

PROGRAM OF INVESTMENT IN LOGISTICS 2015-2018



GROWTH AND INVESTMENT SCENARIO

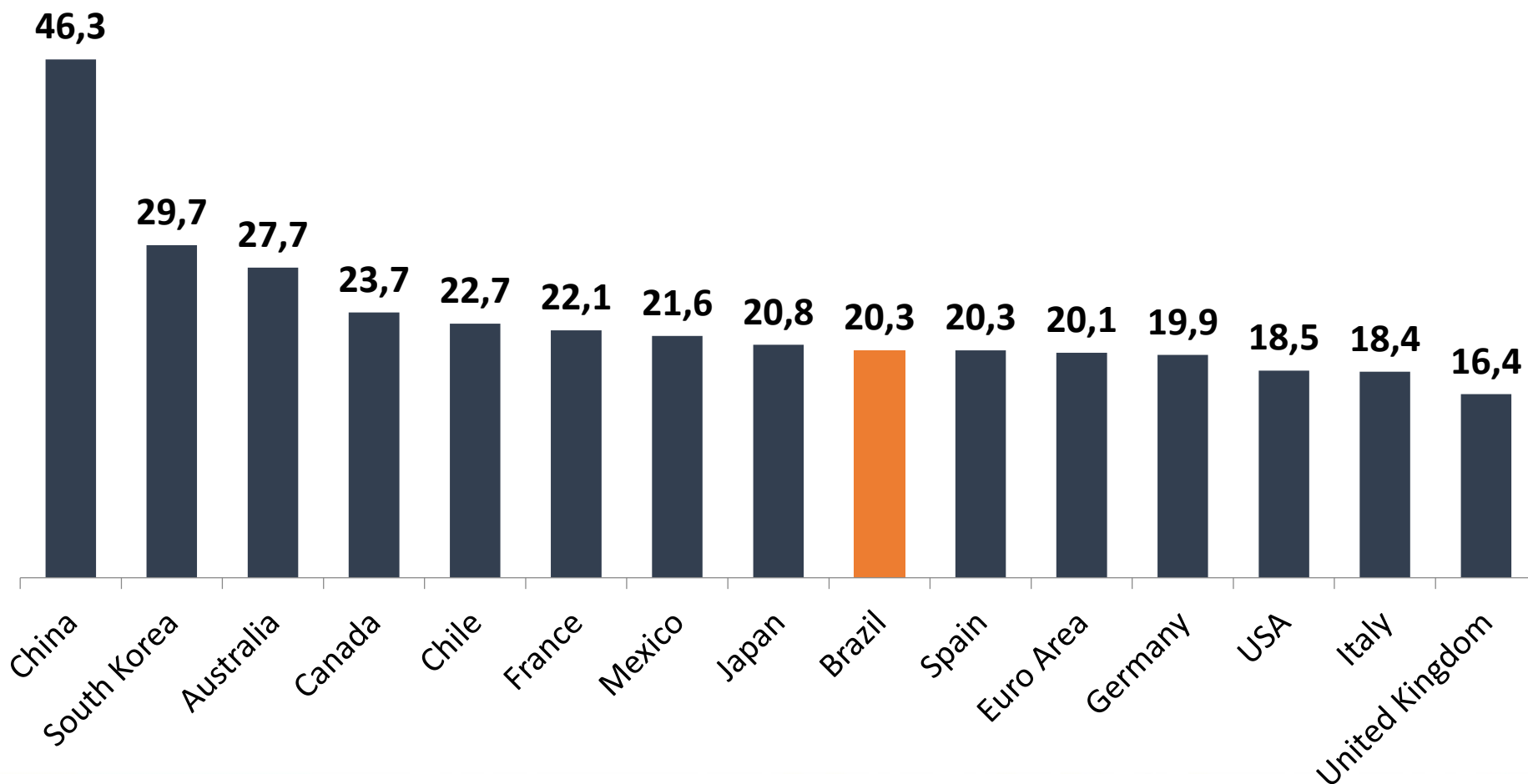
Resuming growth requires more investment

Investment requires:

