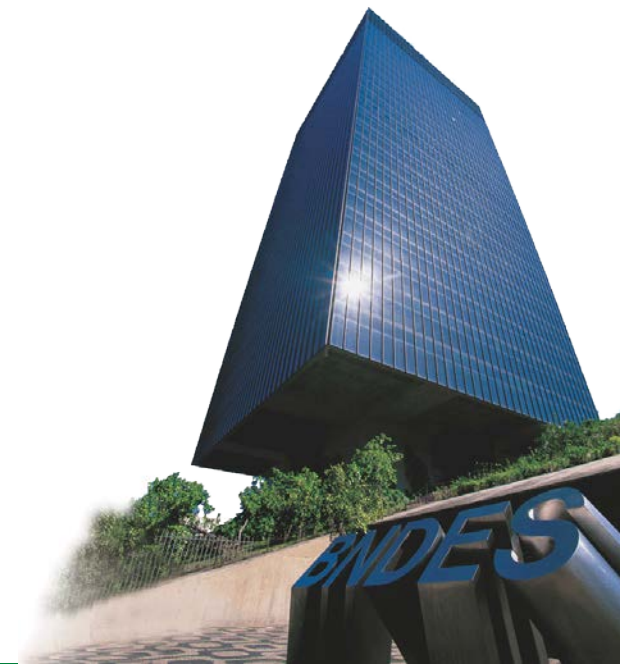
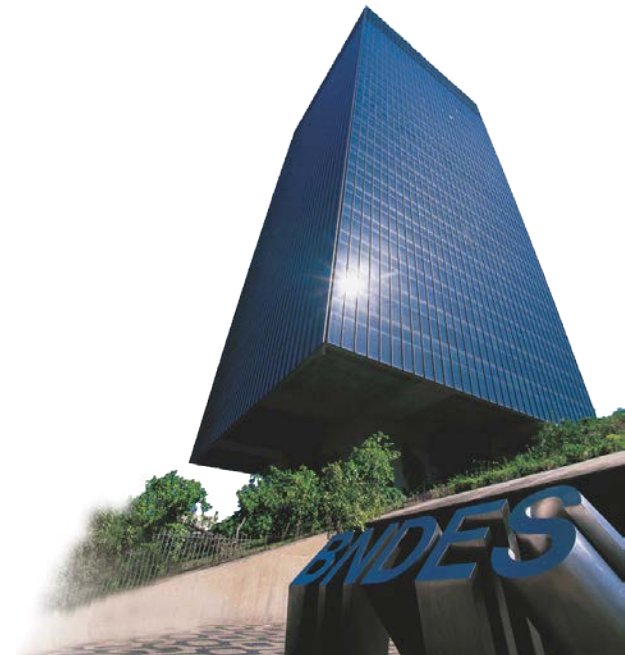


Concession and BNDES support to Infrastructure

December, 2012



Institutional Aspects



- Founded on June 20th, 1952;
- 100% state-owned company under private law;
- Key instrument for implementation of Federal Government's industrial and infrastructure policies;
- Main provider of long-term financing in Brazil;
- Emphasis on financing investment projects;
- Support to micro, small and medium-sized companies;
- Brazilian Export Bank.

1950

Infrastructure (Energy and Transport)
Steel

1960

Heavy Industry - Consumer Goods -
Small and Medium-Sized Enterprises
Technologic Development

1970

Imports Substitution
Basic Inputs - Capital Goods

1980

Energy
Agribusiness
Competitive Integration

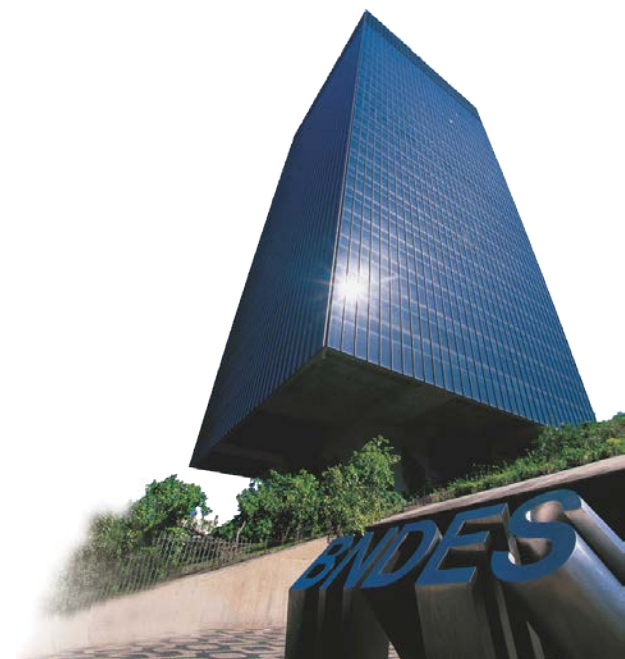
1990

Private Infrastructure and Exports
Privatization: Management of Privatization Program
Urban and Social Development

