocation to become an important hub. BR-153 is the main road to reach the city of Manaus from other regions, benefiting from the heavy traffic of Manaus Free Zone, which concentrates Brazilian electronic production, among other important industries.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 11 toll plazas • Total Investment Estimate: US\$ 2.4 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.55 billion • Year 6 to Year 25: US\$ 0.85 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <p>2013</p> <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</small></p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
  <div data-bbox="411 866 622 1018"> <p>Rodovia BR-153 GO/TO</p> <ul style="list-style-type: none"> ■ Concession Awarded/ To Be Awarded ■ Single lane ■ Second lane - Public Procurement (under PAC) </div>			

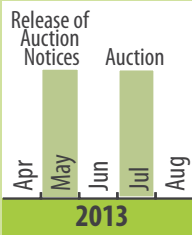


Concession: Highway BR-050 (GO/MG)

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-050, Entry Point of BR-040/GO (Cristalina) – Border w/ MG/SP • Total Length: 426 km • Length to widened: 219 km (139 km already widened; 68 km under PAC widening) <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned to happen, including the construction of 9 km of side roads.</p>	<p>AADT 2012: 8,400 veh/day (60% light vehicles)</p> <p>Connects Brasília, the state of São Paulo and the South Region of the country, crossing an important agricultural and wholesale retail center - the Minas Gerais triangle.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 6 toll plazas • Total Investment Estimate: US\$ 1.15 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 0.65 billion • Year 6 to Year 25: US\$ 0.5 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</small></p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
			

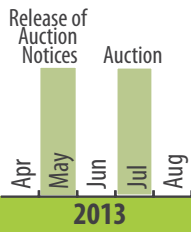


Concession: Highways BR-060/153/262 (DF/GO/MG)

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-060, Entry Point of BR-251 (DF) – Entry Point of BR-153/GO; BR-153, Entry Point of BR-060/GO – Entry Point of Br-262/MG; BR-262, Entry Point of BR-153/ MG – Entry Point of BR-381 (Betim) • Total Length: 1,177 km • Length to widened: 648 km (529 km already widened) <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned, including the construction of 27 km of side roads and beltway in Goiânia.</p>	<p>AADT 2012: 14,500 veh/day (71% light vehicles)</p> <p>Connects Brasília, Goiânia, Uberaba and Belo Horizonte, crossing a major Brazilian agricultural pole.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 11 toll plazas • Total Investment Estimate: US\$ 3.05 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.8 billion • Year 6 to Year 25: US\$ 1.25 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p><i>* DSCR - Debt Service Coverage Ratio</i> <i>** TJLP - Long Term Interest Rate, currently 5% p.a.</i> <i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
			

Concession: Highways BR-163/267/262 (MS)

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-163, Border w/ MT/MS – Border w/ MS/PR; BR-262 MS; BR-267 MS • Total Length: 1,423 km • Length to widened: 1,383 km (40 km already widened) <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned, including the construction of beltways in 5 cities and 44 km of side roads.</p>	<p>AADT 2012: 5,800 veh/day (62% light vehicles)</p> <p>Connects Cuiabá, Campo Grande and the Southeast/South Regions of Brazil, constituting an alternative route for the flow of Brazilian agricultural production.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 16 toll plazas • Total Investment Estimate: US\$ 4.35 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 3.2 billion • Year 6 to Year 25: US\$ 1.15 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* ≥ 1,2 • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p><i>* DSCR - Debt Service Coverage Ratio</i> <i>** TJLP - Long Term Interest Rate, currently 5% p.a.</i> <i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
	 <p>Rodovias BR-163 /267/262 MS</p> <ul style="list-style-type: none"> ■ Concession Awarded/ To Be Awarded ■ Single Lane ■ Double Lane 		

Concession: Highway BR-163 (MT)

Physical description	Demand	Financial aspects	Project requirements
<ul style="list-style-type: none"> • Section: BR-163, Sinop – Border w/ MT/MS • Total Length: 822 km • Length to widened: 435 km (55 km already widened; 332 km under PAC widening) <p>The project includes widening, maintenance and operation of the highway. Other widening projects are also planned, including 20 km of beltway (in 5 different cities) and 44 km of side roads.</p>	<p>AADT 2012: 8,500 veh/day (53% light vehicles)</p> <p>Connects Sinop, Cuiabá, Campo Grande and the North/Southeast/South Regions of Brazil, crossing an important Brazilian agricultural production.</p>	<ul style="list-style-type: none"> • Concession Term: 30 years • 9 toll plazas • Total Investment Estimate: US\$ 2.35 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.1 billion • Year 6 to Year 25: US\$ 1.25 billion • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 30 years • Grace period: up to 5 years • Interest rate: TJLP** + up to 1.5% p.a. • Estimated Leveraged IRR: 9% p.a. to 15% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Equipment • Services • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest toll rate <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</small></p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
  <div data-bbox="502 784 790 1012"> <p>Rodovia BR-163 MT</p> <ul style="list-style-type: none"> ■ Concession Awarded/ To Be Awarded ■ Single lane ■ Second lane - Public Procurement (under PAC) ■ Double lane </div>			






Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Railways




Ministry of
Finance






Concession: São Paulo Rail Beltway (“Ferroanel”)

Physical Description	Demand	Financial Aspects	Project Requirements
<p>Section: Jundiaí-Manuel Feio; Ribeirão Pires - Evangelista de Souza; Accessways to Santos</p> <p>Extension: 245 km</p>	<p>Allows offsetting the transportation of cargo and passengers from other means of transportation in the São Paulo Metropolitan Region and optimizes railway access to Santos</p> <ul style="list-style-type: none"> • 8 train pairs/day in 2030: 39 mi. tu. 	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 2.40 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.76 billion • Year 6 to Year 30: US\$ 0.64 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the <i>debt/equity</i> ratio used 	<ul style="list-style-type: none"> • Equity • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest price <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a. In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</small></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
  <div data-bbox="571 852 823 1011"> <p>Concession of Ferroanel SP</p> <ul style="list-style-type: none"> ■ Northern Ferroanel ■ Southern Ferroanel ■ MRS zone ■ ALL zone ■ CPTM </div>			




Concession: Lucas do Rio Verde - Uruaçu - Palmas - Anápolis

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: Lucas R. Verde - Uruaçu - Palmas - Anápolis • Extension: 1,920 km 	<p>Interconnects Brazil's Midwest Region to the Southeast and Northeast</p>	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 5.10 billion <ul style="list-style-type: none"> • Year 1 ao Year 5: US\$ 2.05 billion • Year 6 ao Year 30: US\$ 3.05 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the <i>debt/equity</i> ratio used 	<ul style="list-style-type: none"> • Equity • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest price <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a. In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</small></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
		 <p>Concession for Lucas do Rio Verde - Uruaçu - Palmas - Anápolis</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway terminal 	


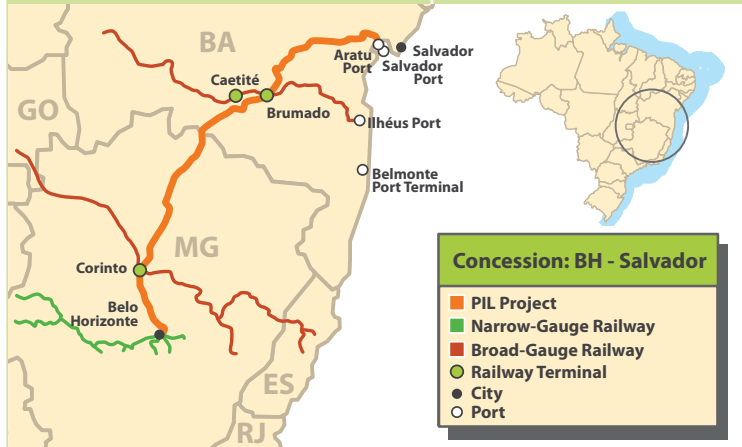
Concession: Açailândia - Vila do Conde

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: Açailândia - Vila do Conde • Extension: 480 km 	<p>Interconnects the Midwest Region to the North and the port of Vila do Conde</p> <ul style="list-style-type: none"> • 4 train pairs/day in 2030: 29.3 mi. tu. • Cargo: 63% Iron Ore; 26% Other metals 	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 2.15 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.30 billion • Year 6 to Year 30: US\$ 0.85 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest price <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a. In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</small></p> <p><i>Source: National Logistics & Planning Company (EPL)</i> Produced by: Ministry of Finance</p>
		 <div data-bbox="520 761 798 1016"> <p>Concession: Açailândia - Vila do Conde</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway Terminal ● City ○ Port </div>	


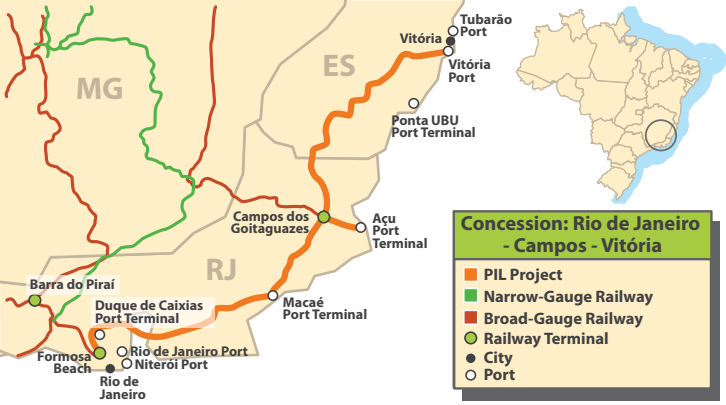
Concession: Anápolis - Panorama - Dourados

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: Anápolis – Dourados • Extension: 1,294 km 	<p>Connects the North South Railway to the South/Southeast Regions</p>	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 4.0 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.75 billion • Year 6 to Year 30: US\$ 2.25 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the <i>debt/equity</i> ratio used 	<ul style="list-style-type: none"> • Equity • Schedule 
	 <div data-bbox="555 824 826 1005" style="border: 1px solid black; padding: 5px;"> <p>Concession: Anápolis - Panorama - Dourados</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway Terminal ● City </div>	<ul style="list-style-type: none"> • Winning Bidder: lowest price <p><small>* DSCR - Debt Service Coverage Ratio</small> <small>** TJLP - Long Term Interest Rate, currently 5% p.a.</small></p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p><i>Source: National Logistics & Planning Company (EPL)</i> Produced by: Ministry of Finance</p>	




Concession: Belo Horizonte - Salvador

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: Belo Horizonte - Salvador • Extension: 1,651 km 	<p>Creates new possibilities for transport of general cargo between the southeast and northeast regions, refocusing on the use of railways to the development of the internal market</p> <ul style="list-style-type: none"> • 10 train pairs/day in 2030: 66.2 mi. tu. • Cargo: 34% Iron Ore; 22% Oil 	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 6.3 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 3.4 billion • Year 6 to Year 30: US\$ 2.9 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Schedule 
 <div data-bbox="520 804 815 1009" style="border: 1px solid black; padding: 5px;"> <p>Concession: BH - Salvador</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway Terminal ● City ○ Port </div>			<ul style="list-style-type: none"> • Winning Bidder: lowest price <p>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a. <i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>


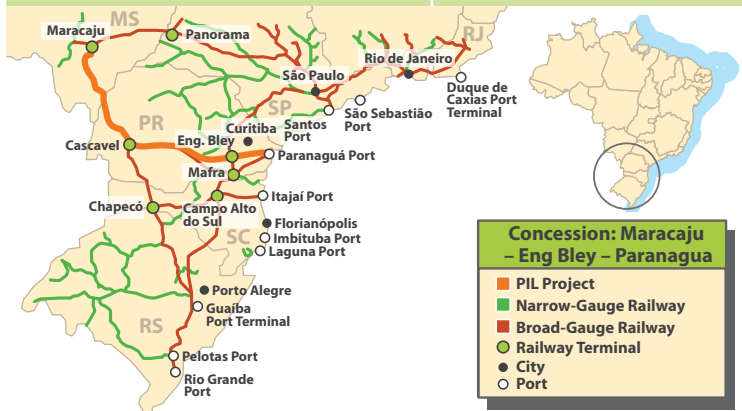
Concession: Rio de Janeiro - Campos - Vitória