- **Macroeconomic stability**
- **Regulatory predictability**
- **Private sector participation**
- **Public and private sectors coordination**

INVESTMENT RATE

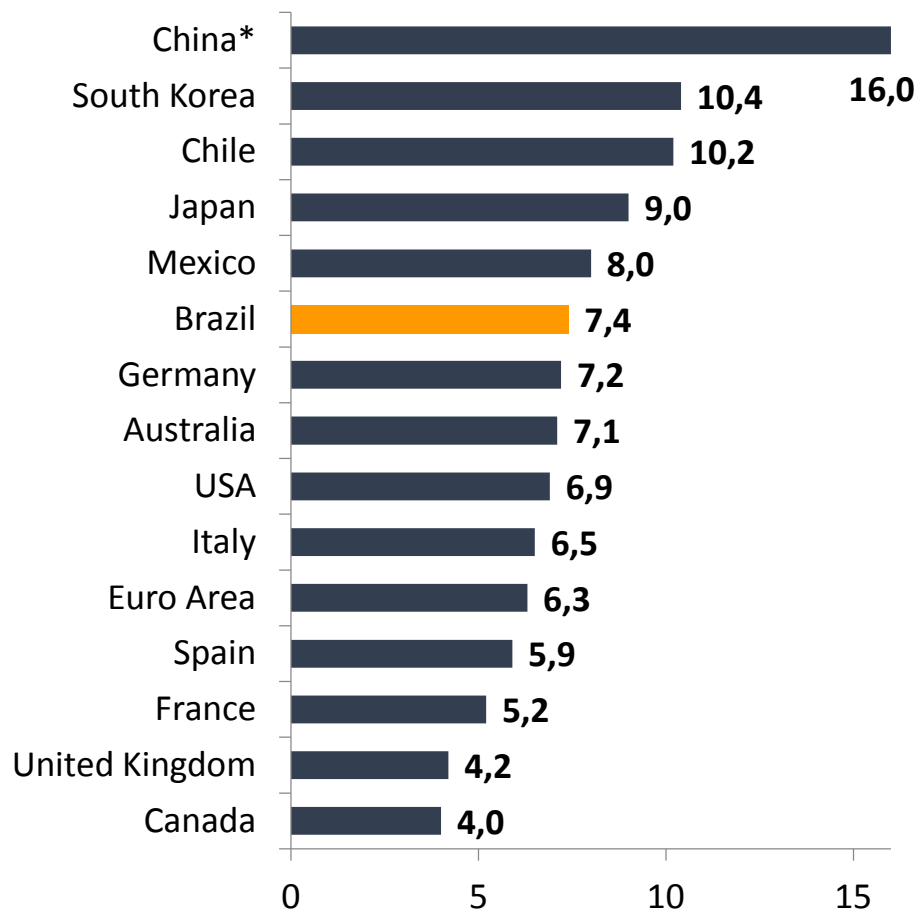
Selected countries and Areas (average from 2010 to 2014 as % of GDP)