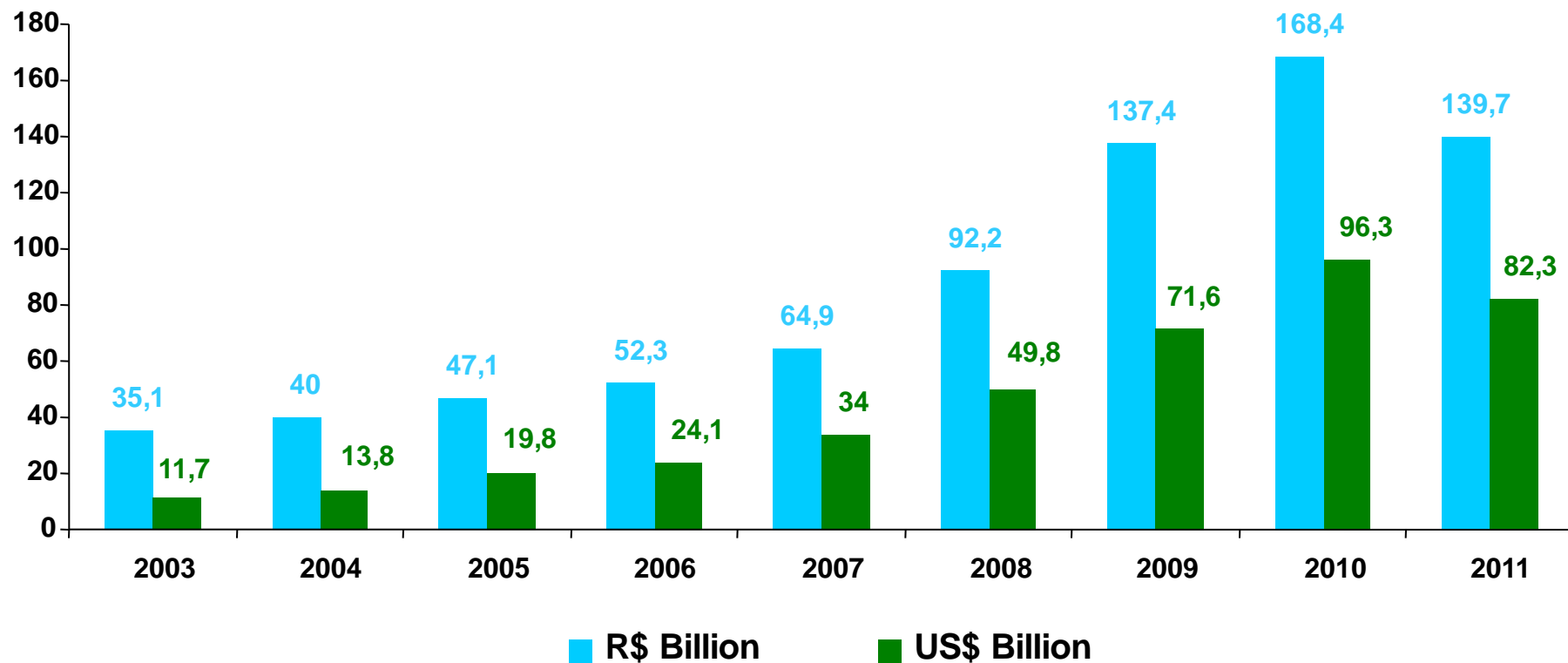
Today

Innovation - Infrastructure - Productive Structure
Exports - Social Inclusion

Disbursements

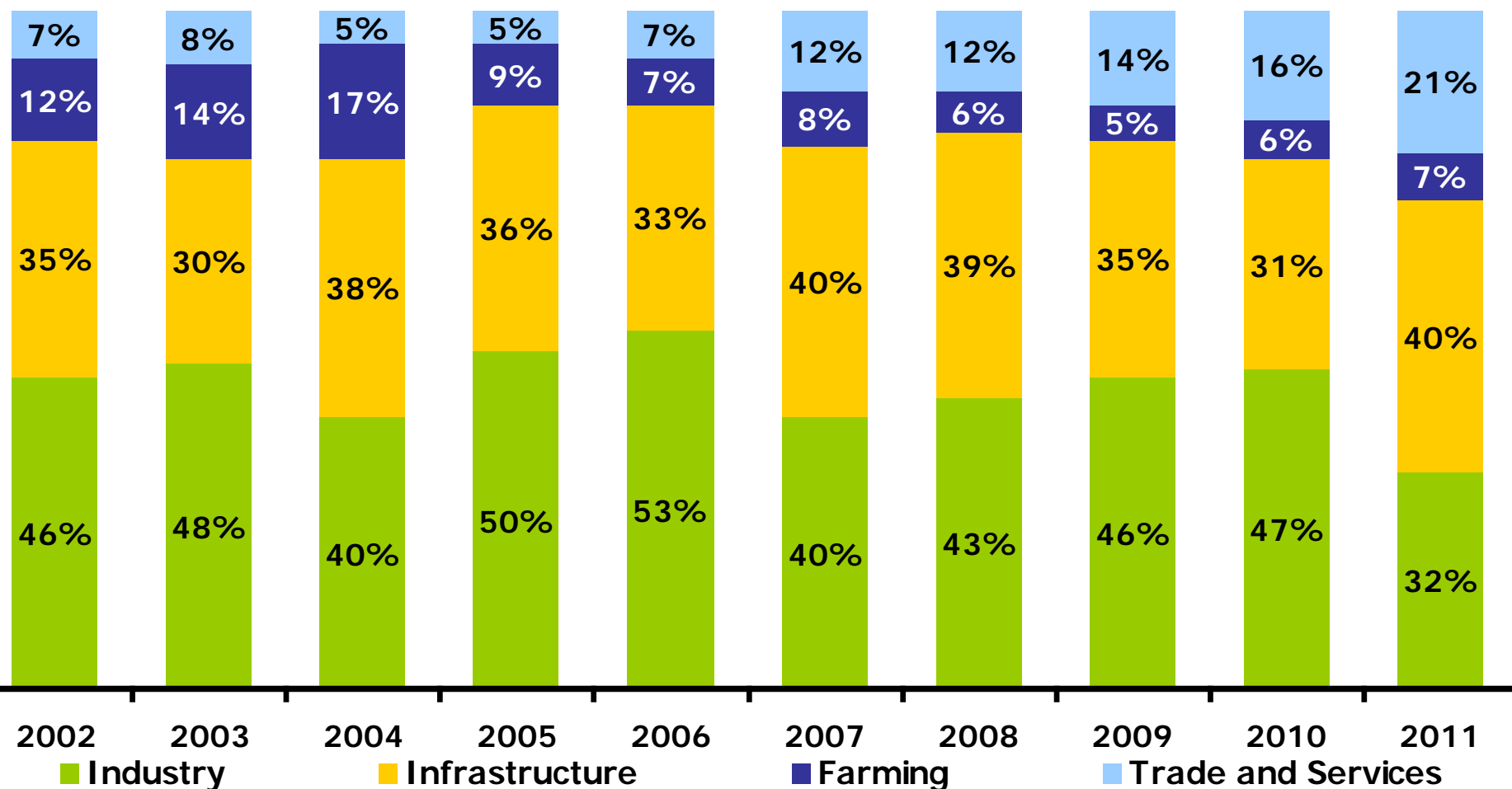


Annual Disbursements



Converted to US dollar on the disbursement dates

Disbursements by Business Sector



BNDES vs. Multilateral Banks



US\$ million	BNDES	IDB	IBRD	CAF	China DB
	<i>Dec 31st, 2011</i>	<i>Jun 30th, 2011</i>	<i>Jun 30th, 2011</i>	<i>Dec 31st, 2011</i>	<i>Dec 31st, 2010</i>
Total Assets	369.720	89.432	312.848	21.535	774.180
Shareholders' Equity	36.102	19.794	38.679	6.351	60.953
Net Income	5.354	20	930	152	5.618
Loan Disbursements	82.676	8.400	21.839	7.694	86.690
Capitalization	9,76%	22,13%	12,36%	29,49%	7,9%
ROA (%)	1,65	0,02	0,30	0,71	0,8
ROE (%)	23,12	0,10	2,40	2,39	9,5
Established	1952	1959	1945	1968	1994

IDB = Inter-American Development Bank

IBRD = The International Bank for Reconstruction and Development (World Bank)

(*) Unlike other institutions, 12-month fiscal year ends June 30th

CAF = Corporación Andina de Fomento

CDB = China Development Bank

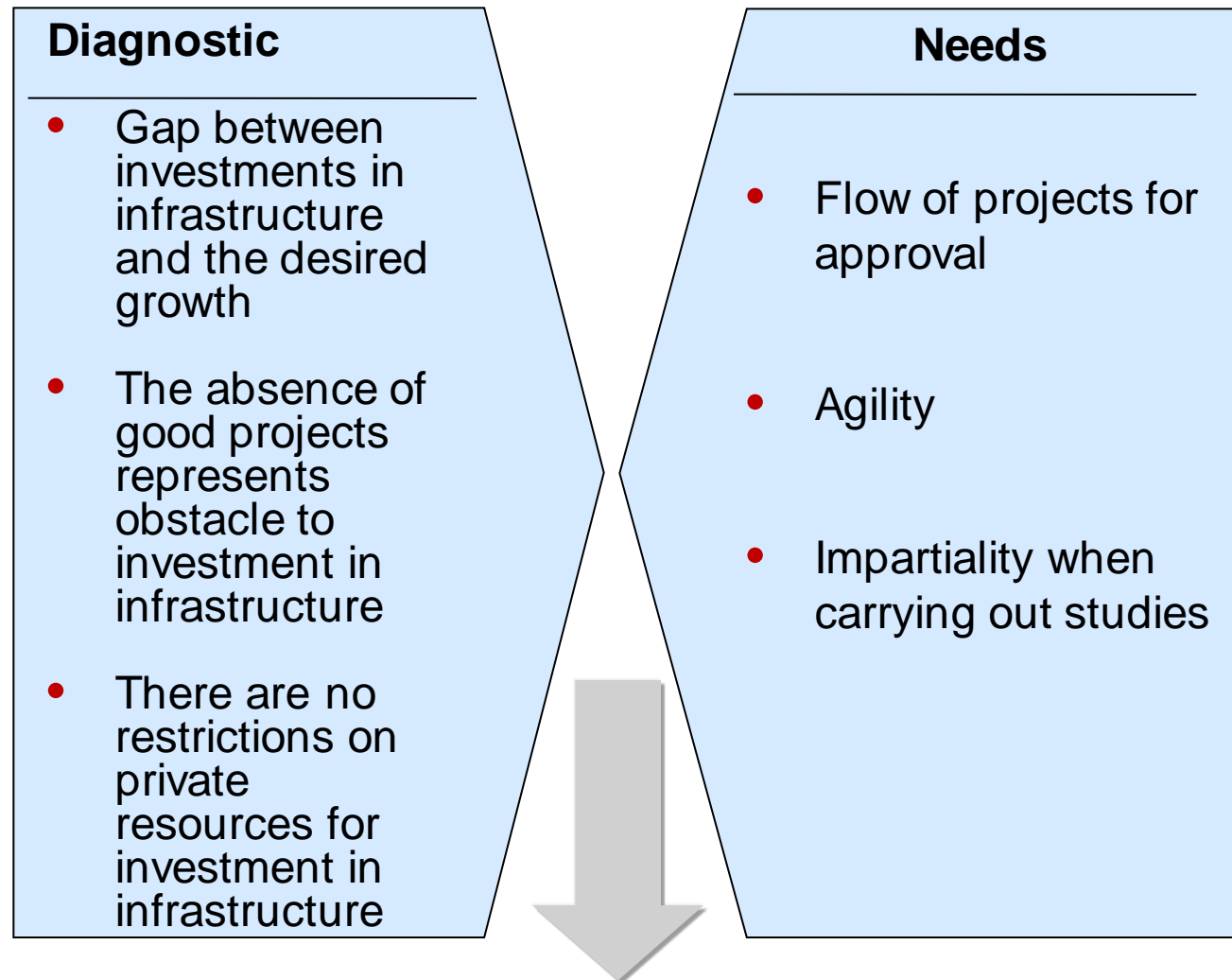
Capitalization = Shareholders' Equity / Total Assets

ROA = Return On average Assets

ROE = Return On average Equity

Project Structuring Division





In order to help the efforts to overcome these challenges BNDES decided to create the Project Structuring Division.

- BNDES's Project Structuring Area - AEP, responsible for structuring projects of public concessions and PPPs for Federal Government, states and municipalities;
- The activity called "project structuring " is meant to be prior to project deployment and must not be confused with the traditional activity of BNDES financing to ventures.

Project Structuring Division

- To foster, structure and coordinate infrastructure projects as part of public concessions and Public-Private Partnerships (PPPs).
- To follow and stimulate the establishment of partnerships and articulate with entities of Public Administration and International Entities; to structure and model infrastructure projects to verify feasibility.



Mechanisms of Projects Structuring



**Project Structuring Fund
FEP**

**Brazilian PSP Development
Program**

- BNDES' statutory fund of budget applications.
- Objective: To fund studies and research aimed at guiding public policy, identifying and developing projects that can provide structuring investments.
 - Sector knowledge;
 - Regulatory framework;
 - New and better projects
- Studies:
 - ☐ Exploration and production of Oil & Gas – concluded
 - ☐ Aviation Sector Study – concluded
 - ☐ Restructuring of INFRAERO – concluded
 - ☐ Bioceanic Railway Corridor – concluded
 - ☐ Port Sector Study – in progress

- Focus on innovative projects, involving long-term contracts, in sectors where the private sector is not yet actuating, and development in new institutional and business environments
- Fund administered by IFC with resources from multilateral organizations and BNDESPAR;
- Project Portfolio
 - BH Basic Health Units (MG): awaiting publication of the notice and its attachments
 - Image Diagnostics Center (BA): under study
 - Forest Concessions – Itaituba I e II (PA): initial studies

- Partners: Banco do Brasil; Banco Espírito Santo; Banco Santander; Banco Votorantim; BNDESPAR; Bradesco; Citibank; Itaú/Unibanco and HSBC.
- Development of infrastructure projects of public interest and attractive to private investors.
- Projects Portfolio

Ongoing Projects

- 4th Stage of Highway Concessions: studies initiated in August, 2012;
- São José dos Campos Incinerator: public consultation;
- Vitória/ES Sanitation: public consultation done;
- SP Shopping Circuit: Under final study;
- SP Parking: auction date Phase 1: Dec.13, 2012 (Phase 2: auction date to be defined);
- BH Parking: public consultation;
- COPASA: public consultation;

Concluded Projects

- AP-5 Rio Sanitation: contract signed on January 25, 2012;
- BH Metropolitan Hospital: contract signed on March 28, 2012;
- BHBus Integration Terminals: contract signed on March 19, 2012;
- Concession of Airports - contracts signed for 3 airports (GRU, BSA, VCP) - June 2012.