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: Rio de Janeiro - Campos - Vitória • Extension: 634 km 	<p>Integrates the port of Rio de Janeiro and its Terminals to the Ports of Vitória e Tubarão, creating new logistic possibilities for the movement of cargo.</p> <ul style="list-style-type: none"> • 10 train pairs/day in 2030: 75.5 mi. tu. • Cargo: 74% Iron Ore; 11% Coal 	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 3.0 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 1.9 billion • Year 6 to Year 30: US\$ 1.1 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest price <p>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
 <div data-bbox="552 822 815 1011" style="border: 1px solid black; padding: 5px;"> <p>Concession: Rio de Janeiro - Campos - Vitória</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway Terminal ● City ○ Port </div>			



Concession: Uruaçu - Corinto - Campos

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: Uruaçu – Corinto – Campos • Extension: 1,730 km 	<p>Creates new possibilities for the transport of minerals from the state of Minas Gerais,</p> <ul style="list-style-type: none"> • 12 train pairs/day in 2030: 80.1 mi. tu. • Cargo: 72% Ore; 5% Soybean 	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 9.05 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 6.0 billion Year 6 to Year 30: US\$ 3.05 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the debt/equity ratio used 	<ul style="list-style-type: none"> • Equity • Schedule 
<div style="display: flex; align-items: flex-start;">  <div style="margin-left: 20px;">  <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Concession: Uruaçu – Corinto – Campos</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway Terminal ● City ○ Port </div> </div> </div>			
<ul style="list-style-type: none"> • Winning Bidder: lowest price <p>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>			



Concession: Maracaju - Eng Bley - Paranaguá

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: Maracaju – Eng. Bley – Paranaguá • Extension: 1,012 km 	<p>Revitalizes rail access to the port of Paranaguá</p> <ul style="list-style-type: none"> • 4 train pairs/day in 2030: 29.5 mi. tu. • Cargo: 47% Ore; 15% Soybean 	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 5.16 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 3.40 billion • Year 6 to Year 30: US\$ 1.76 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the <i>debt/equity</i> ratio used 	<ul style="list-style-type: none"> • Equity • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest price <p>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
 <div data-bbox="568 824 823 1016" style="border: 1px solid black; padding: 5px;"> <p>Concession: Maracaju – Eng Bley – Paranaguá</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway Terminal ● City ○ Port </div>			

Concession: São Paulo - Rio Grande

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: São Paulo – Rio Grande • Extension: 1,800 km 	<p>Creates new logistical possibilities for the flow of cargo through the north region of the country</p> <ul style="list-style-type: none"> • 5 train pairs/day in 2030: 27.1 mi. tu. • Cargo: 18% Soybean; 16% Petroleum Derivatives 	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 6.50 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 3.35 billion • Year 6 to Year 30: US\$ 3.15 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the <i>debt/equity</i> ratio used 	<ul style="list-style-type: none"> • Equity • Schedule  <ul style="list-style-type: none"> • Winning Bidder: lowest price <p>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>
 <div data-bbox="564 826 823 1015" style="border: 1px solid black; padding: 5px;"> <p>Concession: São Paulo – Rio Grande</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway Terminal ● City ○ Port </div>			

Concession: Salvador - Recife

Physical Description	Demand	Financial Aspects	Project Requirements
<ul style="list-style-type: none"> • Section: Salvador – Recife • Extension: 1,200 km 	<p>Modernizes the northeastern railway network, linking the major ports and markets</p> <ul style="list-style-type: none"> • 6 train pairs/day in 2030: 34 mi. tu. • Cargo: 31% Petroleum, Chemicals and Derivatives; 15% Soybean 	<ul style="list-style-type: none"> • Concession Term: 35 years • Total Investment Estimate: US\$ 5.35 billion <ul style="list-style-type: none"> • Year 1 to Year 5: US\$ 3.25 billion • Year 6 to Year 30: US\$ 2.10 billion • Credit Conditions: <ul style="list-style-type: none"> • Leverage: up to 80%, should observe DSCR* $\geq 1,2$ • Credit term: up to 35 years • Grace period: up to 5 years • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 9.26% pa to 12.5% p.a., dependent on the <i>debt/equity</i> ratio used 	<ul style="list-style-type: none"> • Equity • Schedule 
 <div data-bbox="568 818 799 1015"> <p>Concession Salvador - Recife</p> <ul style="list-style-type: none"> ■ PIL Project ■ Narrow-Gauge Railway ■ Broad-Gauge Railway ● Railway Terminal ● City ○ Port </div>		<ul style="list-style-type: none"> • Winning Bidder: lowest price <p>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</p> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL) Produced by: Ministry of Finance</p>	



Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Ports

Ministry of
Finance

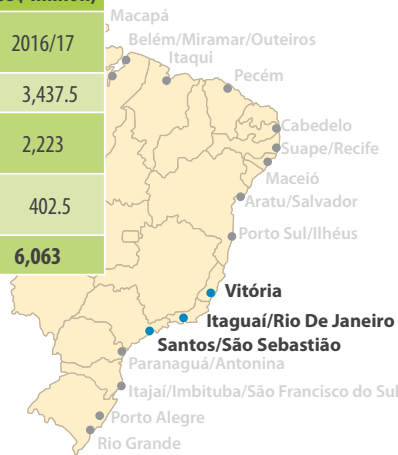


Private Investments in the Southeast Region

Profile of the Region

- **4 states:** São Paulo, Rio de Janeiro, Espírito Santo and Minas Gerais
- Most industrialized region of the country and largest consumer market
- Concentrates containers market, mainly in the ports of Santos (SP) and Rio de Janeiro (RJ)
- Very important bulk solids activity in Itaguaí (RJ) and in the Vitória region (ES)
- Concentrates offshore oil activity in the Campos and Santos basins

Southeast		Investments (US\$ million)	
		2014/15	2016/17
ES	Vitória	3,256	3,437.5
RJ	Itaguaí/Rio de Janeiro	3,526.5	2,223
SP	Santos/São Sebastião	1,472	402.5
Total		8,254.5	6,063



In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Logistics & Planning Company (EPL)

Produced by: Ministry of Finance

Private Investments in the Southeast Region

Concession of the Águas Profundas Port (ES)

- Full concession for construction of a deep water port in Espírito Santo
- **Types of cargo:** containers and bulk solids
- **Total estimated investment:** US\$ 1.45 bn by 2017
- **Concession Term:** 25 years, renewable for the same period

Leases of port facilities in the Southeast Region

- Biddings for 44 operational areas within public ports
- **Release of action notices:** four lots between June and September/ 2013
- **Auctions:** four lots between November/2013 and February/ 2014
- **Types of cargo:**
 - Containers - 20 terminals - estimated investment US\$ 650 million
 - Bulk Solids - 10 terminals - estimated investment US\$ 1.1 bn
 - Bulk Liquids - 12 terminals - estimated investment US\$ 650 million
 - Offshore support - 2 terminals - estimated investment US\$ 153.5 million
- **Term for the Leases:** 25 years, renewable for the same period
- **Bidding Criteria:** Largest flow capacity and lowest price
- There will be no charge for the award

Release of Auctions Notices					Auctions			
Jun	Jul	Aug	Sep	Out	Nov	Dec	Jan	Feb
2013					2014			

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Logistics & Planning Company (EPL)

Produced by: Ministry of Finance

Private Investments in the Northeast Region

Profile of the Region

- **9 states:** Bahia, Sergipe, Alagoas, Pernambuco, Paraíba, Rio Grande do Norte, Ceará, Piauí and Maranhão
- **Region receives important logistical investments:** Transnordestina Railroad and Oeste-Leste Railroad
- Integration of the ports of Suape and Pecém to the railroad network for receipt of inputs from the Midwest Region.
- Important movement of ore at the Port of Itaqui, in Maranhão

Northeast		Investments (US\$ million)	
		2014/15	2016/17
MA	Itaqui	1,361	936
BA	Aratu/Salvador/Porto Sul/Ilhéus	647.5	1,380
PE	Recife/Suape	707	263.5
CE	Pecém	612	-
PB	Cabedelo	53.5	-
AL	Maceió	6	-
Total		3,387	2,579.5

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Logistics & Planning Company (EPL)

Produced by: Ministry of Finance

Private Investments in the Northeast Region

Concession of the Ilhéus Port (BA)

- Full concession for new investments in and operation of the port of Ilhéus (south of Bahia)
- **Types of cargo:** general cargo, passengers and bulk solid
- **Total investment estimated:** US\$ 50 million by 2017
- **Concession Term:** 25 years, renewable for the same period

Leases of port facilities in the Northeast Region

- Biddings for 48 operational areas within public ports
- **Release of action notices:** four lots between June and September/ 2013
- **Auctions:** four lots between November/2013 and February/2014
- **Types of cargo:**
 - Containers - 15 terminals - estimated investment US\$ 900 million
 - Bulk Solids - 14 terminals - estimated investment US\$ 600 million
 - Bulk Liquids - 19 terminals - estimated investment US\$ 372 million
- **Term for the Leases:** 25 years, renewable for the same period
- **Bidding Criteria:** Largest flow capacity and lowest price
- There will be no charge for the award

Release of Auctions Notices					Auctions			
Jun	Jul	Aug	Sep	Out	Nov	Dec	Jan	Feb
2013							2014	

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Logistics & Planning Company (EPL)

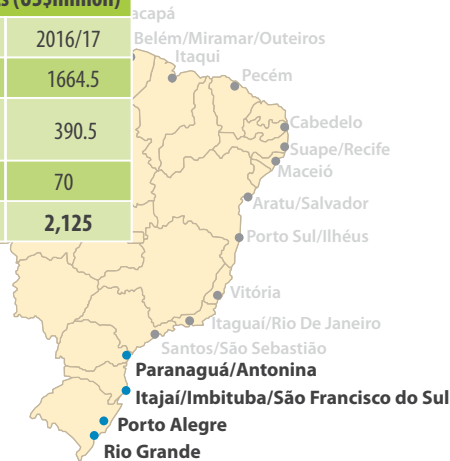
Produced by: Ministry of Finance

Private Investments in the South Region

Profile of the Region

- **3 states:** Paraná, Santa Catarina and Rio Grande do Sul
- Region with high levels of agricultural production
- Important flow of agricultural bulk materials from the Midwest region, particularly in the Port of Paranaguá (PR)
- Important movement of containers throughout the region, particularly in the ports of Rio Grande, Paranaguá and Itajaí

South		Investments (US\$million)	
State	Ports	2014/15	2016/17
PR	Paranaguá/Antonina	519	1664.5
SC	Imbituba/Itajaí/São Francisco do Sul	671.5	390.5
RS	Porto Alegre	491	70
Total		1,681.5	2,125



In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Logistics & Planning Company (EPL)

Produced by: Ministry of Finance

Private Investments in the South Region

Concession of the Port of Imbituba (SC)

- Full concession for new investments in and operation of the port of Imbituba (state of Santa Catarina)
- **Types of cargo:** general cargo and bulk solids
- **Total investment estimated:** US\$ 50 million by 2017
- **Concession Term:** 25 years, renewable for the same period

Leases of port facilities in the South Region

- Biddings for 39 operational areas within public ports
- **Release of action notices:** four lots between June and September/ 2013
- **Auctions:** four lots between November/2013 and February/ 2014
- **Types of cargo:**
 - Containers - 16 terminals - estimated investment US\$ 650 million
 - Bulk Solids - 18 terminals - estimated investment US\$ 750 million
 - Bulk Liquids - 5 terminals - estimated investment US\$ 200.5 million
- **Term for the Leases:** 25 years, renewable for the same period
- **Bidding Criteria:** Largest flow capacity and lowest price
- There will be no charge for the award

Release of Auctions Notices					Auctions			
Jun	Jul	Aug	Sep	Out	Nov	Dec	Jan	Feb
2013							2014	