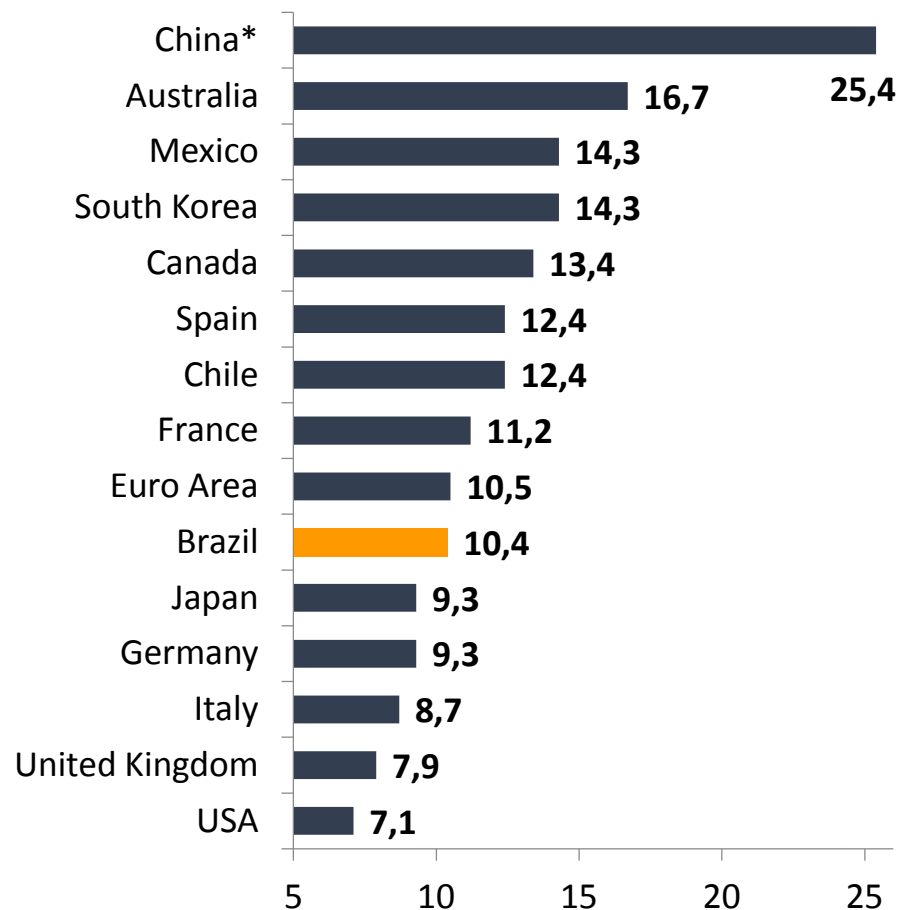
INVESTMENT RATE

Selected countries and Areas (average from 2010 to 2014 as % of GDP)

Machinery and Equipment



Civil Construction



WHY INCREASE INVESTMENT IN INFRASTRUCTURE?

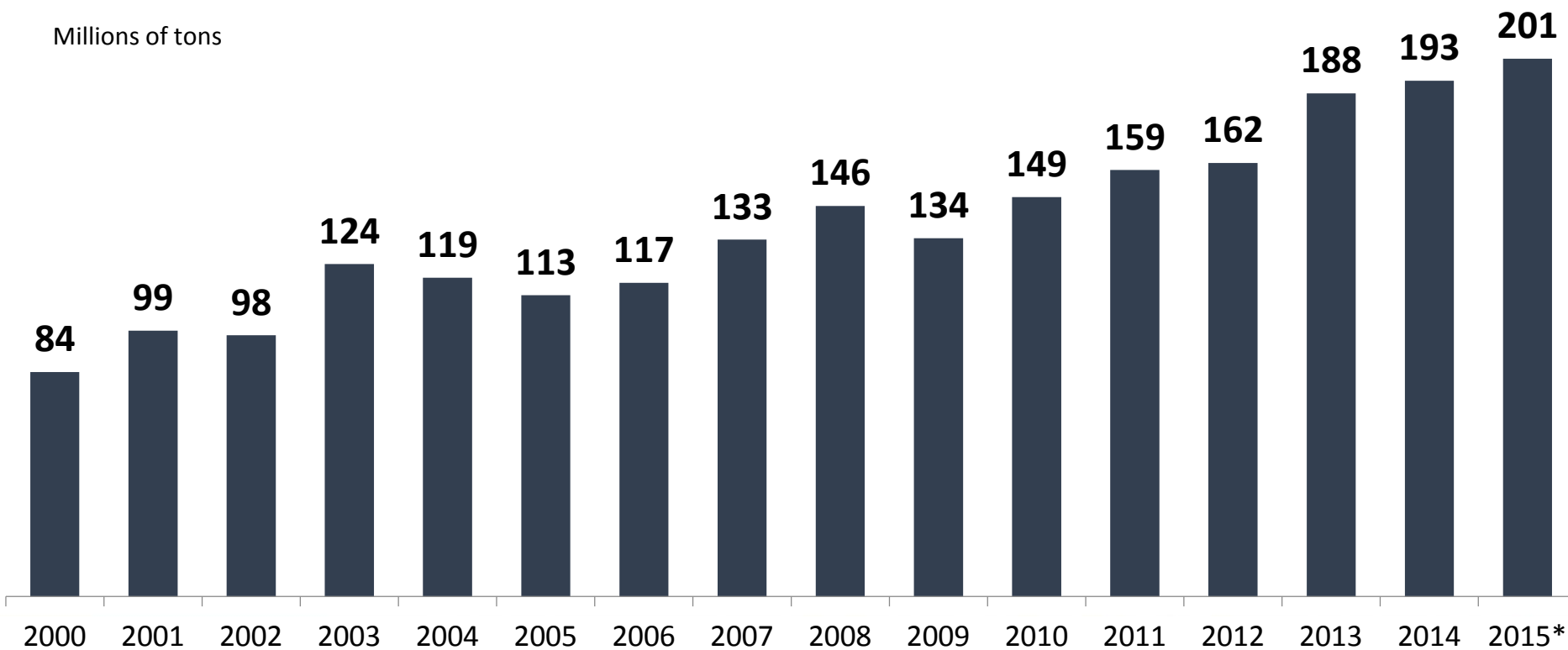
Targets:

- **Raise the economy's competitiveness**
- **Efficiently transport increasing agriculture production**
- **Reduce logistic costs for industry**
- **Meet the growing demand for national and international travel**
- **Expand exports**

GRAIN PRODUCTION

Growth 2000-2014: 129,8%
Annual Average Growth 2000 - 2014: 6,2%

Millions of tons



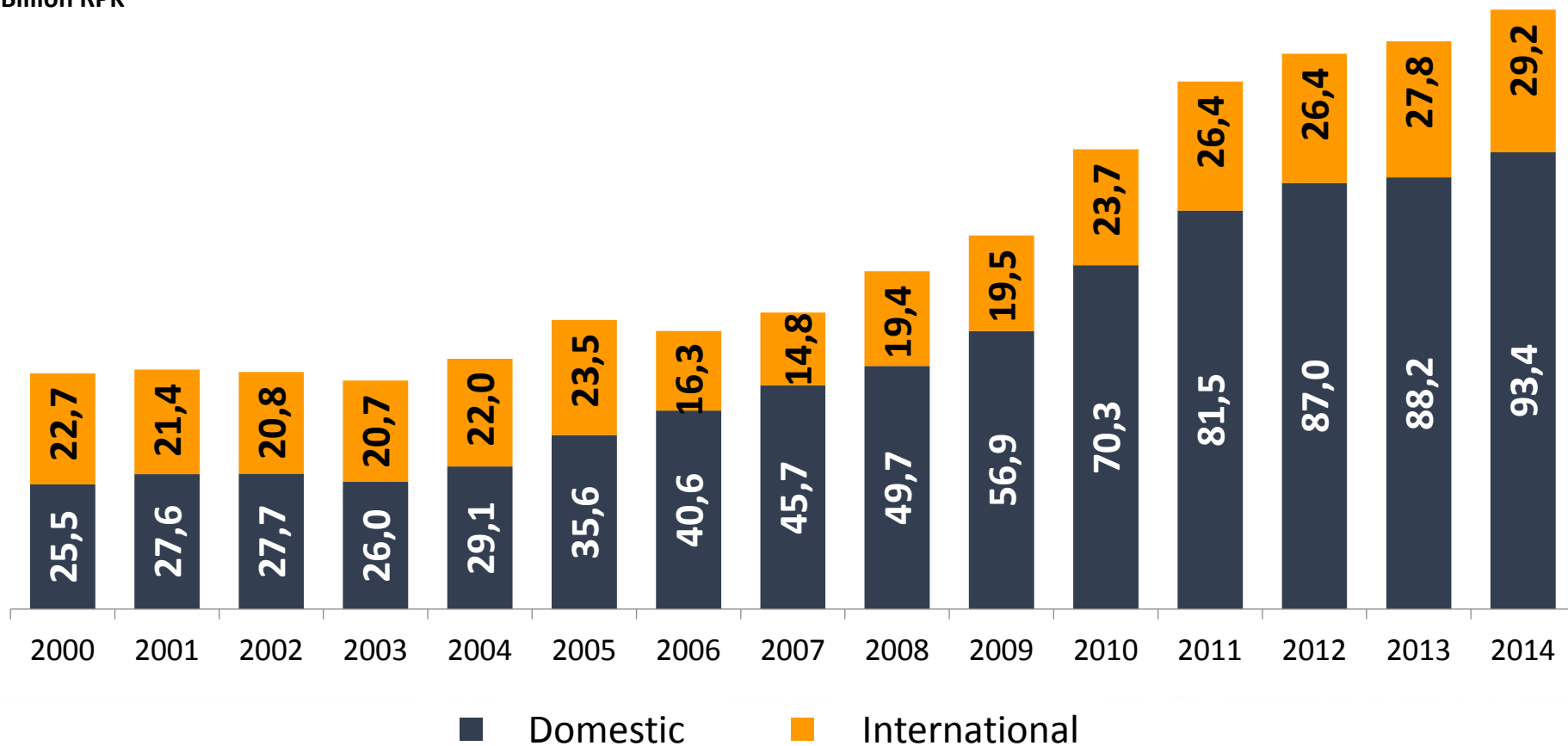
Source: IBGE.