Airports

- Concession of Regional and some other main airports

Health

- Basic Health Units in Belo Horizonte (MG)
- Image Diagnostics Center (BA)

Sanitation / waste treatment

- Sanitation in Serra (ES)
- COPASA – Water treatment in Metropolitan Region of Belo Horizonte (MG)
- Solid waste incinerator in São José dos Campos (SP)

Public Transport

- Parking Lots in Belo Horizonte (MG) and São Paulo (SP)

Highways

- BR - 040 (DF/MG); BR - 116 (BA/MG to MG/RJ); 4th Stage of Highway Concessions; BR -101 (RJ-ES to BA); BR-093 (BA) ; BR-116/324 (BA)

Railways

- High-speed Train linking Campinas (SP) to Rio de Janeiro (RJ)

Other Projects

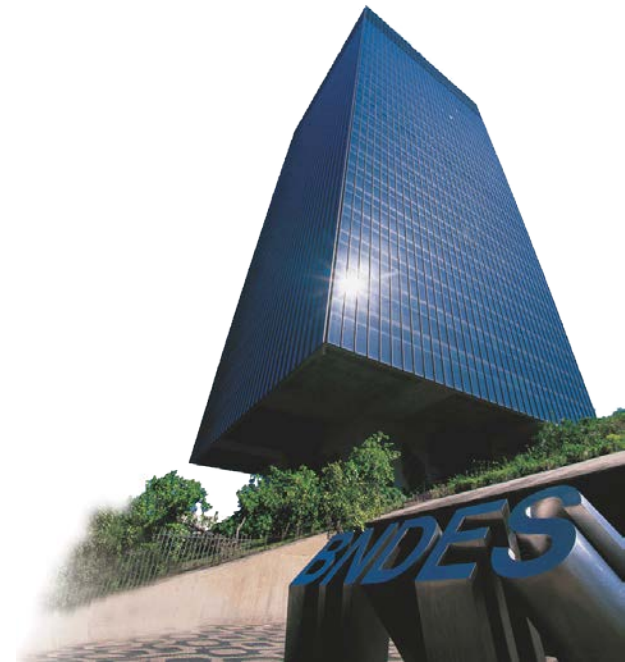
- Shopping Circuit in São Paulo (SP)
- Forest Concessions – Itaituba I e II (PA)

Perspective of Investments in Infrastructure



Sectors	Amount (R\$ billions)	
	2007-2010	2012-2015
Energy	142	158
Railways	25	45
Roadways	40	53
Ports	9	15
Airports	2	10
Infra	218	281

Infrastructure Division



Infrastructure Projects

- Electricity;
- Renewable energy sources;
- Logistics and transportation.



Infrastructure Projects (in 03/07/12)

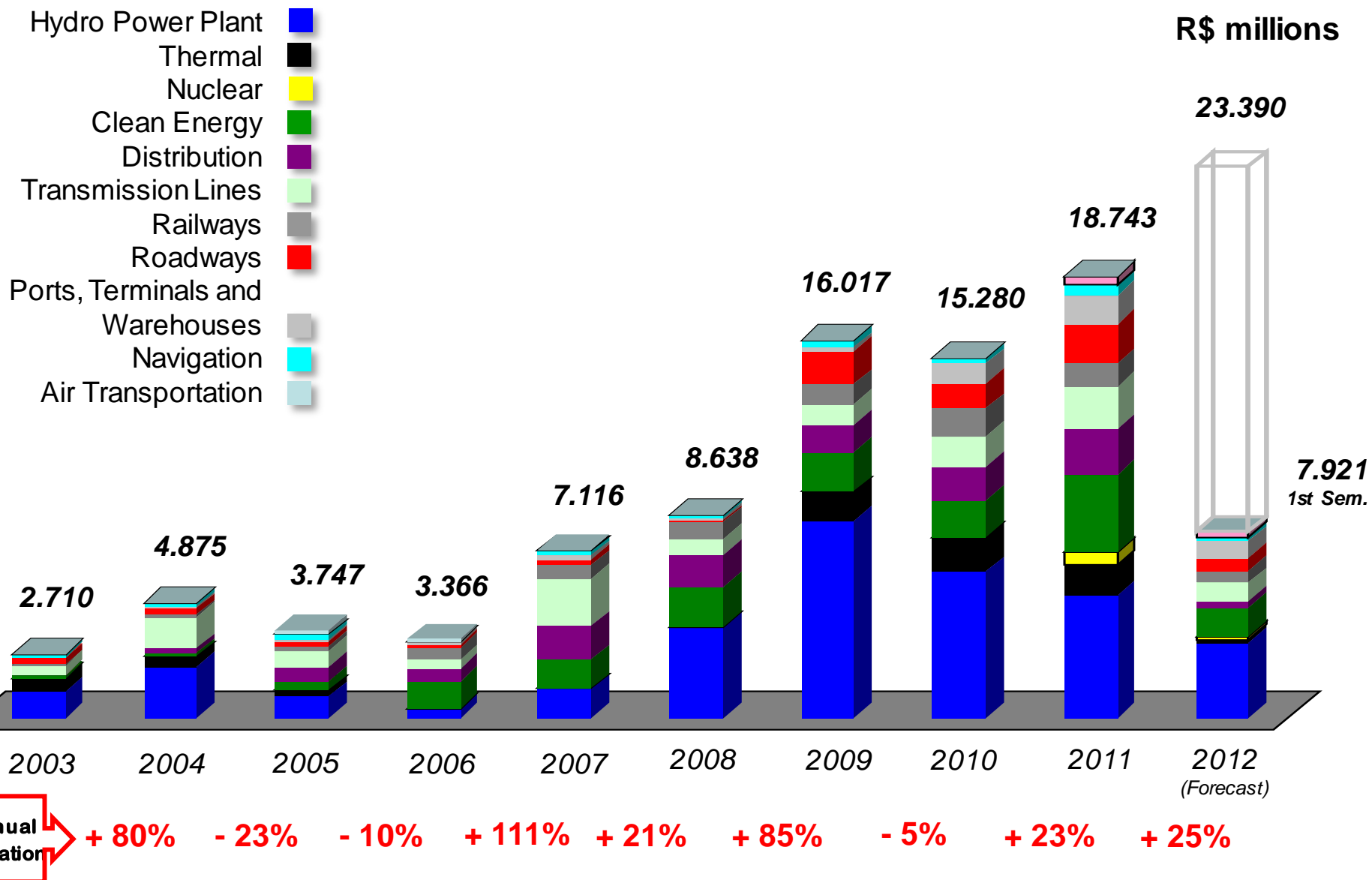


Amounts in R\$ Thousands

SETOR	Quant. Projetos	Valor do Apoio	Inv. Total
Hydroelectric Power Plants	18	51.125.177	76.110.166
Roadways	35	15.399.117	29.743.022
Wind Power Plants	42	14.256.191	22.243.085
Ports, Terminals and Warehouses	38	12.826.674	19.616.990
Transmission Lines	49	10.912.984	19.196.053
Nuclear	2	10.864.269	15.206.042
Distribution	38	9.177.922	16.746.880
Thermal Plants	20	6.298.777	13.677.241
Pipeline Transportation	1	5.859.000	8.690.000
Railways	10	5.768.418	11.806.947
Air Transportation	5	4.431.600	22.015.106
Navigation	20	2.830.942	3.130.247
Small Hydros	33	2.322.768	3.472.310
Cogeneration	10	1.095.384	1.387.228
Energy Rationalization	15	149.408	231.020
Others	3	18.347	20.387
TOTAL	339	153.336.977	263.292.724

Operations in disbursement and approved (56%), in analysis (20%) and with the consultation letter in BNDES (24%)

Annual Disbursements

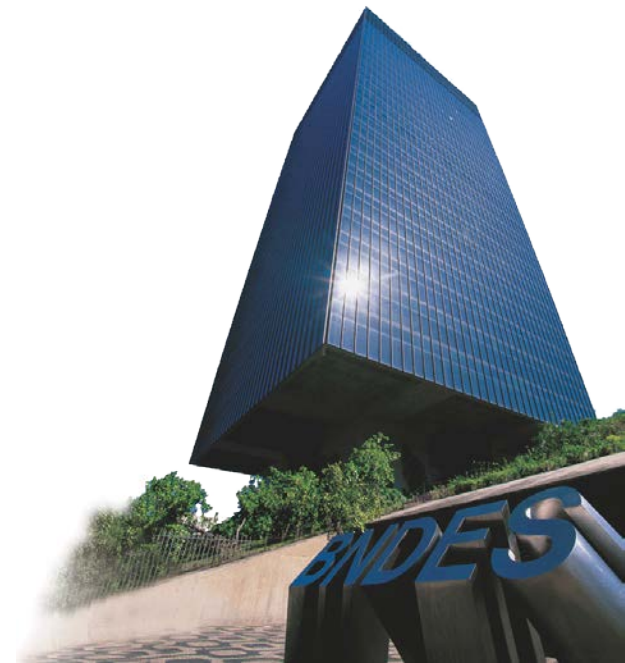


Annual Disbursements by Number of Projects



Sector	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Hydroelectric Power Plants	10	17	13	9	9	19	22	17	11	10
Thermal Plants	3	1	1	1	-	-	3	5	7	6
Wind Power Plants	-	-	1	3	1	2	2	13	11	10
Small Hydros	4	6	8	27	37	46	41	39	32	22
Cogeneration	3	1	-	-	-	-	2	3	5	5
Nuclear	-	-	-	-	-	-	-	-	1	1
Distribution	1	4	8	11	13	17	15	20	19	18
Transmission Lines	5	8	11	6	13	7	12	17	17	24
Escos	-	-	-	-	2	5	2	4	4	5
Railways	1	5	5	8	5	6	6	5	8	7
Roadways	15	12	13	11	11	4	16	19	20	22
Ports and Terminals	3	4	4	6	7	4	8	14	10	16
Navigation	10	9	11	9	9	11	12	6	9	8
Other	-	-	3	3	2	1	-	-	1	3
Total	55	67	78	94	109	122	141	162	155	157