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

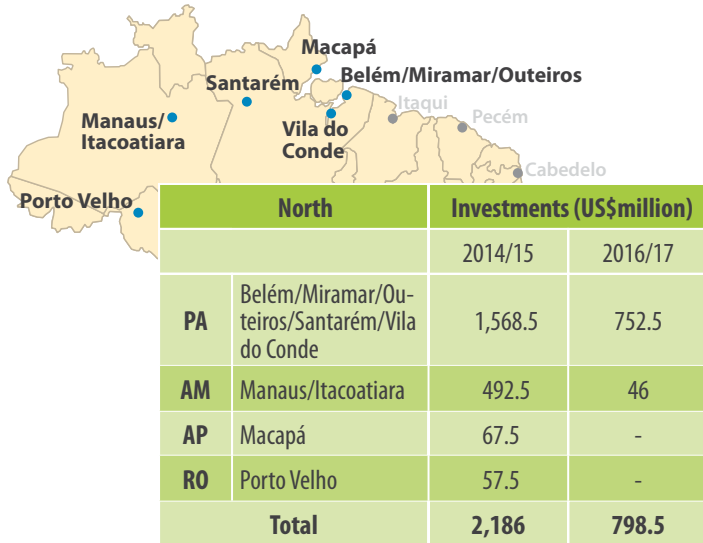
Source: National Logistics & Planning Company (EPL)

Produced by: Ministry of Finance

Private Investments in the North Region

Profile of the Region

- **7 states:** Tocantins, Pará, Amapá, Roraima, Amazonas, Acre and Rondônia
- Region with high agricultural and mineral exploration potential
- Important Industrial region in the Zona Franca de Manaus (AM)
- Integration of the ports of Belém/Vila do Conde to the railway network through the Norte Sul Railroad, enabling the flow of products from various regions of the country



In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Logistics & Planning Company (EPL)

Produced by: Ministry of Finance

Private Investments in the North Region

Concession of the Port of the Manaus (AM) Industrial Pole

- Full concession for construction of a new port in the state of Amazonas
- Region concentrates around 600 industrial facilities - particularly producing electronics and motorcycles
- **Types of cargo:** containers
- **Total investment estimated:** US\$ 200 million by 2017
- **Concession Term:** 25 years, renewable for the same period

Leases of port facilities in the North Region

- Biddings for 27 operational areas within public ports
- **Release of action notices:** four lots between June and September/ 2013
- **Auctions:** four lots between November/2013 and February/ 2014
- **Types of cargo:**
 - Containers - 3 terminals - estimated investment US\$ 750 million
 - Bulk Solids - 9 terminals - estimated investment US\$ 900 million
 - Bulk Liquids - 15 terminals - estimated investment US\$ 5.15 bn
- **Term for the Leases:** 25 years, renewable for the same period
- **Bidding Criteria:** Largest flow capacity and lowest price
- There will be no charge for the award

Release of Auctions Notices					Auctions			
Jun	Jul	Aug	Sep	Out	Nov	Dec	Jan	Feb
2013							2014	

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Logistics & Planning Company (EPL)

Produced by: Ministry of Finance



Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

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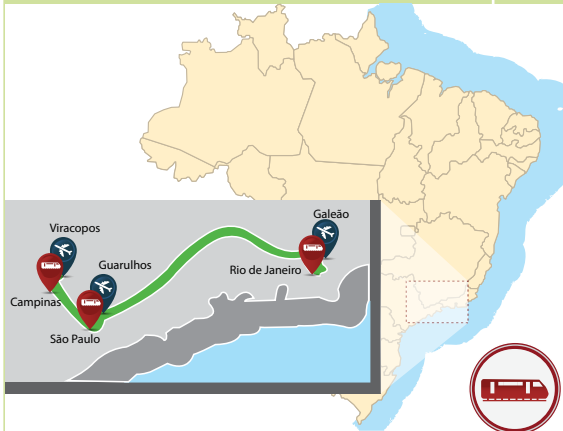
High Speed Train (TAV)

Ministry of
Finance



High-Speed Train (TAV) Rio de Janeiro - São Paulo - Campinas 1st Phase

Physical Description	Demand	Financial Aspects	Project Requirements																								
<p>Section: Rio de Janeiro – São Paulo – Campinas</p> <p>Extension: 511 km</p> <p>The High-Speed Train Rio de Janeiro – Campinas will be the first high speed rail service in Brazil. The first phase includes the concession of the operation and maintenance of the system, supply and assembly of operational (signalling, electrification and telecommunication) and safety systems, rolling stock and acoustic protection, and technology transfer.</p>	<p>Potential demand:</p> <ul style="list-style-type: none"> • 43,000 (2020); 63,500 (2030); 88,800 (2040); 99,000 (2050) <p>It connects the two most populated metropolis in Brazil, passing through three of the main airports, crossing the most important economic region of the country.</p>	<ul style="list-style-type: none"> • Concession Term: 40 years • CAPEX: US\$ 3.53 billion <ul style="list-style-type: none"> • 70% of CAPEX: financing • 30% of CAPEX: equity <ul style="list-style-type: none"> • Public: USD 476.5 million • Private: USD 582.5 million • Credit conditions: <ul style="list-style-type: none"> • Leverage: up to 70%, limited to US\$ 3,38 billion, should observe DSCR* $\geq 1,2$ • Credit term: up to 30 years • Grace period: 6 months after completion • Interest rate: TJLP** + 1% p.a. • Estimated Leveraged IRR: 11.57% p.a. • Tax benefits: ICMS, PIS, COFINS and REIDI <p><small>* DSCR - Debt Service Coverage Ratio ** TJLP - Long Term Interest Rate, currently 5% p.a.</small></p>	<ul style="list-style-type: none"> • Equity • Equipment • Rolling stock • Schedule <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Brazilian Court of Audit (TCU) and Public Hearings</p> <table border="1"> <tr> <td>Sep</td><td>Oct</td><td>Nov</td><td>Dec</td><td>Jan</td><td>Aug</td> </tr> <tr> <td colspan="3" style="text-align: center;">2012</td> <td colspan="3" style="text-align: center;">2013</td> </tr> </table> <p style="text-align: right;">Formulation of Poposals</p> </div> <div style="border: 1px solid black; padding: 5px;"> <table border="1"> <tr> <td>Sep</td><td>Oct</td><td>Nov</td><td>Dec</td><td>Jan</td><td>Feb</td> </tr> <tr> <td colspan="3" style="text-align: center;">2013</td> <td colspan="3" style="text-align: center;">2014</td> </tr> </table> <p style="text-align: right;">Contract Signing</p> </div> <p><i>In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00</i></p> <p>Source: National Logistics & Planning Company (EPL)</p> <p>Produced by: Ministry of Finance</p>	Sep	Oct	Nov	Dec	Jan	Aug	2012			2013			Sep	Oct	Nov	Dec	Jan	Feb	2013			2014		
Sep	Oct	Nov	Dec	Jan	Aug																						
2012			2013																								
Sep	Oct	Nov	Dec	Jan	Feb																						
2013			2014																								



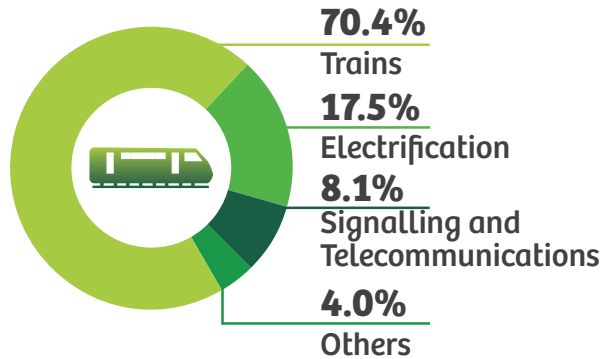
High Speed Train (TAV) Rio de Janeiro - São Paulo - Campinas 1st Phase

• TAV Investments (US\$ billion)- 1st Phase

High Speed Train (TAV)

Phase 1: US\$ 3.53 billion*

* Estimated data from 2008, subject to changes.



In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Agency for Road Transport (ANTT)
Produced by: Ministry of Finance



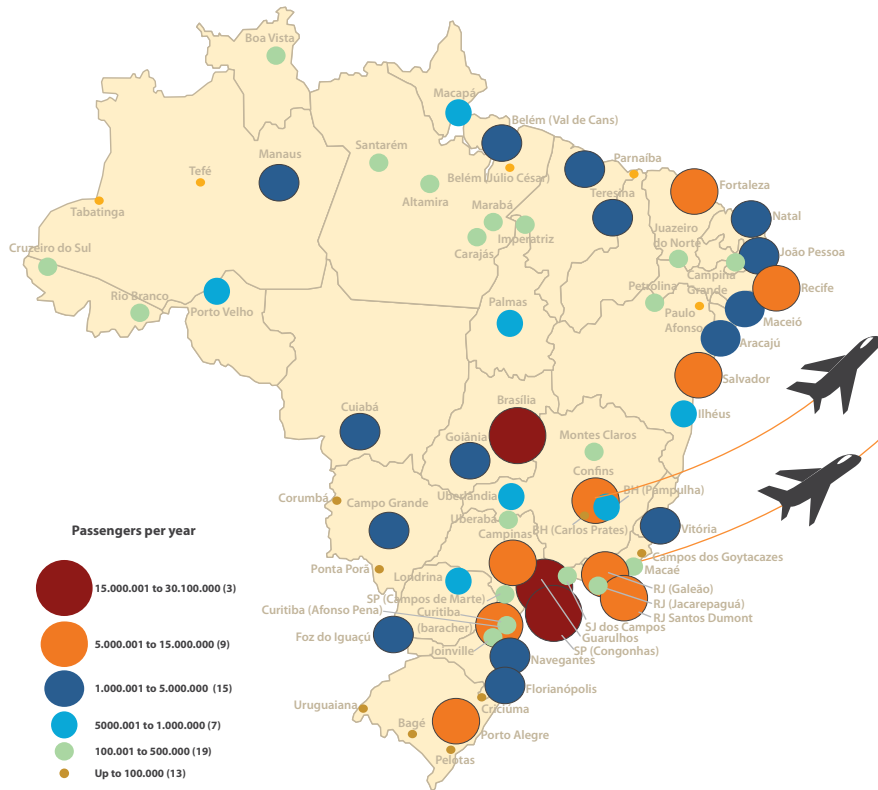
Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Airports

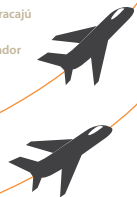
Ministry of
Finance



Major Brazilian Airports

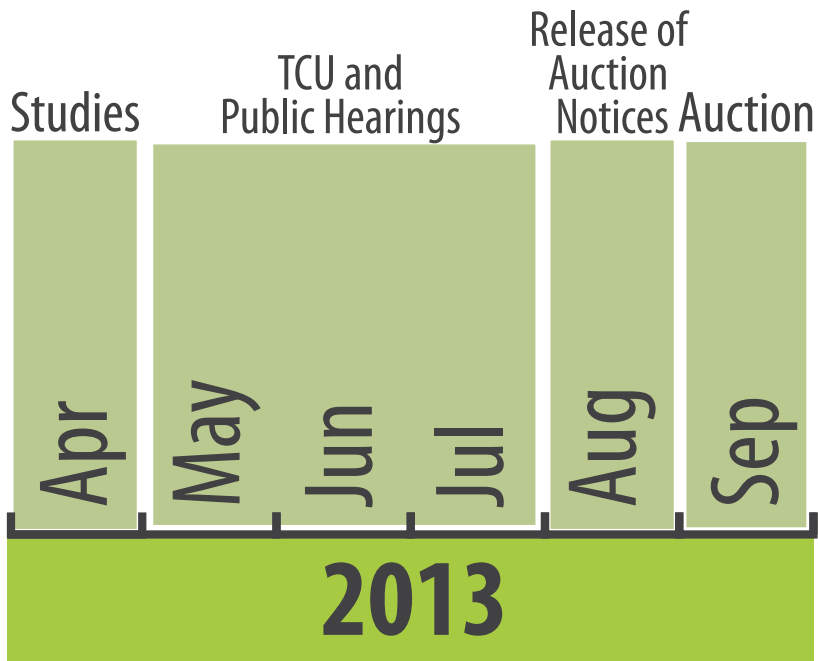


Concessions to be granted :
 Galeão (Rio de Janeiro)
 Confins (Belo Horizonte)



Source: Civil Aviation Secretariat (SAC)
Produced by: Ministry of Finance

Schedule for the concessions of the Galeão and Confins airports



*TCU- Federal Court of Auditors

Source: Civil Aviation Secretariat (SAC)

Produced by: Ministry of Finance

Galeão - Summary chart



Galeão - Summary Chart

Airport Area: 17,881,697m².

Area for Apron: 712,895 m².