* Forecast from April 2015

AIR TRAVEL PASSENGERS

Growth 2000-2014: 154,3%
Annual Average Growth 2000 - 2014: 7,2%

Billion RPK*



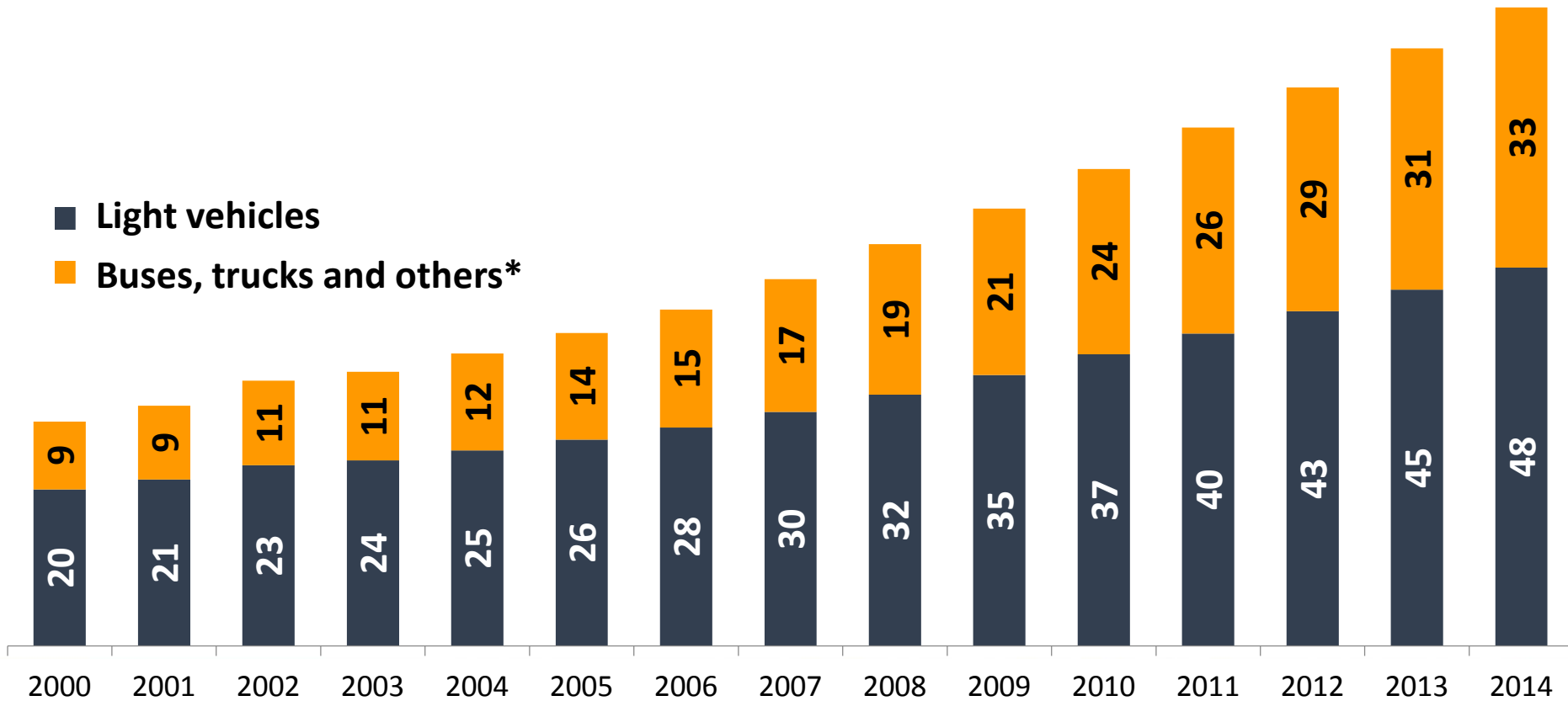
Source: ANAC

* *Revenue Passenger Kilometer*: indicator of traffic calculated by multiplying the number of revenue-paying