Modalities of Financing



- Corporate Finance

Collaterals driven to the company assets, bank warrants and/or shareholders

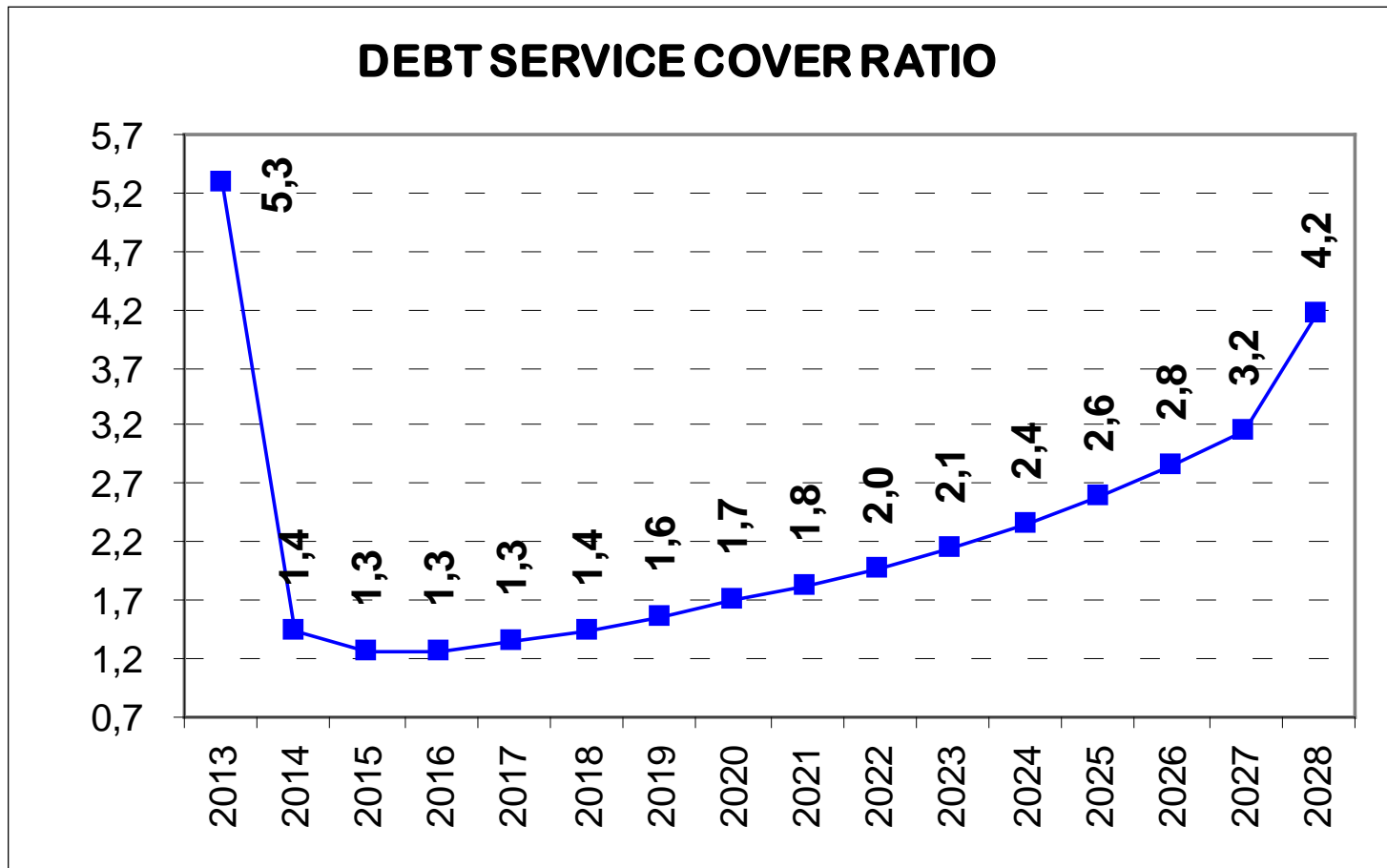
- Project Finance

Financing a specific project, not the company's business as a whole. Segregate the project costs, revenues and risks in a special proposed company (SPC)

- Beneficiary: SPC
- Project cash flow support the loan installments
 - Debt Cover Ratio (DCR) greater or equal to 1.20;
 - DCR greater or equal to 1.30 (for projects with IRR lower than 8% p.a.);
- Pledge of all future revenues to the loan providers
- Equity minimum: 20% of total investment budget

Risks

- Project Rating;
- Sponsors analysis;
- Credit analysis of the receivables;
- Engineer, Procurement and Construction – EPC constitution;
- Risk sharing: participation of other lenders in the funding;
- Accordance to the ambiental law.



Example: Small Hydro (19 MW)

- 1) Investment = R\$ 144 million Financing = R\$ 71 million Leverage = 49%
- 2) Amortization = 16 years Total period = 18 years
- 3) Constant Amortization System

Credit Lines

Industry	Maximum Amortization Term	BNDES Maximum Support (%)	Financial Cost	Basic Spread
1.Generation Hydroelectric Projects	20 (Hydros capacity higher than 1.000MW) 16 (Hydros capacity from 30MW until 1.000MW)	70	100% TJLP	0.9
Gas & Cogeneration Thermoelectric Projects	14	70	100% TJLP	0.9
Coal & Oil Thermoelectric Projects	14	50	50% TJLP 50% TJ-462	1.8
Alternative Sources (Small Hydroelectric, Wind, Solar)	16	80	100% TJLP	0.9
Biomass (Boiler < 60 bar)	16	80	100% TJLP	0.9
Biomass (Boiler > 60 bar)	16	90	100% TJLP	0.9
2. Transmission	14	70	100% TJLP	1.3
3. Distribution	6	50	50% TJLP 50% TJ-462	1.3
4. Railways	15	80	100% TJLP	0,9
5. Roadways	15	60	70% TJLP 30% TJ-462	1,3
6. Other investments in Logistics	15	70	100% TJLP	0,9

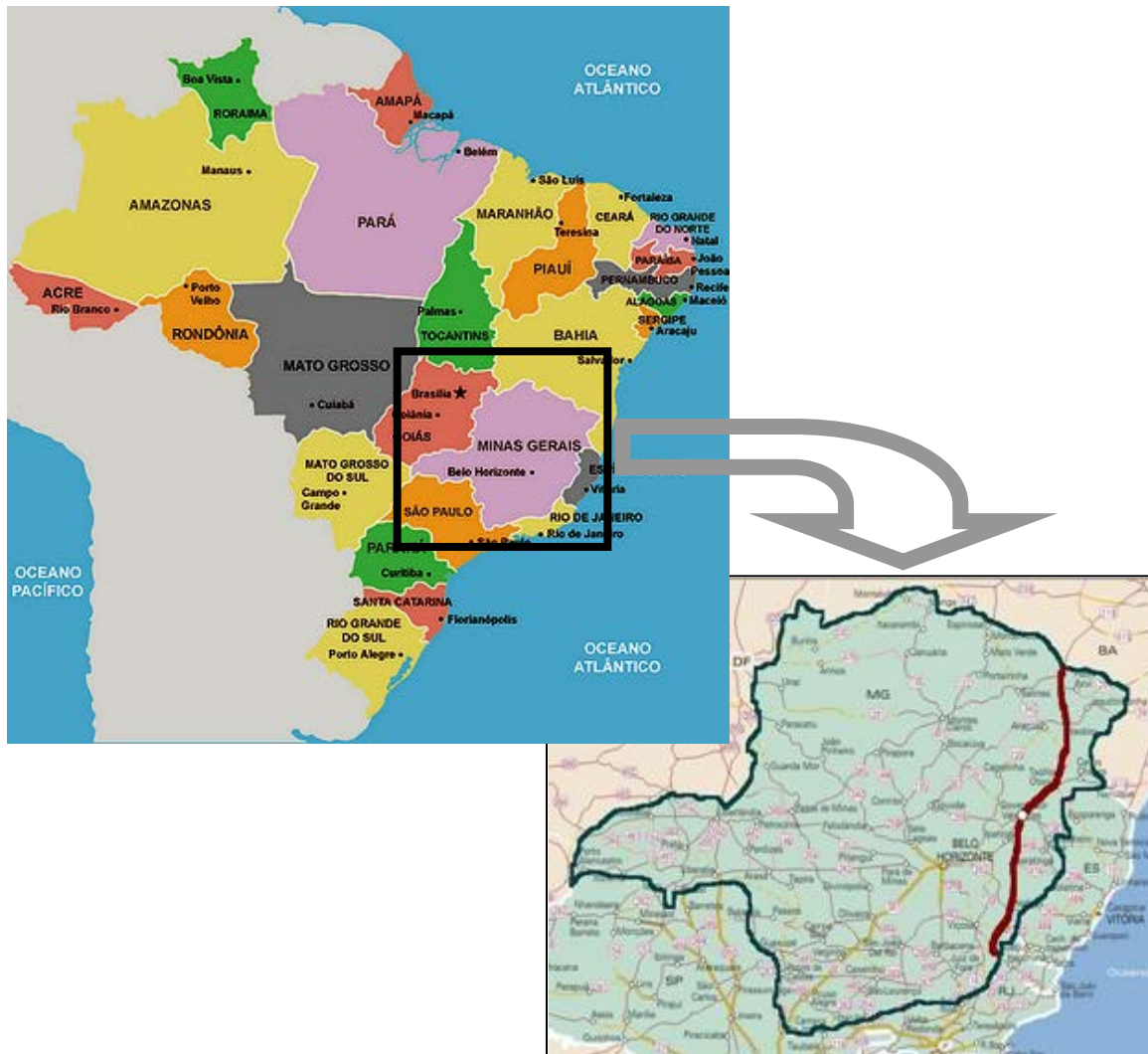
Total Loan Cost: Financial Cost + Basic Spread + Risk Spread (0.46% p.a. to 3.57% p.a.)