Aircraft Capacity:

- T1: 19 boarding gates + 12 remote positions;

- T2: 19 boarding gates + 12 remote positions;

- 15 positions for cargo aircraft.

Passenger Terminals:

Capacity: 17.4 million Pass/Yr.

Area: T1 - 147,834 m²;

T2 - 132,847 m².

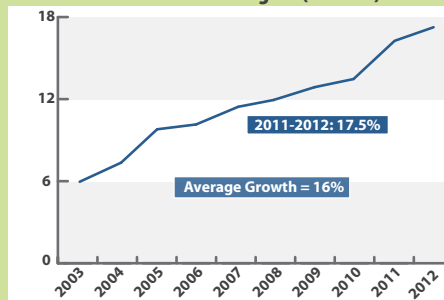
Parking: 4,310 parking spaces.

Cargo Terminal: 46,500 m².

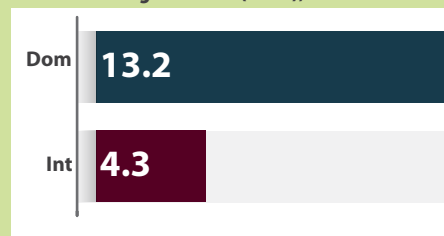
Cargo Movements: 87,876 ton.

Staff Employees: 958.

Number of Passengers (million)



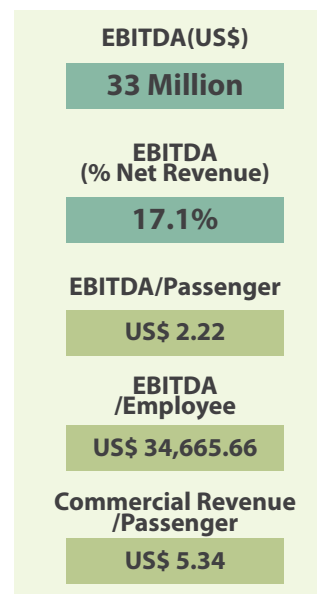
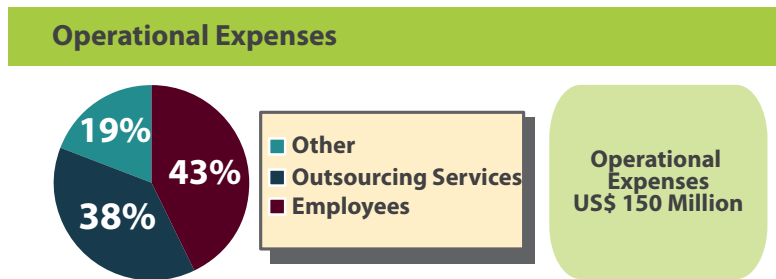
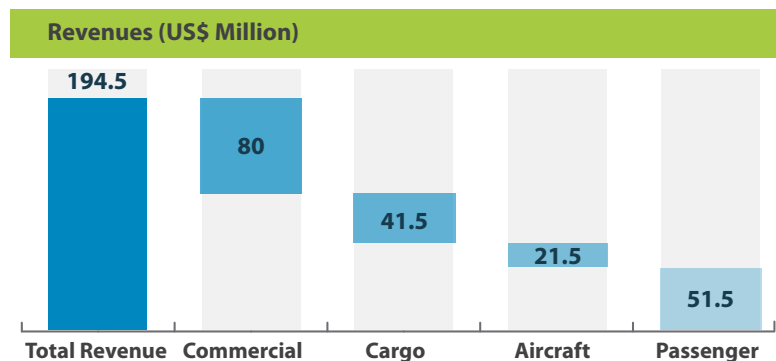
Passenger Profile (2012), in million



Source: Civil Aviation Secretariat (SAC)

Produced by: Ministry of Finance

Galeão - Financial profile*



* Preliminary projections: yearly estimates in US\$ of 2011

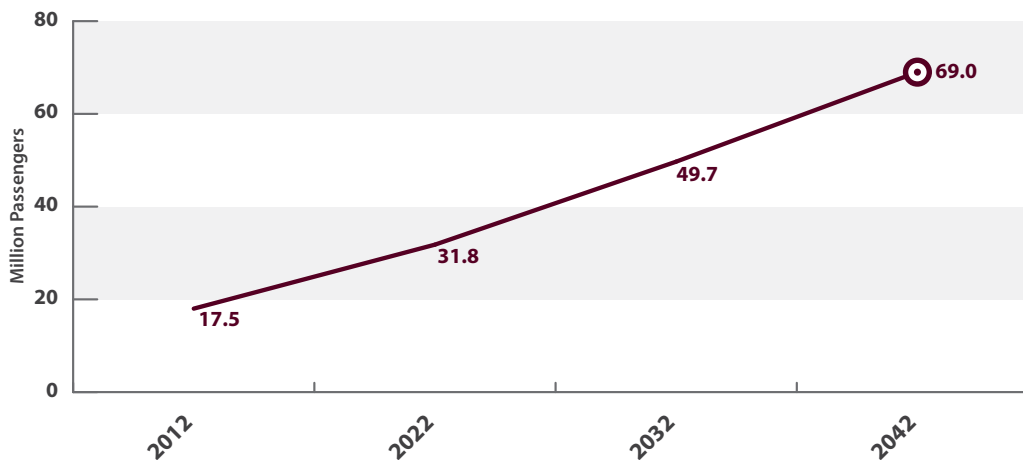
In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Civil Aviation Secretariat (SAC)

Produced by: Ministry of Finance

Galeão- Estimated demand*

Passengers/Year	2012	2022	2032	2042
Galeão	17,500,000	31,750,849	49,725,180	68,978,123



**Preliminary projections: passengers demand and financial feasibility studies will be concluded in April 2013.*

Source: Civil Aviation Secretariat (SAC)
Produced by: Ministry of Finance

Confins - Summary chart



Confins - Summary Chart

Airport Area: 15,010,000 m²

Area for Apron: 211,437 m²

Aircraft Capacity:

Apron 1: 9 boarding gates + 9 remote positions;

Apron 2: 7 positions for general aviation + 1 helipad;

Apron 3: 2-4 positions for general aviation

Passenger Terminal:

Capacity: 10.3 million Pass/Year.

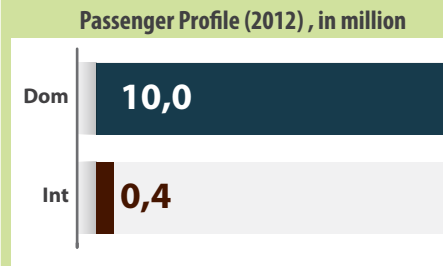
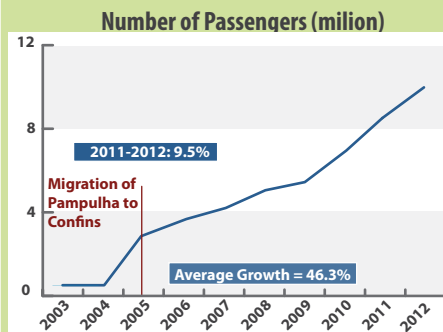
Area: T1 - 60,305 m².

Vehicle Parking : 2,005 parking spaces.

Cargo Terminal: 9,880 m².

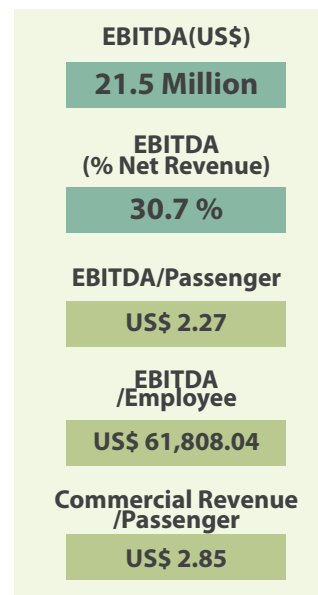
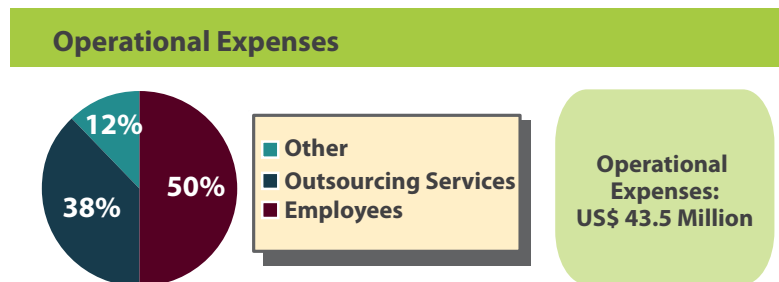
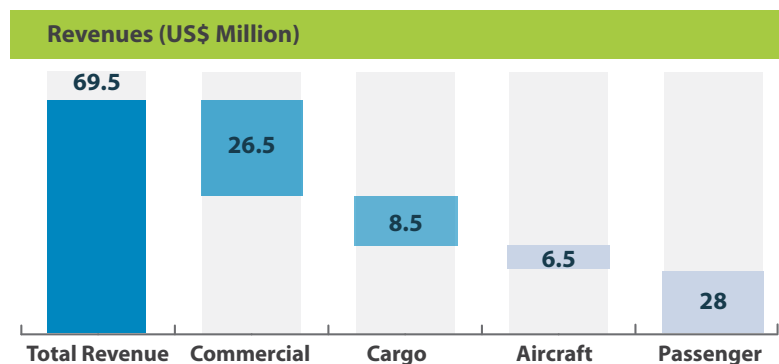
Cargo Movements: 27,163 ton.

Staff Employees: 344.



*Source: Civil Aviation Secretariat (SAC)
Produced by: Ministry of Finance*

Confins - Financial profile*



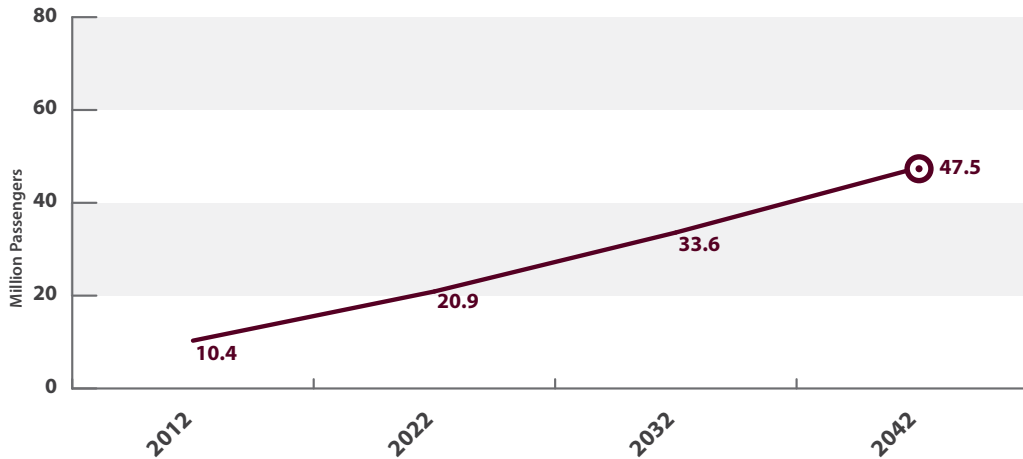
* Preliminary projections: yearly estimates in US\$ of 2011

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Civil Aviation Secretariat (SAC)
Produced by: Ministry of Finance

Confins - Estimated demand*

Passengers/Year	2012	2022	2032	2042
Confins	10,400,000	20,910,421	33,618,650	47,484,943