passengers aboard the vehicle by the distance travelled.

VEHICLE FLEET

Growth 2000-2014: 184,6%
Annual Average Growth 2000-2014: 7,8%

Millions of Vehicles



Source : Denatran.

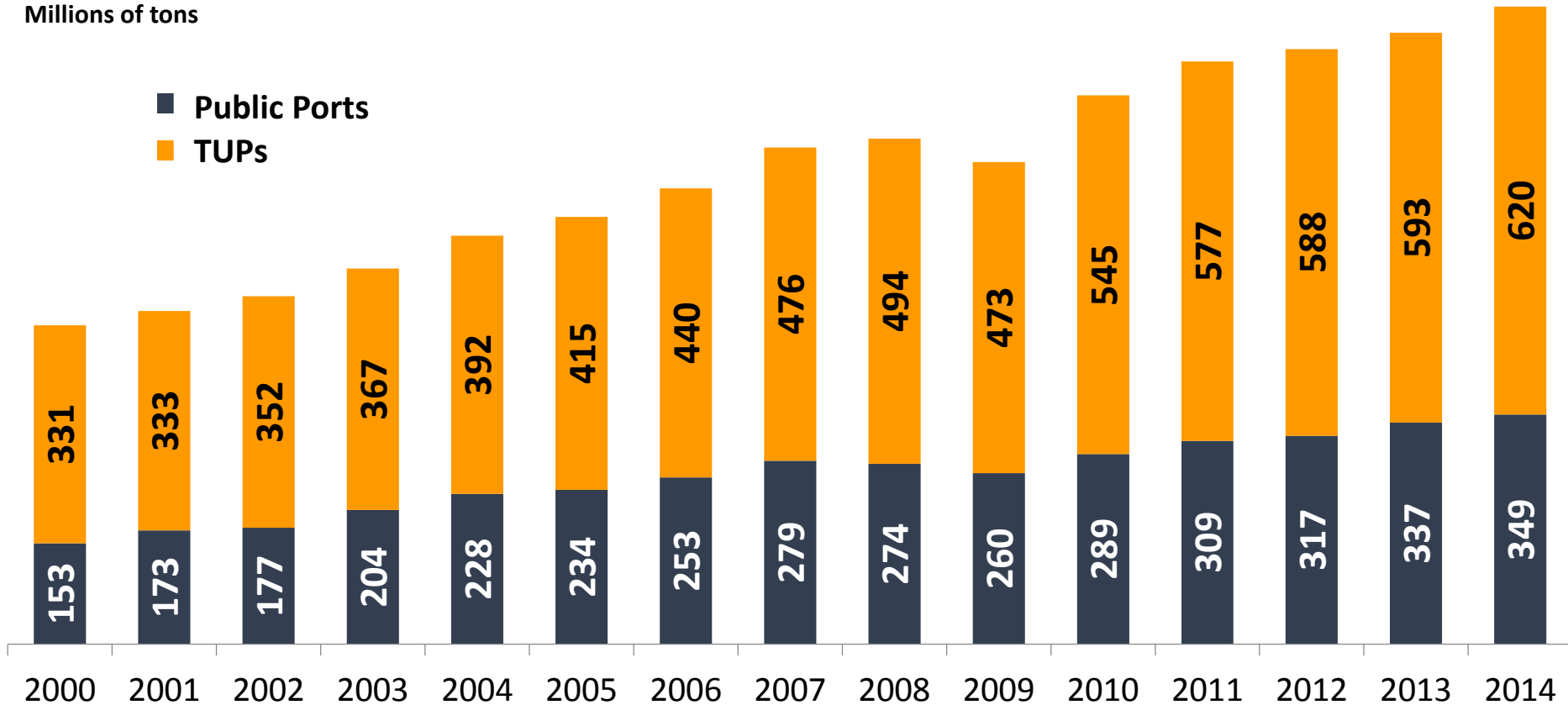
* Bus, truck, haul truck, pick-up truck, light truck, motorcycle and utility truck.