TJ-462 = TJLP + 1% p.a.

- Possibility to add a public Bond to the Project's sources;
- The Bond can be issued on the SPC or on a holding company, which controls the SPC, in this case the funds from the bond should be incorporated to the project as equity.
- If the holding company is not listed in the stock market, it should sign a commitment to go public at Bovespa (São Paulo Stock Market) through an IPO (Initial Public Offering).

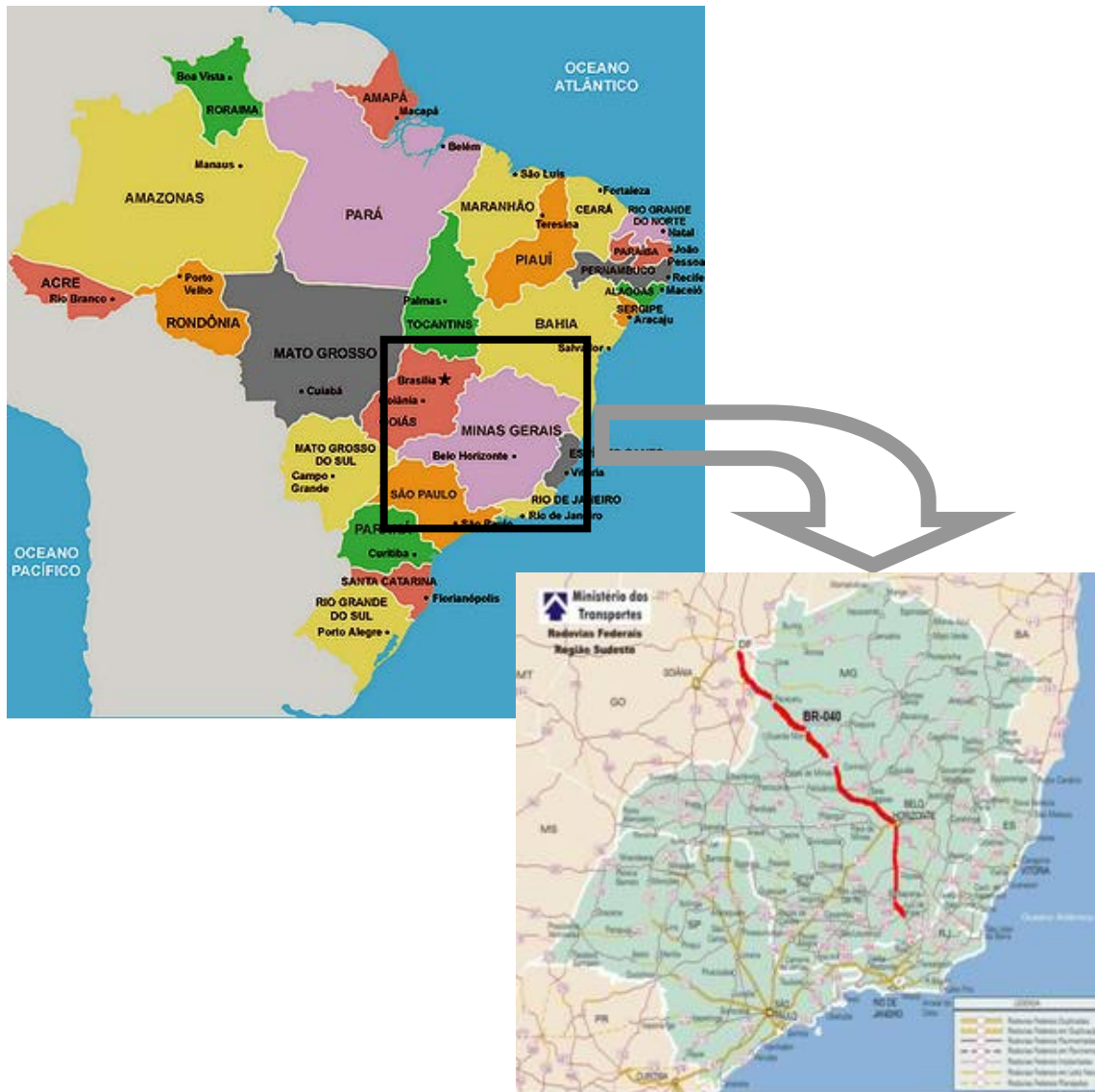
PPP's Projects / BNDES Concession in Infrastructure

BR-116 MG Highway



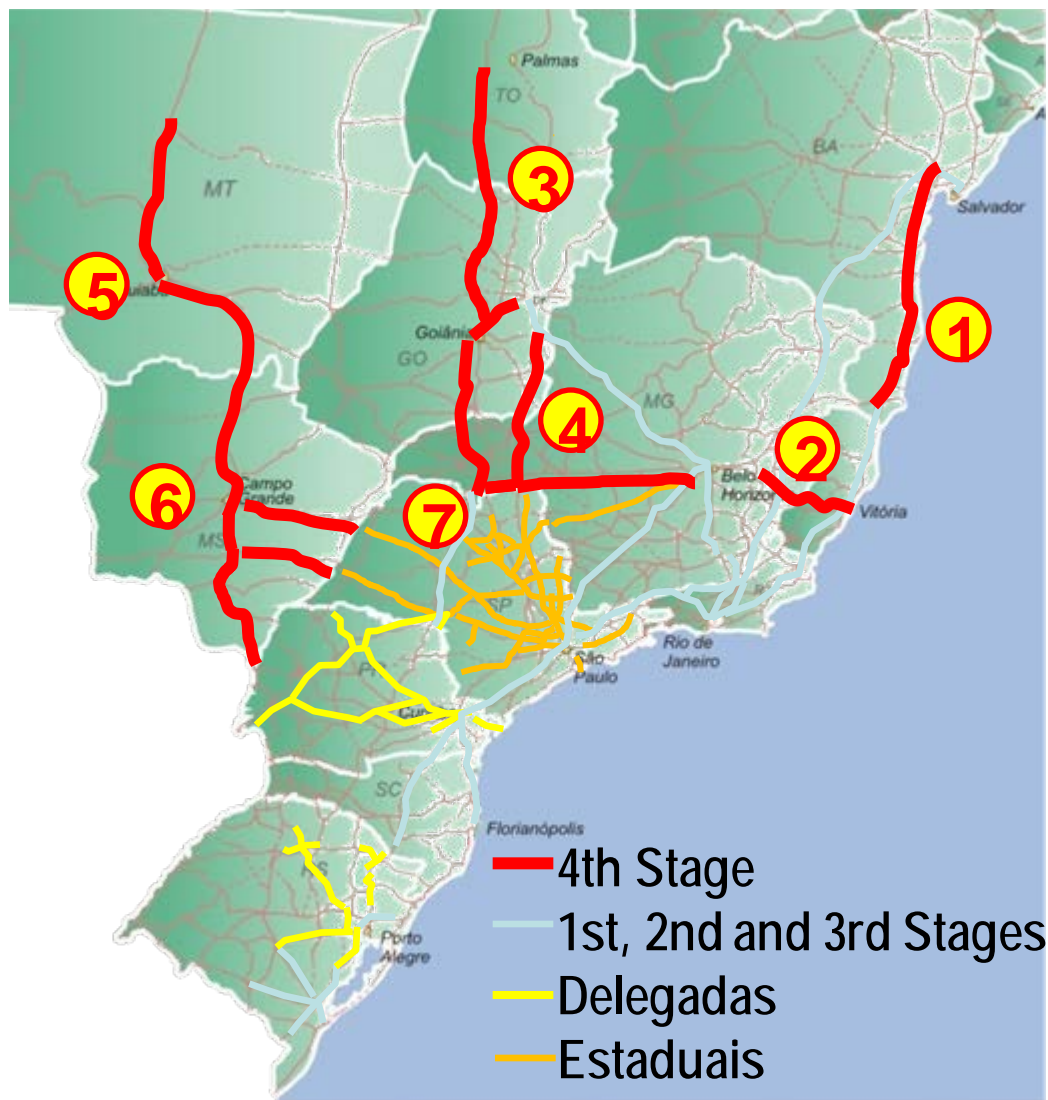
- Location: BR-116 from the BA/MG border to the MG/RJ border, extending 817 km.
- Concession for 25 years of operation, maintenance, and expansion of capacity.
- Granted by the federal government (ANTT).
- Concessionaire Investment: US\$ 2.1 billion (over 25 years);
- Current Status: Public Consultation.
- Expected auction date: December, 2012.
- Studies conducted by BNDES.

BR-040 DF/MG Highway



- Location: BR-040 from the Federal District to Juiz de Fora (MG), extending 937 km;
- Concession for 25 years of operation, maintenance, and expansion of capacity;
- Granted by the federal government (ANTT);
- Concessionaire Investment: US\$ 1.6 billion (over 25 years);
- Current Status: Public Consultation;
- Expected auction date: January, 2013;
- Studies conducted by BNDES.

4th Stage of Highway Concessions



	Highway	Extensão
1	BR-101 BA	772 km
2	BR-262 ES/MG	377 km
3	BR-153 TO/GO	743 km
4	BR-050 GO/MG	426 km
5	BR-163 MT	822 km
6	BR-163/267/262 MS	1.423 km
7	BR-060 DF/GO BR-153 GO/MG BR-262 MG	1.176 km
	TOTAL	5.740 km

- Concession by the Federal Government (ANTT)
- Current stage: early studies in Agosto/2013;
- Auction planned for Abril/2013;
- Studies in partnership BNDES / EBP.