** Preliminary projections: passengers demand and financial feasibility studies will be concluded in April 2013.*

Source: Civil Aviation Secretariat (SAC)
Produced by: Ministry of Finance



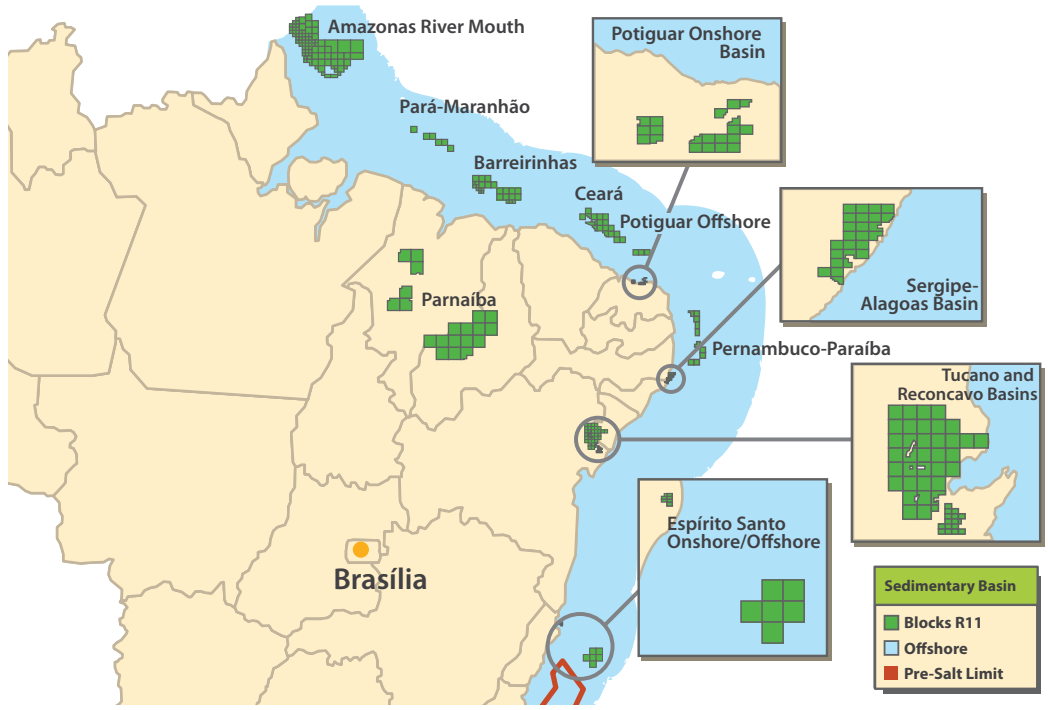
Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Oil and Gas

Ministry of
Finance



11th Round - Areas to be Offered



Source: National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Ministry of Mines and Energy (MME)
Produced by: Ministry of Finance

11th Round - Areas to be Offered

Sedimentary basin	State	Number of Blocks	Area (km ²)
Sergipe-Alagoas onshore	AL	25	733,16
Foz do Amazonas	AP	97	44,500.08
Pernambuco-Paraíba	PB	5	2,991.92
	PE	5	3,299.37
Tucano Sul	BA	36	6,455.19
Espírito Santo offshore	ES	6	4,328.40
Espírito Santo onshore	ES	6	178.73
Recôncavo	BA	16	474.5
Ceará	CE	11	7,388.32
Potiguar offshore	CE	8	5,791.51
	RN	2	1,534.76
Potiguar onshore	RN	20	587.7
Barreirinhas	MA	26	13,073.63
Pará-Maranhão	MA	4	3,077.18
	PA	2	1,538.50
Parnaíba (onshore)	PI	14	42,143.81
	MA	6	17,716.36
TOTAL (13)	12	289	155,813.12

Source: National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Ministry of Mines and Energy (MME)
Produced by: Ministry of Finance

11th Round - Concession System

- **Auction Scheduled for May 14th and 15th, 2013**
- **Concession of areas under rules and terms established by Law 9,478/1997**
- **Bidding judgement criteria:**
 - Signature Bonus (40%) - Minimum for each block in the Auction Notice
 - Minimum Exploratory Program (40%)
 - Local Content (20%) - Minimum and maximum values in Auction Notice
- **Government take:**
 - Royalties - 10%
 - Special Participation in large fields - Rules in Decree 2,705/1998
- **Clearance and information in the ANP website**
 - <http://www.brasil-rounds.gov.br/>

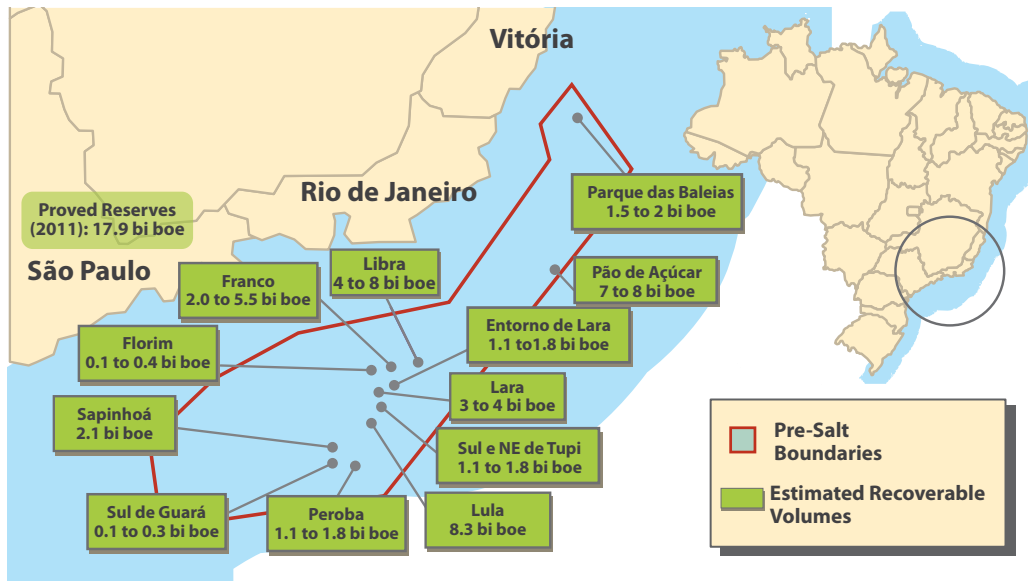
Source: National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Ministry of Mines and Energy (MME)
Produced by: Ministry of Finance

11th Round - Schedule

Event	Date
Approval of Sectors and Blocks for the 11th Round by the CNPE	January 11, 2013
Initial date for submission of documents, Manifestations of Interest, Qualification and Clearance	January 24, 2013
Publication of Preliminary Auction Notice, Draft Contract and Preliminary Areas	January 24, 2013
Provision of Data Packet and Beginning of Public Consultation	January 25, 2013
Deadline for contributions - end of public consultation	February 4, 2013
Public Hearing	February 19, 2013
Publication of Auction Notice and Draft Concession Agreement	March 11, 2013
Technical-Environmental and Legal-Fiscal Seminars	March 18 and 19, 2013
Deadline for submission of documents, Manifestations of Interest, Qualification, Clearance and payment of participation fees	March 26, 2013
Deadline for submission of bid guarantees	April 26, 2013
Submission of Bidding s	May 14 and 15, 2013
Celebration of Concession Contracts	August 2013

Source: National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Ministry of Mines and Energy (MME)
Produced by: Ministry of Finance

Brazil Pre-Salt layer - Bidding under production sharing regime



• At the Pre-Salt evaluated areas expected recoverable volumes could reach twice the actual proved reserves.

Source: National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Ministry of Mines and Energy (MME)
Produced by: Ministry of Finance

1st Round of production sharing - Pre-Salt layer

• Grant of areas according to Law 12,351/2010

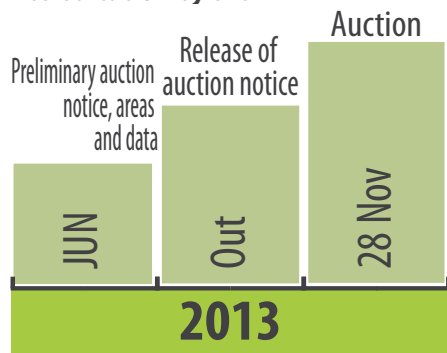
- Areas of the Pre-Salt layer for bid are in the final studies stage
- Petrobras will operate with minimum 30% participation
- Signature Bonus, Local Content and Minimum Exploration Program informed in the Auction Notice

• Criteria for selection of bids:

- Highest Government take on profit oil

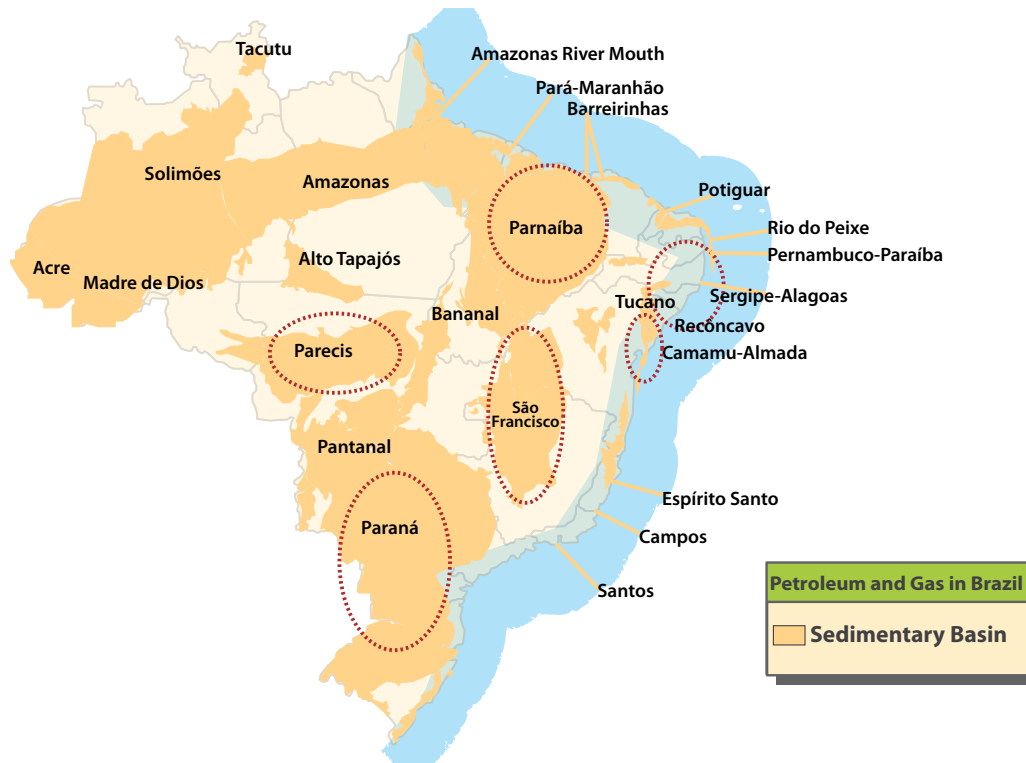
• Government take: 15% royalties

• Accreditation by the ANP



Source: National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Ministry of Mines and Energy (MME)
Produced by: Ministry of Finance

Areas with potential for non-conventional resources



Source: National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Ministry of Mines and Energy (MME)
Produced by: Ministry of Finance

12th Concession round - Unconventional resources

- **Date for bidding: December 11 and 12/2013**
- **Bidding judgement criteria:**
 - Signature Bonus (% TBD)
 - Minimum Exploration Program (% TBD)
 - Local Content (% TBD)
- **Government take:**
 - Royalties - between 5 and 10%
 - Special Participation in large fields (TBD)
- Requirements for operators, minimum exploration program and environmental/regulatory issues (TBD)
- **Main basins being studied:** Paraná, São Francisco, Parecis, Sergipe/Alagoas, Parnaíba and Recôncavo

Source: National Agency of Petroleum, Natural Gas and Biofuels (ANP) and Ministry of Mines and Energy (MME)
Produced by: Ministry of Finance



Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Electricity

Ministry of
Finance



Power Auctions

• Modalities

- New Energy Auctions A-3 and A-5: servicing expected demand growth
- Reserve auctions: ensuring greater security of supply
- Structuring Project Auctions: special conditions

• Bidders

- Public or private companies
- National or foreign companies

• Winners

- The lowest bid
- Winners of the new energy auctions sign long-term contracts (15 to 30 years) with distributors and receive concessions (in the case of hydropower plants)

• Indexation

- IPCA

• Financing

- Use of the PPA (Power Purchase Agreement) as collateral for project financing by the BNDES

• Risk mitigation

- Only projects with prior environmental licenses are auctioned off

IPCA - Broad Consumer Price Index

Source: Energy Research Office (EPE)

Produced by: Ministry of Finance

Main technical requirements for participation in the power auctions

- A project's technical and environmental viability must be ensured to participate in the power auction
- **Several requirements must be met to prove viability, such as:**

Type	ANEEL Registry	Prior Environmental License	Access Information	Energy Production Certification	Proof of Right of Local Use	Proof of Availability	Water Use Grant
Wind Power Plant	X	X	X	X	X		
Hydroelectric Plant (HPP and small Hydro)	X	X	X				X
Thermoelectric Plant (Biomass an fossil)	X	X	X		X	X	X

HPP - Hydro Power Plant

ANEEL - National Electricity Agency

Source: Energy Research Office (EPE)

Produced by: Ministry of Finance

Main financial requirements for participating in power auctions and for signing power contracts

• Bid guarantees due to ANEEL

- For each project eligible to participate in the auction, bidders must submit bid guarantees due to ANEEL
 1. For Projects without grants: 1% of the investment value
 2. For Projects with grants: US\$ 1,000 per lot of energy to be offered (1 lot = 0.1 average MW)

• Assurance of Faithful Execution of Contract

- The auction winners must collect 5% of the investment value declared to the EPE
- The warranties will decrease in value as the construction phase of the power plant advances

Average MW (MWm) – Energy Unit
(8,760 MWh over an yearly period)

*In January 2013, the exchange rate was
approximately US\$ 1 = R\$ 2.00*

Source: Energy Research Office (EPE)

Produced by: Ministry of Finance

BNDES FINEM Financial Aspects

Hydro Power Plant (HPP)	Thermal Power Plant (TPP)	Wind, Biomass and Small Hydro
<ul style="list-style-type: none"> • Current credit conditions: • Leverage: up to 70%; should observe DSCR * \geq 1.2 • Credit term: up to 25 years • Grace period: up to 5 years • Interest rate: TJLP**+0.9%+risk spread 	<ul style="list-style-type: none"> • Current credit conditions: • Leverage: up to 70% (50% coal or oil); should observe DSCR * \geq 1.2 • Credit term: up to 18 years • Grace period: up to 4 years • Interest rate: TJLP**+0.9% (1.8% coal or oil) +risk spread 	<ul style="list-style-type: none"> • Current credit conditions: • Leverage: up to 80%; should observe DSCR * \geq 1.2 • Credit term: up to 19 years • Grace period: up to 3 years • Interest rate: TJLP**+0.9%+risk spread

(*) DSCR: debt service coverage ratio
(**) TJLP: Long Term Interest Tax, currently 5.0%

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Bank of Economic and Social Development (BNDES) – Consultation in Jan/2013

Produced by: Ministry of Finance

Power Auctions: Main Results

• Consolidated results of new energy auctions from 2005 to 2012

Number of Auctions	Projects	Capacity (MW)	Investment (US\$ billion)
23	490	60,892	115

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Power Auctions: Main Results

• December 2012 Auction

Type	Bid Capacity (MW)	Bid Guarantees	
		Number of Participants	Total Amount (US\$ million)
Wind Power Plant	6,714	264	117
HPP	988	5	82
Small Hydro	50	4	1
Biomass	300	2	5
Gas	368	2	6
Total	8,420	277	211

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Hydropower Expansion: Auctions from 2013 to 2017

Auction	Hydropower Plant	River/State	Capacity (MW)	Total Capacity (MW)	Estimated Investments (US\$ billion, constant prices, Dec/2012)
2013	SINOP	Teles Pires/ MT	400	1,407	3.1
	Davinópolis	Paranaíba/ MG-GO	74		
	São Manoel	Teles Pires/ MT- PA	700		
	Apertados	Piquiri/ PR	136		
	Ercilândia	Piquiri/ PR	97		
2014	S Luíz Tapajós (*)	Tapajós/PA	6,133	7,241	12.2
	Água Limpa	Das mortes/ MT	380		
	Comissário	Piquiri/ PR	105		
	Foz Piquiri	Piquiri/ PR	101		
	Telêmaco Borba	Tibagi/ PR	109		
	Paranhos	Chopim/PR	63		
	Tabajara	Ji-Paraná/RO	350		
2015	Jatobá	Tapajós/PA	2,336	3,249	6.2
	Castanheira	Arinos/ MT	192		
	Itapiranga	Uruguai/SC-RS	721		
2016	Torixoréu	Araguaia/ GO-MT	408	1,117	2.7
	Bem Querer	Branco/ RR	709		

(*) Can be pushed back to 2013

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Hydropower Expansion: Auctions from 2013 to 2017

Auction	Hydropower Plant	River/State	Capacity (MW)	Total Capacity (MW)	Estimated Investments (US\$ billion) - dec/2012
2017	Riacho Seco	S. Francisco / PE-BA	276	8,407	15.8
	Salto Augusto Baixo	Juruena/ MT-AM	1,461		
	S. Simão Alto	Juruena/ MT-AM	3,509		
	Pompeu	S. Francisco / MG	209		
	Marabá	Tocantins / PA-MA	2,160		
	Prainha	Aripuanã/ AM	792		
Total				21,421	40

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

**Estimated Investment in
HPP to be auctioned
US\$ 40 billion**

Hydropower Expansion: Auction in 2013



HPP São Manoel	
Capacity	700 MW
Generating Units	5
Turbine	KAPLAN
Estimated Investment	US\$ 1.2 billion

HPP Sinop	
Capacity	400 MW
Generating Units	3
Turbine	KAPLAN
Estimated Investment	US\$ 1.0 billion

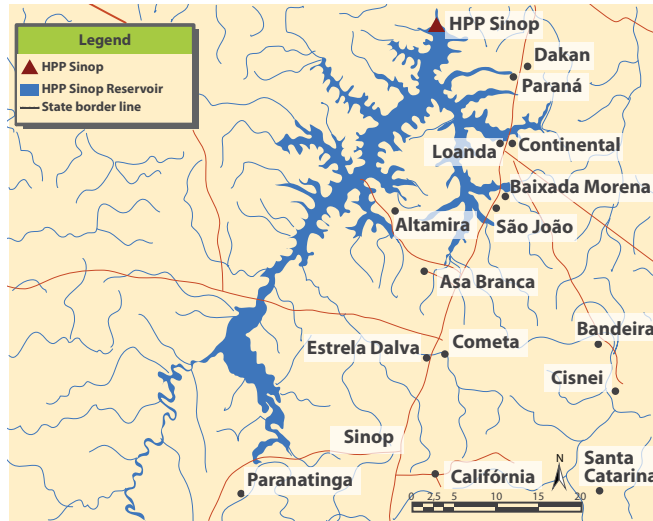
In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

HPP Sinop - Factsheet

Estimated Investment
US\$ 1.0 billion

- Teles Pires River – MT/PA
- Capacity: 400 MW
- Firm Energy: 214 average MW
- Number of generating units: 3
- Gross Head: 30.11 m
- Spillway Crest: 304 m
- Max normal water level (reservoir): 300 m
- Min normal water level (reservoir): 294 m
- Normal water level downstream: 269.89 m
- Minimum Flow: 333.8 m³/s
- Reservoir Area (normal water levels) ~ 330 km²
- Volume of reservoir (normal water levels) ~ 3 km³
- Residence time of the reservoir: 36 days



In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

HPP São Manoel - Factsheet

Estimated Investment
US\$ 1.2 billion

- Teles Pires River
- Capacity: 700 MW
- Firm Energy: 400 average MW
- Number of generating units: 5
- Gross Head: 23.9 m
- Spillway Crest: 165 m.
- Max normal water level (reservoir): 161 m
- Normal water level downstream: 138.2 m
- Reservoir Area (normal water levels) ~ 70.8 km²

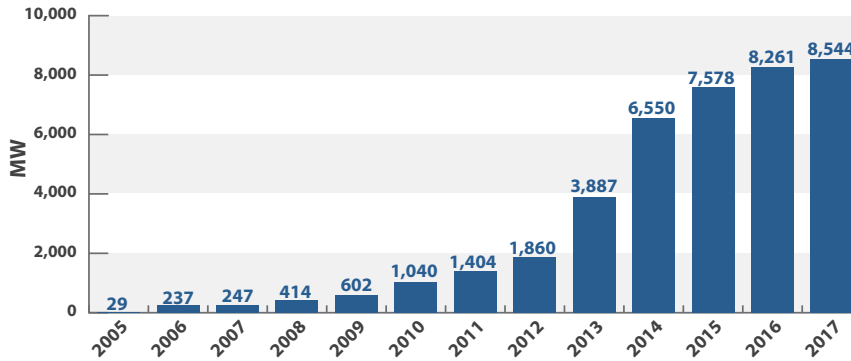


In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

The development of wind power in Brazil

• Operating and contracted capacity



• To be contracted in 2013-2017 auctions

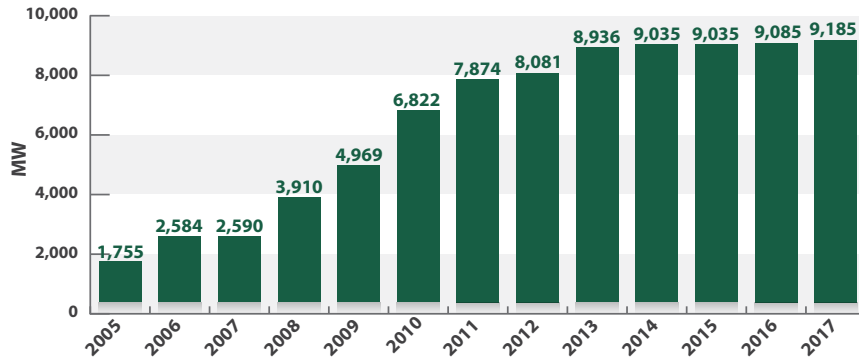
Capacity (MW)	Investment (US\$ billion)
5,720	11.9

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

The development of bioelectricity in Brazil

• Operating and contracted capacity



• To be contracted in 2013-2017 auctions

Capacity (MW)	Investment (US\$ billion)
3,160	3.5

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Other energy sources to be contracted in 2013 - 2017 auctions

• Small hydropower plants

Capacity (MW)	Investment (US\$ billion)
1,170	3.6

• Natural gas-fired thermal power stations

Capacity (MW)	Investment (US\$ billion)
1,500	1.5

• Additional expansions depend on the effective exploration of unconventional gas

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

*Source: Energy Research Office (EPE)
Produced by: Ministry of Finance*

Power to be contracted in the auctions from 2013 to 2017

Sources	Capacity (MW)	Investment (US\$ billion)
Hydro	21,421	40.0
Other Renewable Sources (Wind, Biomass and Small Hydro)	10,050	19.0
Natural Gas	1,500	1.5
TOTAL	32,971	60.5

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)

Produced by: Ministry of Finance

Transmission Line Auctions

• Bidders

- Legal Entities: National or Foreign
- Equity Funds: alone or in a consortium

• Clearance

- Clearance after auctions and publication of winning bids

• Winners

- The bidder with the lowest Allowed Annual Revenue (RAP)
- Winners will sign long-term contracts (30 years)

• Regulated contracts

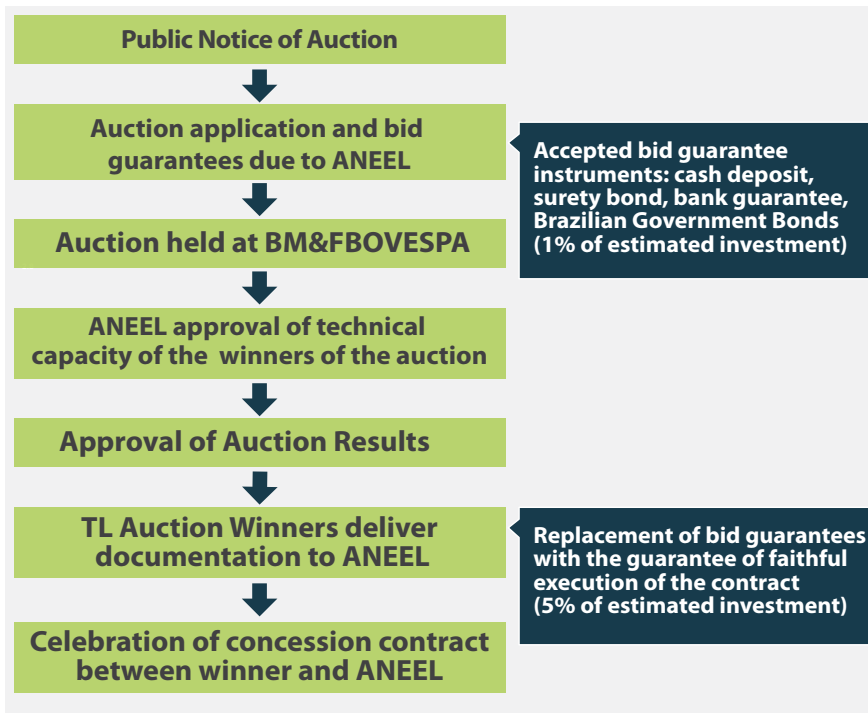
- Indexation by IPCA
- Contracts submitted to the Periodic Rate Reviews