- Scope: construction, renovation, and management/operation of non-clinical services in the basic BH health network;
 - Works: reconstruction of 61 (sixty one) and construction of 19 (nineteen) new Health Centers; construction of 1 Central Sterile Material and 1 Diagnosis Support Unit;
 - Services: cleaning, building maintenance, maintenance of equipment and furniture, concierge, and surveillance.
- Estimated Amount of Investment: US\$ 206 million;
- BNDES/IFC studies in partnership;
- Notice and its attachments are awaiting publication to start the bidding process.



- Scope: Deploying of Network SERVICES BIOIMAGEM, hierarchical as the complexity of care, linked by resources of TELEMEDICINE AND INFORMATION SYSTEMS, covering the following tests:
 - conventional radiology
 - Mammography
 - computed tomography
 - magnetic ressonance
- Adequacy of infrastructure of 27 units, and the construction of a central reports;
- BNDES/EBP studies in partnership;
- Ongoing studies: End of a diagnosis of the state of the network / early financial modeling.



- | | |
|------------------------|-----------------------|
| 1 Savassi | 5 Assembleia |
| 2 Hospital Sector | 6 Barro Preto |
| 3 Afonso Arinos Square | 7 Downtown (Oiapoque) |
| 4 Square Seven | |

- Project: Concession to construct parking lots in downtown BH;
- Part of the current 18,000 parking spaces on the streets (Blue Lane) will be transferred to underground parking lots;
- Amount of the investment: R\$ 349MM;
- BNDES/EBP studies in partnership;
- Current status: Public Consultation.

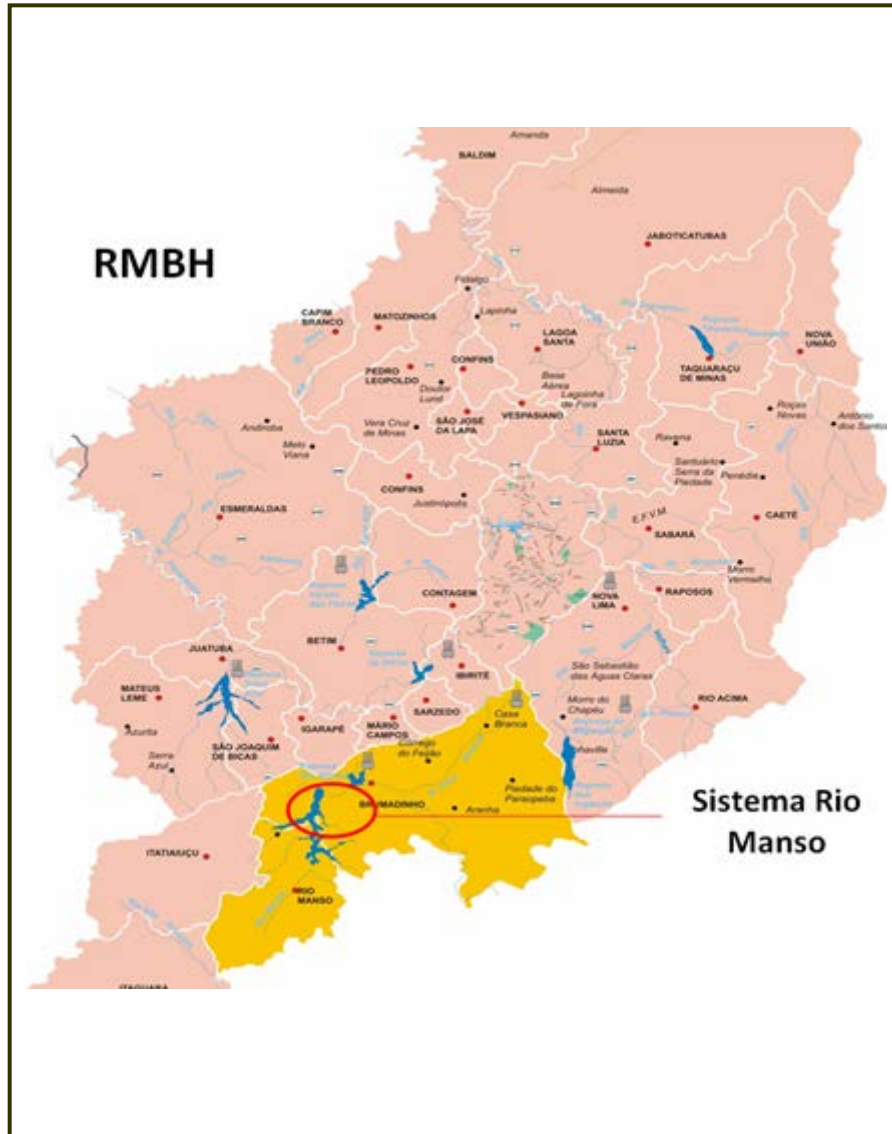
Parking Areas in SP

Area under study



- Project: Phase 1: common concession for the construction, maintenance, and operation of 2 parking lots in downtown São Paulo; Phase 2: recommendations to re-qualify the parking policy in the city of São Paulo and the concession of 10 additional parking lots;
- Location: São Paulo, SP;
- Creation of new spaces in Phase 1 to meet demand and prioritize the creation of spaces under the *park & ride* model in Phase 2;
- Amount of the investment: approximately US\$ 97MM on Phase 1 and US\$ 386MM on Phase 2;
- BNDES/EBP studies in partnership;
- Current status: Phase 1: Public Consultation; Phase 2: studies delivered. Concluding discussions on policy guidelines for parking lots;
- Phase 2 studies: delivered in July, 2012.

COPASA: Water supply



- Project: Concession for the construction, maintenance, and shared operation of the Rio Manso Water Production System (SRM);
- SRM supplies 33% of the RMBH;
- Expansion from 4m³/s to 5m³/s;
- Amount of the investment : US\$ 359 million;
- Concession period: 15 years;
- BNDES/EBP studies in partnership;
- Current status: Public Consultation.

Sewage system in Espírito Santo



Espírito Santo area: 46,184 sq.km

Denmark area : 43,098 sq. Km

Serra area : 553.25 sq. km

- Scope: Administrative Concession for the expansion, maintenance and operation of a sewage system;
- Concession term: 30 years, with possibility of a 5 years extension;
- Location: Serra, ES;
- Pop.: 409,000 inhabitants;
- Sewage coverage and client adherence:
 - Current 50% with 60% of adherence;
 - Target: 90% coverage at the end of the 20th year, with 95% of clients connected;
- Investment: US\$ 410 MM to US\$ 530MM;
- BNDES / EBP studies in partnership;
- Current status: Review of engineering studies and drafts of bidding and contract documents for publication of notice;
- Public Consultation: April, 2012

Solid Waste in São José dos Campos



- Scope: Administrative concession for the construction and management of an energy recovery system from solid urban waste treatment, including environmentally-friendly final destination;
- Concession term: 30 years, extendable to 35 years;
- Location: São José dos Campos (SP);
- Pop: approximately 630,000 inhabitants and 672 metric tons of waste/day;
- Investment: US\$ 100 MM;
- BNDES/EBP studies in partnership;
- Current status: tender documents under review;
- More information available at:



<http://servicos.sjc.sp.gov.br/servicos/hotsitesemea/>

Map of the logistics circuit and functions of the project



Parking



Popular Shopping Center



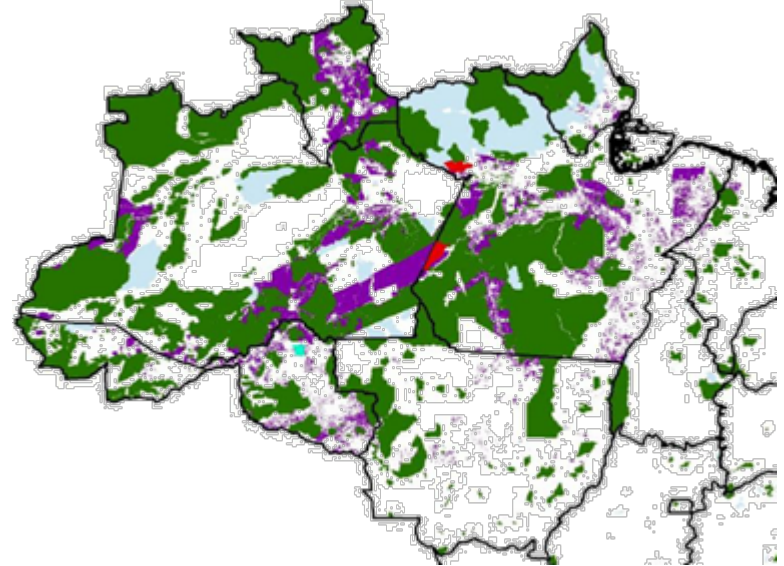
Support centers



Buses to transport
passengers and baggage

- Project: Concession for the construction, maintenance, and operation of the popular shopping center, shopper support center, drivers and guides, circular transportation of passengers and cargo, bus terminal, parking for busses and automobiles, hotel and commercial towers;
- Location: Downtown São Paulo, SP;
- Daily flow of 523,000 shopping tourists; 21,000 of which are from other cities and states;
- Amount of the investment : US\$ 3400MM;
- BNDES/EBP studies in partnership;
- Current status: ending studies;
- Term studies: December, 2012.

- Concession allows:
 - ✓ Wood production;
 - ✓ Exploitation of non-wood products, such as vegetal oils, plants and fruits;
 - ✓ Commercialization of waste wood for firewood use;
 - ✓ Additional services (i.e.: ecotourism).
- Concession does not allow:
 - ✓ Access to genetic assets;
 - ✓ Use of water resources above the legally permitted limits;
 - ✓ Exploitation of mineral resources;
 - ✓ Exploitation of fishing resources or wildlife;
 - ✓ Commercialization of carbon credits;
 - ✓ Exploitation of traditional products used or exploited by local communities for their living.



- > 70% of the Amazon region are public areas;
- 240 M.ha are public forests, 24 M.ha (59.3 M acres) of which are exempt of any legal restriction for concession;
- FLONAS in study: Itaituba I e II.

High Speed Train - TAV



BUSINESS MODEL

Premises

- Concession 1 (C1): Systems, rolling stock and operation and maintenance;
 - Amount of investment C1: US\$ 2.84 billion;
 - Payment C1: ticket' s sale + parcel freight.
-
- Concession 2 (C2): Infrastructure Implementation + real estate;
 - Amount of investment C2: US\$ 17.61 billion;
 - Payment C2: Public contribution for the use of infrastructure.
-
- Concession' s term: 40 years after the beginning of operation.

Schedule

- Publication of the Tender Documents of Concession 1: August/2012;
- Expected auction date of Concession 1: May/2013;

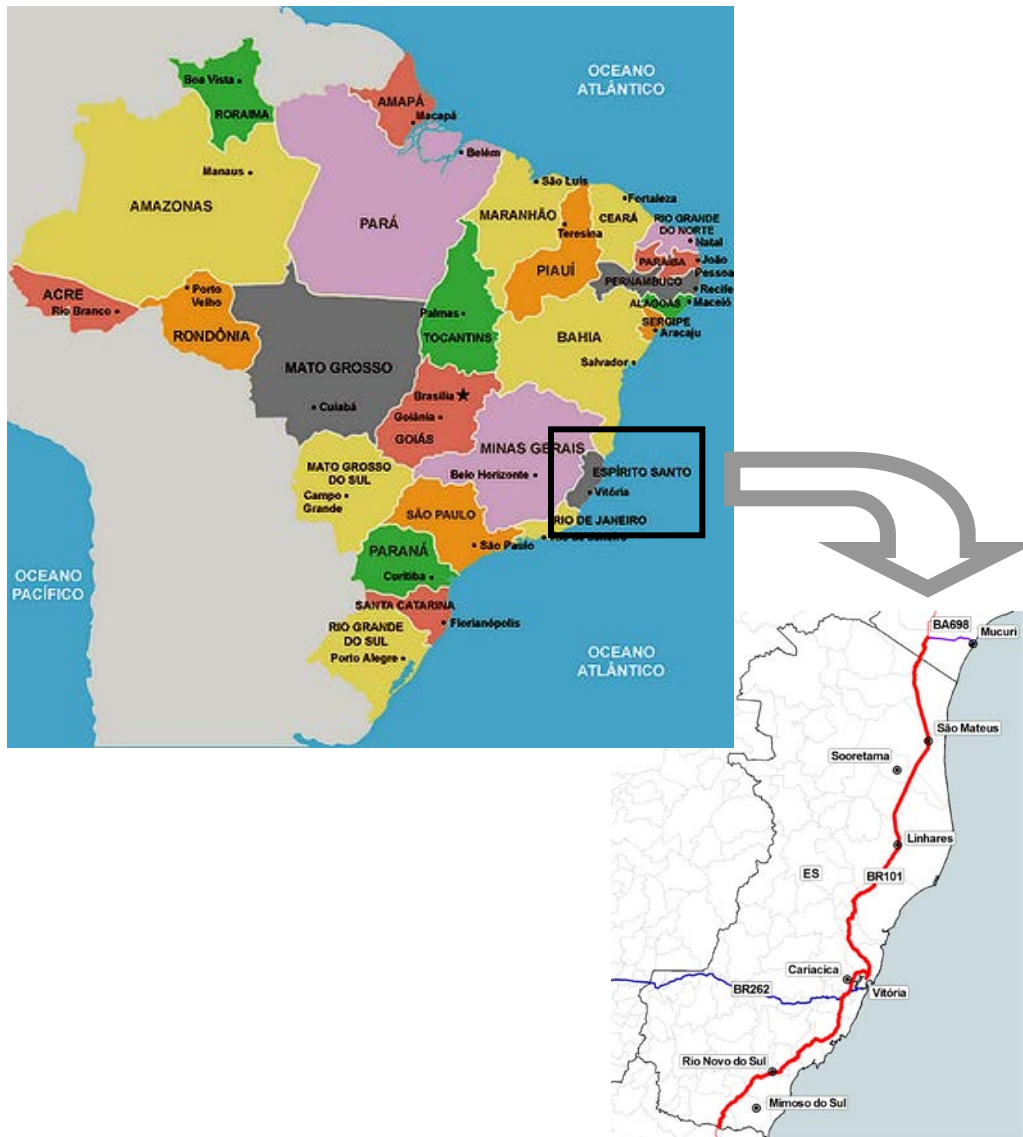


CONCESSION 1 MODEL

- Concession of operation and maintenance
- Auction: Technical pre-qualification with phases inversion
- Variables: Highest fixed value of lease + Estimated value of infrastructure.
- Price system: price-cap in Rio-São Paulo link in economic class.

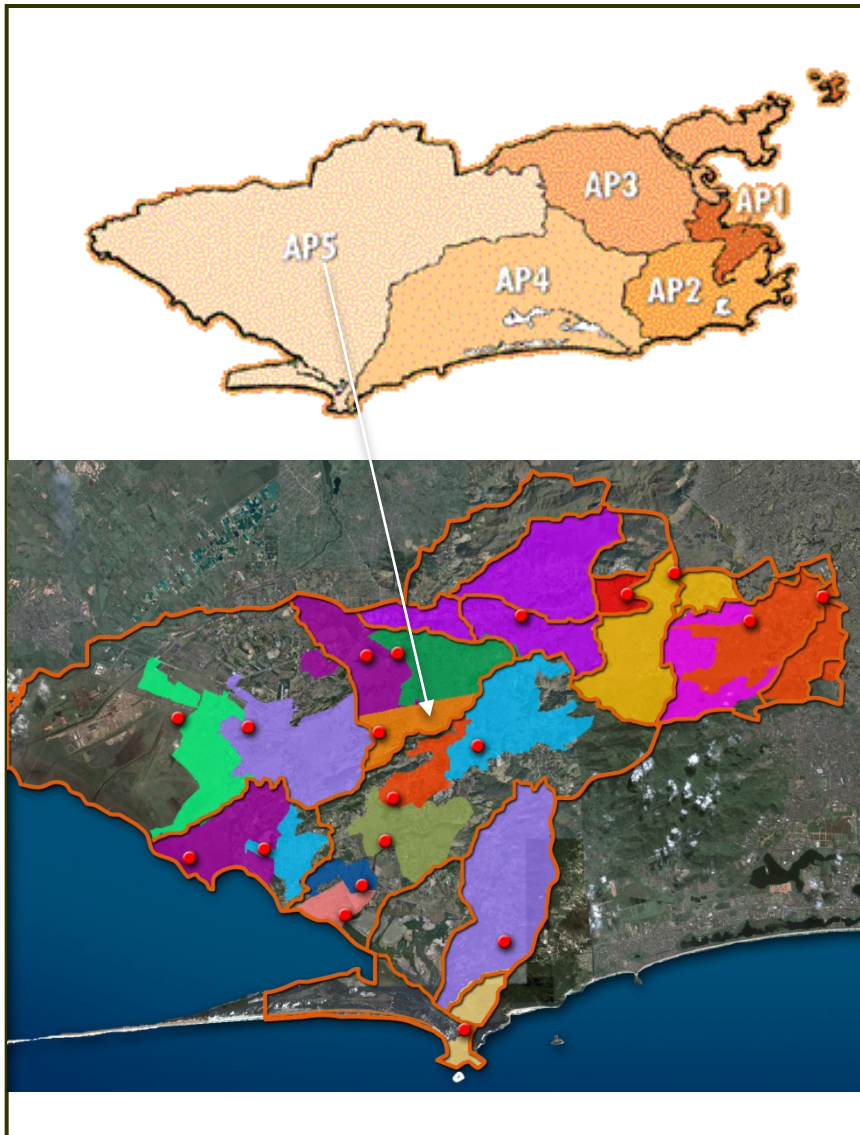
Concluded Projects

BR-101 BA/ES Highway



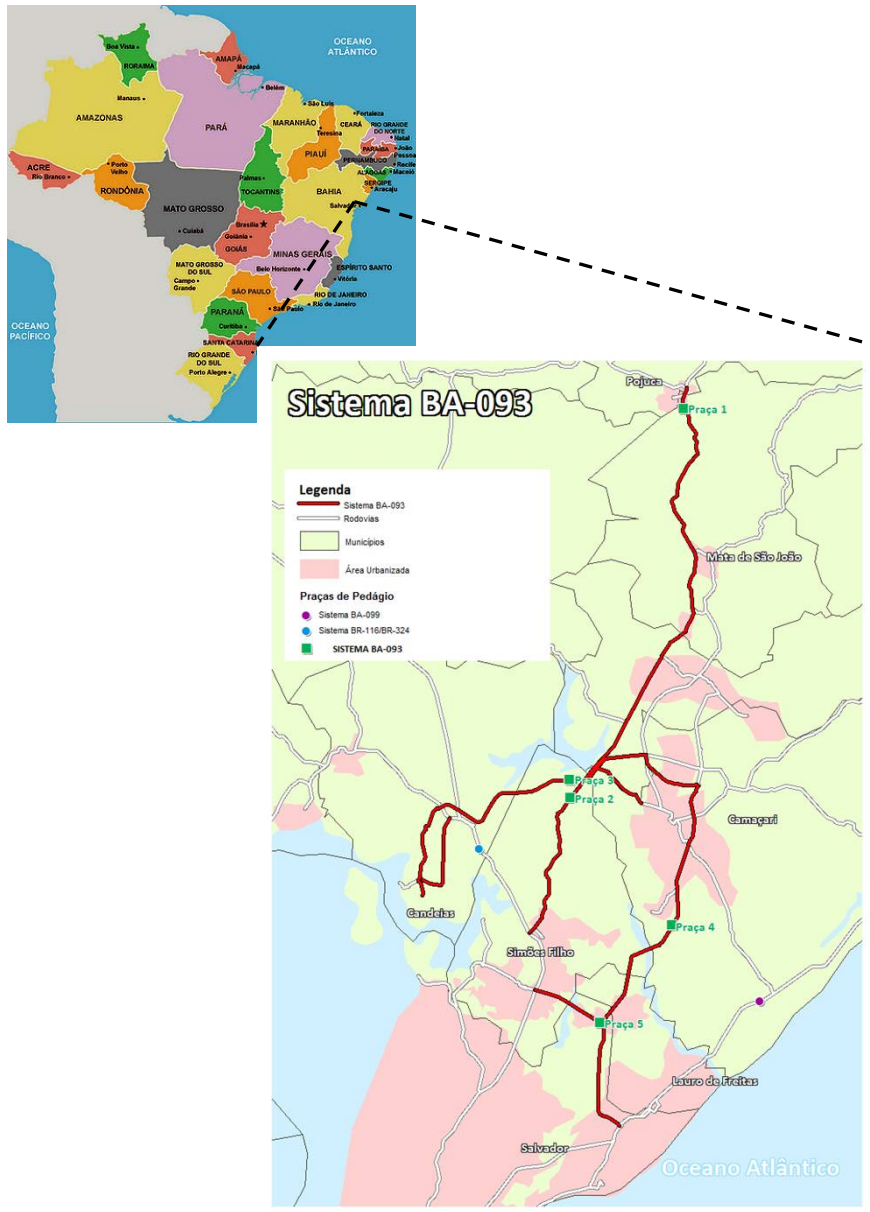
- Location: BR-101 Highway from the junction with the BA698 Highway (access to Mucuri, BA) to the border between ES/RJ, extending 476 km;
- Concession for 25 years of operation, maintenance, and expansion of capacity;
- Granted by the federal government (ANTT);
- Concessionaire Investment: US\$ 1.4 billion (over 25 years);
- Auction held on January 18, 2012 (discount in the toll rate of 45%);
- BNDES/EBP studies in partnership.