• Financing

- RAP as collateral for financing by the BNDES

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Transmission Line Auctions: Sequence of Events



Source: Energy Research Office (EPE)

Produced by: Ministry of Finance

BNDES FINEM Financial Aspects

- Access to financing available to national and international companies with head offices and management in Brazil, and legal entities of public law
- **Current credit conditions:**
 - Leverage: up to 70%; should observe DSCR * ≥ 1.2
 - Credit term: up to 17 years
 - Grace period: up to 3 years
 - Interest rate: TJLP**+1.3%+risk spread

* DSCR: debt service coverage ratio

**TJLP: Long Term Interest Tax,
currently 5.0%

Source: Energy Research Office (EPE)

Produced by: Ministry of Finance

Transmission Line Past Auctions: Main Results

• Consolidated results of auctions from 2000 to 2012

Number of Auctions	Length (km)	Investment (US\$ billion) (*)
24	51,000	16

* current values

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: National Electricity Agency (ANEEL)

Produced by: Ministry of Finance

Transmission Line Auction of Dec, 2012: Main Results

- Number of applicants: 15 (includes state-owned companies, private groups, 4 foreign groups, and equity funds)
- Total TL tendered: 3,822 Km
- Estimated investment: US\$ 2 billion
- Average discount: 21.7%
- Stiff competition: for example, in “500 kV Estreito - Itabirito” transmission line auction, there were 305 bids that resulted in a 16.6% discount

TL – Transmission Line

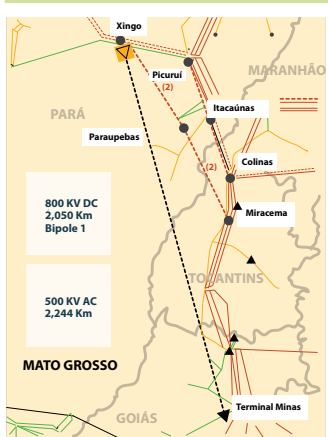
In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)

Produced by: Ministry of Finance

Main Projects: North-Southeast Expansion

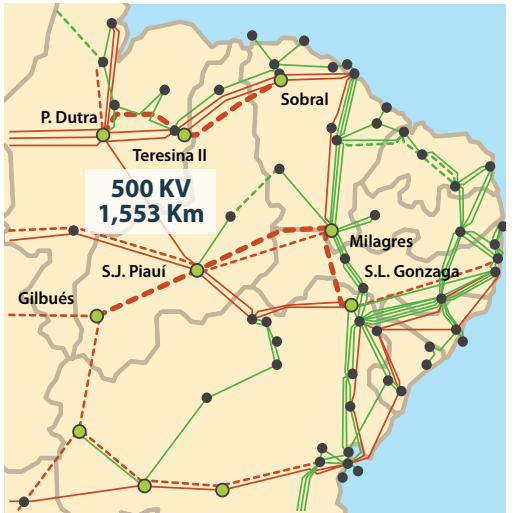
Physical Description	Goals
<ul style="list-style-type: none"> • Main section: Connects the North and Southeast Region, with DC Link between the states of Pará and Minas Gerais • Length: <ul style="list-style-type: none"> • 2,050 km on Direct Current • 2,244 km on Alternating Current 	<ul style="list-style-type: none"> • Promotes interconnection between two major subsystems, enabling the exchange of electricity between the regions (North and Southeast). • Increase of 4,000 MW in exchange capacity between the North and Southeast Regions
Financial Aspects	
<ul style="list-style-type: none"> • Concession Term: 30 years • Estimated Investment: US\$ 3.0 billion 	
Requirements of the Project	
<ul style="list-style-type: none"> • TLs in Direct Current: 800 kV • Increases in Existing System • Bidding in 2013 • Winning Bidder: the lowest RAP (Allowed Annual Revenue) 	



In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Main Projects: North-Northeast Expansion

Physical Description	Goals
<ul style="list-style-type: none"> • Sections: Connects the North and Northeast regions, with TL in Alternating Current between the states of Ceará and Maranhão • Length: 1,553 km on Alternating Current 	<ul style="list-style-type: none"> • Promotes interconnection between two major subsystems, enabling the exchange of electricity between the regions (North and Northeast). • Increase of 3,500 MW in exchange capacity between the North and Southeast Regions
	<h3>Financial Aspects</h3>
	<ul style="list-style-type: none"> • Concession Term: 30 years • Estimated Investment : US\$ 0.9 billion
	<h3>Requirements of the Project</h3>
	<ul style="list-style-type: none"> • TL on Alternating Current: 500 kV • Increases in Existing System • Bidding in 2013 • Winning Bidder: the lowest RAP (Allowed Annual Revenue)

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Main TL Projects to be Auctioned in 2013

1st semester 2013 - transmission lines > 500 kv (EPE proposal)

Associated Projects	Projects	State	Voltage (KV)	Length (Km)	Investment (US\$ billion)
Expansion of the interconnection N/NE	TL - Presidente Dutra - Teresina II	MA/PI	500	210	0.8
	TL Teresina II - Sobral III, C3	PI/CE	500	334	
	TL São João do Piauí - Milagres, C2	PI/CE	500	400	
	TL Luiz Gonzaga - Milagres, C2	PI/CE	500	215	
	TL Gilbués - São João do Piauí II	PI	500	394	
To attend the electricity demand growth	TL - Itabirito 2 - Vespasiano 2, CS	MG	500	90	0.1
	TL - Barro Alto - Itapaci, C2	GO	230	68	
	TL - Candiota (Presidente Médici) - Bagé 2	RS	230	50	
Expansion S/SE	TL - Itatiba - Bateias	SP/PR	500	390	0.2
Wind Power connection	TL - Ceará Mirim II - Campina Grande	RN/PB	500	201	0.1
Expansion before Belo Monte	TL - Araraquara 2 - Itatiba, CS	SP	500	198	0.3
	TL - Araraquara 2 - Fernão Dias, CS	SP	500	240	
Expansion of the interconnection N/SE	TL - Tucuruí - Itacaiunas, CS	PA	500	200	3.0
	TL - Parauapebas - Itacaiunas, CS	PA	500	100	
	TL - Xingu - Parauapebas C1	PA	500	410	
	TL - Xingu - Parauapebas C2	PA	500	410	
	TL - Parauapebas - Miracema C1	PA/TO	500	410	
	TL - Parauapebas - Miracema, C2	PA/TO	500	410	
	TL - Itacaiunas - Colinas C2	PA/TO	500	304	
	TL - Xingu - Terminal Minas 800 kv (DC - Bipole 1)	PA/SP	800	2,050	
TOTAL				7,084	4.5

Estimated Investment of
US\$ 4.5 billion (*)

(*) Includes estimated investment in substations

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Main TL Projects to be Auctioned in 2013

2nd semester 2013 - transmission lines (EPE proposal)

Associated Projects	Projects	State	Voltage (KV)	Length (Km)	Investment (US\$ billion)
To attend the electricity demand growth	TL 230 kV Miranda - Chapadinha II C1	MA	230	140	0.6
	TL 230 kV Coelho Neto - Chapadinha II C1	MA	230	78	
	TL 230 kV Vila do Conde - Tomé-Açú II C2	PA	230	120	
	TL 230 kV Imperatriz - Porto Franco C2	MA	230	111	
	TL 230 kV Ribeiro Gonçalves - Balsas C2	MA	230	95	
	TL 230 kV Marituba - Castanhal C1	PA	230	64	
	TL 500 kV Vila do Conde - Marituba C1	PA	500	59	
	TL 230 kV Integradora sossego - Xinguara C2	PA	230	79	
	TL 500 kV Parauapebas - Integradora do Sossego CD	PA	500	116	
	TL 500 kV Miracema - Lajeado C2	TO	500	30	
	TL 230 kV Lajeado - Palmas CD	TO	230	120	
	TL 345 kV Brasília Sul - Samambaia C3 - Subt.	DF	345	15	
	TL 230 kV Brasília Sul - Brasília Geral C3	DF	230	13	
	TL 500 kV Brasília Leste - Luziânia C1	DF	500	65	
TL 230 kV Trindade - Firminópolis	GO	230	88		
TL 230 kV Janaúba - Irapé C1	MG	230	135	0.2	
TL 230 kV Araçuaí 2 - Irapé C2	MG	230	61		
Integration of isolated systems	TL Rio Branco - Feijó	AC	230	357	0.2
	TL Feijó - Cruzeiro do Sul	AC	230	300	
Total				2,046	0.8

**Estimated Investment of
US\$ 0.8 billion (*)**

(*) Includes estimated investment in substations

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Main TL Projects to be Auctioned from 2014 to 2017

Associated Projects	Projects	State	Voltage (KV)	Length (Km)	Investment (US\$ billion)
To attend the electricity demand growth	TL 500 kV Miranda II - São Luís II C3	MA	500	107	0.3
	TL 500 kV Pau Ferro - Santa Rita CS	PE/PB	500	100	
	TL 500 kV Açú III - Quixadá CS	RN/CE	500	235	
	TL 440 kV Ilha Solteira - Água Vermelha C2	SP	440	142	
	TL Curitiba Leste - Blumenau 500 kV	PR/SC	500	158	
	TL Maçambará - Santo Ângelo C2	RS	230	205	
Expansion of the Interconnection S/SE	TL 500 kV Assis - Londrina C2	SP/PR	500	120	0.1
	TL Curitiba Norte - Bateias 230 kV	PR	230	35	
Connection to Teles Pires Power Plants	TL 500 kV Paranatinga - Ribeirãozinho C3	MT/GO	500	348	0.3
	TL 500 kV Cláudia - Paranatinga C3	MT	500	350	
Expansion of the Interconnection N/SE	TL Xingu - T. Rio 800 kV (DC Bipolo 2)	PA/RJ	800 Kv DC	2,575	2.0
Reinforcement of TL expansion of N/SE	TL 500 kV Marimondo 2 - Campinas	SP	500	370	0.4
	TL 440 kV Fernão Dias - Cabreuva	SP	440	52	
	TL 500 kV Fernão Dias - Nova Iguaçu	SP/RJ	500	340	
	TL 500 kV T. Minas - Cachoeira Paulista CD	MG/SP	500	660	
Connection to Tapajós Power Plants	TL of Interconnection	PA/ND	ND	2,700	2.5
	Receptor system reinforcement	ND	ND	1,000	
TOTAL				9,497	5.6

Estimated investment
US\$ 5.6 billion (including
substations)

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Estimated investments: electricity transmission lines

Auction		Length (Km)	Investment (US\$ billion)*
2013		9,130	5.3
2014 - 2017	Defined Projects	9,497	5.6
	Other Projects	4,573	3.0
Total		23,200	13.9

* Including estimated investment in substations

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance

Brazilian investments in the electricity sector auctions - 2013 to 2017

	Estimated Expansion	Investments (US\$ billion)
Generation	32,971 MW	60.5
Transmission	23,200 Km	13.9
Total		74.4

In January 2013, the exchange rate was approximately US\$ 1 = R\$ 2.00

Source: Energy Research Office (EPE)
Produced by: Ministry of Finance



Infrastructure in BRAZIL:
Projects, Financing instruments,
Opportunities

Appendix

Ministry of
Finance



Main Types of Business Organizations in Brazil

Main Types of Business Organizations in Brazil			
	Limited Liability Company (LLC)	Joint-Stock Company (Business Corporation)	Eireli (Individual Company Of Limited Liability)
Applicable Legislation	<ul style="list-style-type: none"> • Law No. 10,406/2002 – Brazilian Civil Code (from Article 1,052 to Article 1,087). • Normative Ruling No. 98, of December 23, 2003, issued by the National Trade Registry Department (DNRC), establishing the Manual on Registry Acts of <i>Sociedade Limitada</i>. 	<ul style="list-style-type: none"> • Law No. 6,404/1976, supplemented by Law No. 10,303/2001. • Normative Ruling No. 100, of April 19, 2006, issued by the National Trade Registry Department (DNRC), establishing the Manual on Registry Acts of <i>Sociedade Anônima</i>. 	<ul style="list-style-type: none"> • Law No. 12,441/2011, which amends provisions in the Brazilian Civil Code, introducing item VI to Article 44 and Article 980-A to Book II, Special Part. Additionally, it also amends the sole paragraph of Article 1,033. • Normative Ruling No. 117, of November 22, 2011, issued by the National Trade Registry Department (DNRC), establishing the Manual on Registry Acts of <i>Empresa Individual de Responsabilidade Limitada</i>.
Classification	<ul style="list-style-type: none"> • Business company formed by individuals or capital. • For-profit. 	<ul style="list-style-type: none"> • Business corporation formed by either public or private capital (either publicly- or closely-held companies). • For-profit. 	<ul style="list-style-type: none"> • Individual company. • For-profit.
Legal Name	<ul style="list-style-type: none"> • Corporate Name: name of one or more of company's partners + "<i>Limitada</i>" or "Ltda."; or • Denomination: corporate object + "<i>Limitada</i>" or "Ltda." 	<ul style="list-style-type: none"> • Denomination: fictitious business name or shareholders' civil name + company's core business + "<i>Sociedade Anônima</i>" or "<i>Companhia</i>" or "S.A." or "Cia." (the latter cannot be placed at the end of corporate denomination). 	<ul style="list-style-type: none"> • Corporate Name: holder's name + "Eireli"; or • Denomination: corporate object + "Eireli".

Source: Brazilian Agency for Promoting Exports and Investments (APEX)

Produced by: Ministry of Finance

Main Types of Business Organizations in Brazil

<p>Partners Composition</p>	<ul style="list-style-type: none"> • Two or more partners. • Individuals or legal entities (of Brazilian or foreign origin¹). 	<ul style="list-style-type: none"> • At least two shareholders for closely-held companies and three for publicly-held ones. • Individuals or legal entities (of Brazilian or foreign origin). 	<ul style="list-style-type: none"> • Only one holder – a one-man undertaking*. • Individual² (of Brazilian or foreign origin). <p><i>* Once the individual opts for an Eireli, he/she can run only one company under that modality.</i></p>
<p>Articles of Association / Incorporation</p>	<ul style="list-style-type: none"> • Articles of association/Bylaw. • Registry and filing at the competent Board of Trade (Junta Comercial). 	<ul style="list-style-type: none"> • Articles of incorporation/Bylaw. • Registry and filing at the competent Board of Trade (Junta Comercial). 	<ul style="list-style-type: none"> • Incorporation document (private instrument). • Registry and filing at the competent Board of Trade (Junta Comercial).
<p>Corporate Capital</p>	<ul style="list-style-type: none"> • Divided in quotas. • No minimum corporate capital is legally required. • An increase of the corporate capital is admitted as soon as all the subscribed quotas are paid. Preferential rights are granted to keep the original share of the existing partners in the corporate capital. • The corporate capital may be subject to reduction in the following cases: <ul style="list-style-type: none"> (i) occurrence of losses; or (ii) corporate capital is excessive pursuant to the company's corporate object. 	<ul style="list-style-type: none"> • Divided into shares. • No minimum capital is required, but shareholders must integrate at least 10% of the issuance price of the shares subscribed in cash. • The bylaws will establish: <ul style="list-style-type: none"> - the number of shares; and - whether the shares will have nominal value or not. • The corporate capital may be increased in the following cases: <ul style="list-style-type: none"> - issuance of shares provisioned in the bylaws; - conversion of debentures and participation certificates into shares; - deliberation of the Annual General Meeting regarding capitalization of profits or reserves or issuance of new shares. • The corporate capital may be reduced in the case of loss or excessive capital pursuant to the company's corporate object. 	<ul style="list-style-type: none"> • Given that the company relies on a sole holder, it is not required that the corporate capital is divided into quotas. • The minimum corporate capital may not be less than one hundred times the sum of the highest minimum salary applied in Brazil on the date of filing for registration. • Once it is immediately paid in, the corporate capital may be increased at any time. • The corporate capital may suffer a reduction, respected the minimum value required by law.

Source: Brazilian Agency for Promoting Exports and Investments (APEX)

Produced by: Ministry of Finance

Main Types of Business Organizations in Brazil

<p>Paying In</p>	<ul style="list-style-type: none"> • The articles of association shall establish the time limit for payment. • Any assets shall be used for paying in, provided that they are susceptible to cash assessments. 	<ul style="list-style-type: none"> • The bylaws shall establish the time limit for payment. • Any assets shall be used for paying in, provided that they are subject to expert assessment. 	<ul style="list-style-type: none"> • Statement, in the incorporation document, that the corporate capital has been fully paid in. • Any assets shall be used for paying in, provided that they are susceptible to cash assessments.
<p>Partners Liability</p>	<ul style="list-style-type: none"> • Limited to the capital that has been paid in. • In case the corporate capital has not been fully paid in, the partners shall be deemed unlimitedly and jointly liable. 	<ul style="list-style-type: none"> • No liability: share subscribed and paid. • Limited to the shares shareholders subscribed and have not yet paid for. 	<ul style="list-style-type: none"> • Limited to the capital that has been paid in. • Unlimited: in case the corporate capital has not yet been paid in, unobserving the required minimum value.
<p>Control and Management</p>	<ul style="list-style-type: none"> • Control defined by the number of quotas. • Resolutions are taken during meetings (up to 10 partners) or general meetings (more than 10 partners). • The company may be managed by a non-partner, should that be provisioned in the articles of association. • A foreigner may be appointed to be the manager provided that he/she has permanent visa and is not otherwise prevented from occupying management positions³. 	<ul style="list-style-type: none"> • Control defined by shareholders with voting rights. The controlling shareholder owns a major portion of the voting capital. • In compliance with company's bylaws, corporate management will be performed by the Board of Directors and the Executive Office, or solely by the Executive Office. • The chair of the Executive Office, whether shareholder or not, must reside in Brazil⁴. • The members of the Board of Directors may reside abroad, provided that they appoint a Brazilian-resident representative. 	<ul style="list-style-type: none"> • Control exercised by the sole holder. • An Eireli may be managed by its owner or by a non-owner, as indicated on the incorporation document. • A foreigner may be appointed to be the manager, provided that he/ she has a permanent visa and is not otherwise prevented from occupying management positions⁵.

Source: Brazilian Agency for Promoting Exports and Investments (APEX)

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Main Types of Business Organizations in Brazil

<p>Termination/ Dissolution</p>	<ul style="list-style-type: none"> • The dissolution occurs in the following cases: (i) at the end of its term; (ii) unanimous resolution of all quota holders; (iii) resolution of quota holders representing an absolute majority, in companies with an undetermined term of duration; (iv) insufficient plurality of quota holders; (v) expiration of company’s license to operate; (vi) court decision; and (vii) bankruptcy (Article 1,033; Article 1,034; and Article 1,087 of the Brazilian Civil Code). • Judicial or extrajudicial liquidation shall take place after the company is terminated. The remaining assets shall be distributed to the quota holders proportionally to their respective quotas. 	<ul style="list-style-type: none"> • The dissolution comes into effect either by court decision or by the ruling of competent administrative authorities. Incorporation, merger and spin-off are forms of dissolution. • Judicial or extrajudicial liquidation shall take place after the company is terminated. The remaining assets shall be distributed to the shareholders proportionally to their respective shares. 	<ul style="list-style-type: none"> • Compliance with <i>Sociedade Limitada’s</i> rules, wherever applicable.
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¹ Foreign shareholding in business activities in Brazil is limited to the constitutional restrictions and constraints that discipline foreign shareholding in Brazilian companies. Normative Ruling No. 76/1998, issued by the National Trade Registry Department (DNRC), disciplines the filing of acts of commercial companies or cooperatives with foreign shareholders that are resident and domiciled in Brazil; individuals, of Brazilian or foreign origin, resident and domiciled abroad; and legal entities headquartered abroad. Its annex brings a list with business activities that are either restricted or forbidden to foreign shareholding.

² As understood by the National Trade Registry Department (DNRC).

³ For further information see the Annex of the Normative Ruling No. 76/1998, issued by the DNRC (only in Portuguese).

⁴ Individuals of foreign origin are entitled to exercise managing positions provided that they have a permanent visa. Individuals of foreign origin are entitled to be members of a company’s Audit Board if they reside in Brazil.

⁵ For further information see the Annex of the Normative Ruling No. 76/1998, issued by the DNRC (only in Portuguese).

• Credits: This document was prepared by the Legal Unit of Apex-Brasil in February, 2012. Staff: Silvia Menicucci (Legal Coordinator), Patricia Gonçalves dos Santos (Legal Supervisor) and Camila Paschoal (Attorney). English version: Simonny V. Soares.

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Portal Brasil

http://www.brasil.gov.br/?set_language=en



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<http://www.fazenda.gov.br/>



Planning and Logistics Company (EPL)

<http://www.epl.gov.br/index.php>



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<http://www.portosdobrasil.gov.br/>



Civil Aviation Secretariat

<http://www.aviacaocivil.gov.br/>



**Ministry of Mines
and Energy**

<http://www.mme.gov.br>



**National Network for
Investments Information
(RENAI)**

http://www.mdic.gov.br/sistemas_web/renai/



**Brazilian Agency for
Promoting Exports and
Investments (APEX)**

<http://www2.apexbrasil.com.br/en>



**Brazilian Development
Bank (BNDES)**

http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/



Banco do Brasil

<http://www.bb.com.br>



CAIXA

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Glossary - Institutions

ABCR	Brazilian Association of Highway Concessionaires	CAGED	General Registry of the Employed and Unemployed	RENAI	National Network for Investments Information
ANAC	National Agency for Civil Aviation	CMN	National Monetary Council	SAC	Civil Aviation Secretariat
ANBIMA	Brazilian Financial and Capital Markets Association	CVM	Securities and Exchange Commission of Brazil	STN	Brazilian National Treasury Secretariat
ANEEL	National Electricity Agency	EPE	Energy Research Office	TCU	Federal Court of Auditors
ANFAVEA	Brazilian Association of Automotive Vehicle Manufactures	EPL	Brazilian Logistics & Planning Company	UNCTAD	United Nations Conference on Trade and Development
ANP	National Agency for Oil, Natural Gas and Biofuels	IBGE	Brazilian Institute of Geography and Statistics		
ANTAQ	National Agency of Waterway Transportation	IMF	International Monetary Fund		
ANTT	National Agency for Road Transport	IPEA	Institute for Applied Economic Research		
APEX	Brazilian Agency for Promoting Exports and Investments	MDIC	Ministry of Development, Industry and Foreign Trade		
BM&FBOVESPA	São Paulo Stock Exchange and the Brazilian Mercantile & Futures Exchange	MME	Ministry of Mines and Energy		
BNDES	Brazilian Development Bank	RAIS	Annual Social Information Relation		

Glossary - Terms

AA DT	Annual Average Daily Traffic	IPI	Tax over Industrial Products
CRI	Certificate of Real Estate Receivables	IPCA	Broad National Consumer Price Index / IBGE
DSCR	Debt Service Coverage Ratio	LLC	Limited Liability Company
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	MP	Legal Act
EIRELE	Individual Company Of Limited Liability	PAC	Growth Acceleration Program
FDI	Foreign Direct Investment	PPA	Pluri-Annual Plan
FIC	Fund of Funds	PIS/COFINS	Social Contributions
FIDC	Investment Fund in Credit Rights	PNAD	National Survey by Household Sample/IBGE
FIP	Share Investment Fund	PSI	Investment Maintenance Program
GDP	Gross Domestic Product	RAP	Allowed Annual Revenue
HPP	Hydro Power Plant	TJLP	Brazil Long Term Interest Rate
ICMS	Merchandise Circulation and Services Tax	TPP	Thermal Power Plan
IOF	Financial Operation Tax	SELIC	Special System for Settlement and Custody

President of the Republic: *Dilma Vana Rousseff*

Minister of Finance: *Guido Mantega*

Executive Secretary: *Nelson Barbosa*

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