Rio – West Zone Sanitation



- Project: concession for the construction, and operation of the sanitary waste management system of the AP-5 region of the City of Rio de Janeiro (21 districts in the West Zone);
- 1.8 million inhabitants (56% of collected waste and 4% treated);
- Goals: 80% at 10 years and 90% at 20 years (2.5 million inhabitants);
- Amount of the investment: US\$ 940 MM;
- BNDES / EBP studies in partnership;
- Auction held on November 23, 2011 (premium of 8%)
- Contract signed with the Consortium of Brazil Waters and Foz of Brazil on 01/25/2012.

BA-093 Highway



- Concession of a system composed of 6 sections of state highways, located in metropolitan region of Salvador, where circulates more than 50% of Bahia's PIB;
- Extension System BA-093: 125 km;
- Awarded by the State of Bahia (Derba / AGERBA);
- Amount of the investment: R\$ 805 MM (25 years);
- BNDES/IFC studies in partnership;
- Current Status: auction held on May 3, 2010 and contract signed on August 17, 2010.

Suburban Hospital



- PPP to equip, manage and deliver health services at the hospital on behalf of the Government;
- Location: Railroad Suburb, Salvador (BA);
- Construction of the building of 14,000 m² made by the State Government in the amount of R\$ 42 MM;
- Beneficiary population: 2 million people;
- Amount of the investment: R\$ 50 MM (10 years);
- BNDES/IFC studies in partnership;
- Current Status: auction held on February 26, 2010 and contract signed on May 28, 2010.



BH Metropolitan Hospital



- **Scope: Construction, maintenance and operation**
- **Clinical Services are not included in the object of the concession**
- **Amount of the investment: R\$ 416 million;**
- **Concession Period: 20 years**
- **BNDES/EBP studies in partnership;**
- **Contract signed in April, 04, 2012**



Infant-school



Elementary School - EF

- Scope: Construction and operation of Non-Pedagogical services of 32 UMEIs and 5 Elementary Schools;
- UMEI: 440 children (ages 0 to 5) – Municipal Project recognized as “high level”;
- EF: 960 students (ages 6 to 14);
- Concession period: 30 years
- Concessionaire Investment: US\$ 98 MM;
- BNDES/IFC studies in partnership;
- Current Status: auction held on June 06, 2012 and contract signed on July 25, 2012.

BH Bus Terminal



- Project: Concession to construct and operate the new Bus Terminal (Inter-city and inter-state arrivals and departures);
- Location: the North Region, new development area for the city;
- 426,000 passengers/month (2012);
- Concession period: 30 years
- Amount of the investment: US\$ 36,5 million (US\$ 61 million with accessory construction);
- BNDES/EBP studies in partnership;
- Auction held on December 22, 2011 (premium of 409%).

Belo Horizonte Stadium



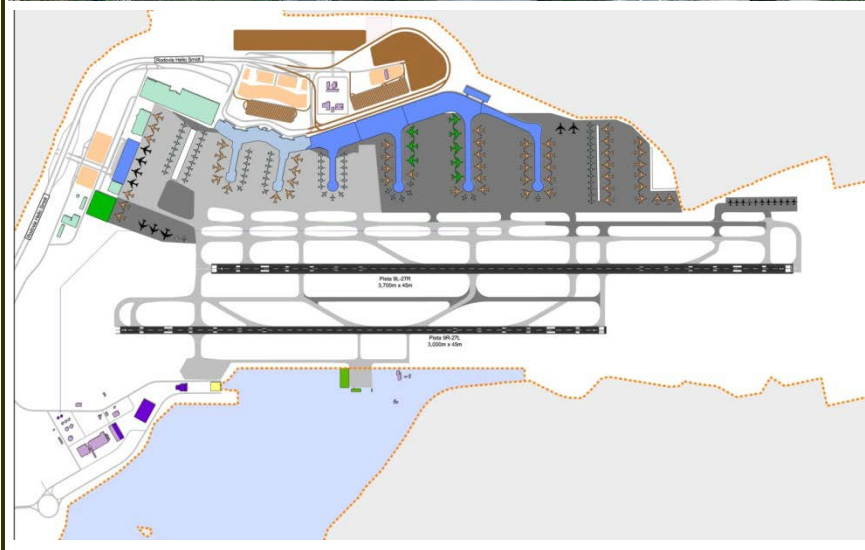
- **Scope: Refurbishment and operation of Belo Horizonte Stadium**
- **Amount of the investment: R\$ 677 million;**
- **Concession Period: 27 years**
- **BNDES/EBP studies in partnership;**
- **Contract signed in December, 21, 2010**

S. Gonçalo do Amarante Airport (RN)



- Objective: concession of the new international airport in Rio Grande do Norte, 18 km from Natal;
- The current airport, Augusto Severo, will function as an air force base;
- Pre-existing construction: the runways and apron are being completed by INFRAERO, through the Army Construction Battalion;
- Investments: US\$ 353 MM, including passenger terminal, cargo, equipment, basic infrastructure etc;
- Auction (August 22th, 2011): Highest bid of US\$ 100 MM (228% over the initial bid of US\$ 30,5 MM).

Guarulhos International Airport - SP



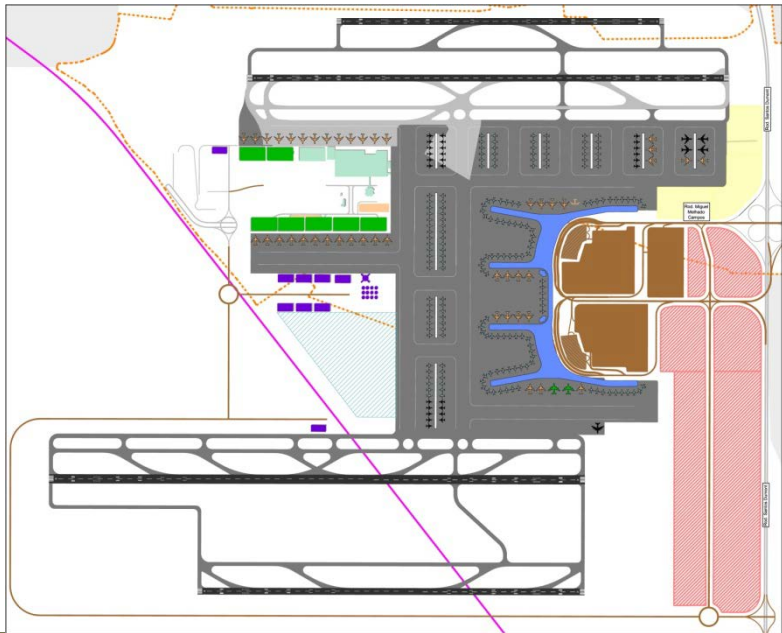
- Project: Renovation and expansion of the Guarulhos International Airport;
- INFRAERO's share: up to 49% of the voting shares of the future SPE;
- Traffic in 2011: 26.7 million pax;
- Estimated traffic in 2031: 54 million pax;
- Period of concession: 20 years;
- Estimated investment: US\$ 3,7 bn;
- BNDES/EBP studies in partnership;
- Auction held in February 6, 2012;
- Lance winner - 376% premium.

Brasília International Airport (DF)



- Project: Renovation and expansion of the Brasília International Airport;
- INFRAERO's share: up to 49% of the voting shares of the future SPE;
- Traffic in 2011: 15.4 million pax;
- Estimated traffic in 2036: 51 million pax;
- Period of concession: 25 years;
- Estimated investment: US\$ 2,1 bn;
- BNDES/EBP studies in partnership;
- Auction held in February 6, 2012;
- Lance winner - 673% premium.

Campinas Airport (SP)



- Project: Renovation and expansion of the Campinas Airport (Viracopos);
- INFRAERO's share: up to 49% of the voting shares of the future SPE;
- Traffic in 2011: 7.5 million pax;
- Estimated traffic in 2041: 90 million pax;
- Period of concession: 30 year;
- Estimated investment: US\$ 6.8 bn;
- BNDES/EBP studies in partnership;
- Auction held in February 6, 2012;
- Lance winner - 159% premium.



Thank you!

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