CARGO HANDLING IN PORTS

Growth 2000-2014: 99,9%
Annual Average Growth 2000-2014: 5,56%

Millions of tons

■ Public Ports
■ TUPs



GUIDELINES FOR INFRASTRUCTURE CONCESSIONS

- **Dialogue with state governors to support regional development**
- **Consultation with the private sector to meet conditions for economic recovery**
- **Improvement of the regulatory frameworks**
- **Financial gain matching costs and construction risks**
- **Long-term financing availability with greater participation of private banks and capital markets**

NEW STAGE OF CONCESSIONS

Investment
R\$ 198,4 billions

2015-2018

R\$ 69,2 bi

From 2019

R\$ 129,2 bi

NEW STAGE OF CONCESSIONS

Estimated Investment
R\$ 198,4 billion

Roads

R\$ 66,1 bi

Railways

R\$ 86,4 bi

Ports

R\$ 37,4 bi

Airports

R\$ 8,5 bi

ROADS



ROAD CONCESSIONS



1995-2002

Weighted Average Toll Rate R\$ 10,4

1.316 km Granted on 6 roads



2003-2010

Weighted Average Toll Rate R\$ 3,8

3.781 km Granted on 8 roads



2011-2014

Weighted Average Toll Rate R\$ 3,5

5.350 km Granted on 7 roads





Estimated Investment
R\$ 66,1 billions

**5 auctions in
2015**

R\$ 19,6 bi

**11 auctions in
2016**

R\$ 31,2 bi

**New Investment in
Existing Concessions**

R\$ 15,3 bi

AUCTIONS IN 2015

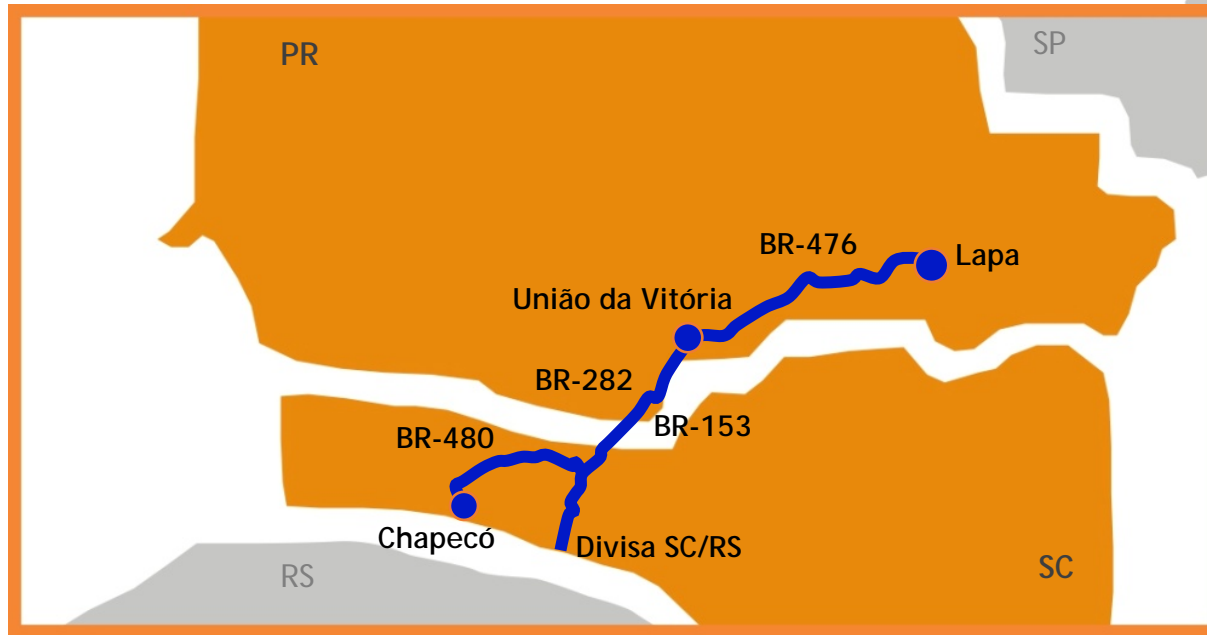


- 2.603 km of roads in 7 states
- R\$ 19,6 billions in investment: duplication, additional lanes, signaling
- RFP projects– Auction expected in the 4th quarter
- Auction for the cheapest toll
- Financing led by BNDES
- Partnership with commercial banks and capital markets



BR-476/153/282/480/PR/SC

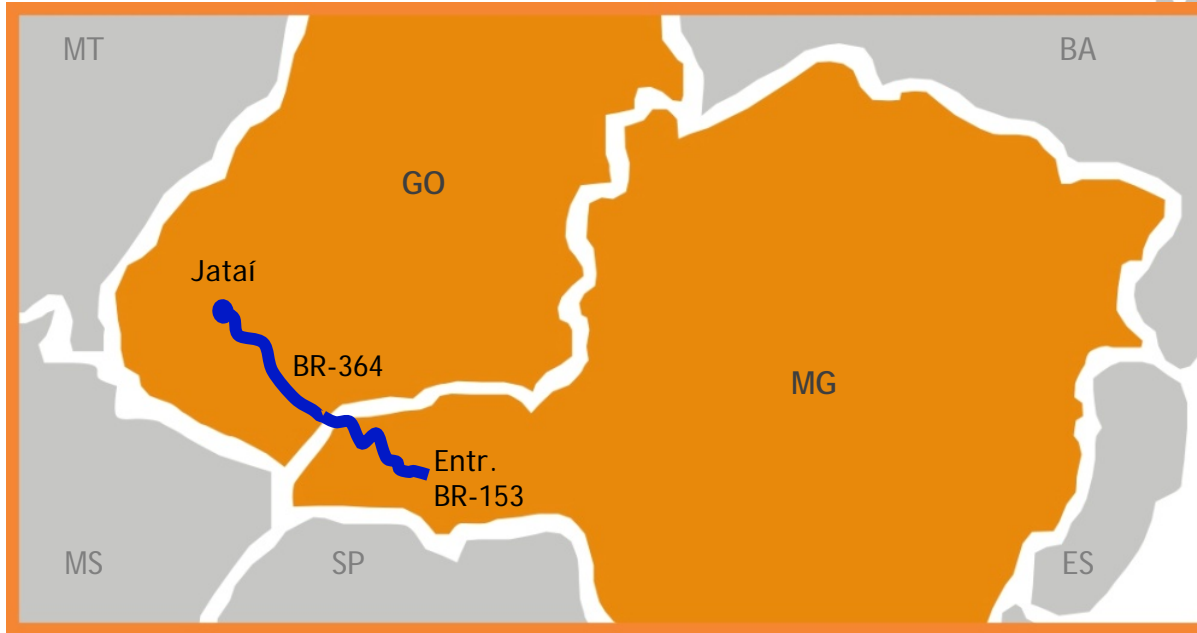
Auctions
In 2015



- Road linking SC/PR
- Total length: 460 km
- Estimated investment: R\$ 4,5 billion
- Goal: transport grain, poultry and swine through South Arch ports

BR-364/GO/MG

Auctions
In 2015



- Road linking GO/MG
- Total length: 439 km
- Estimated investment: R\$ 3,1 billion
- Goal: connect grains producing region of southern Goiás to Triângulo Mineiro

BR-364/060/MT/GO

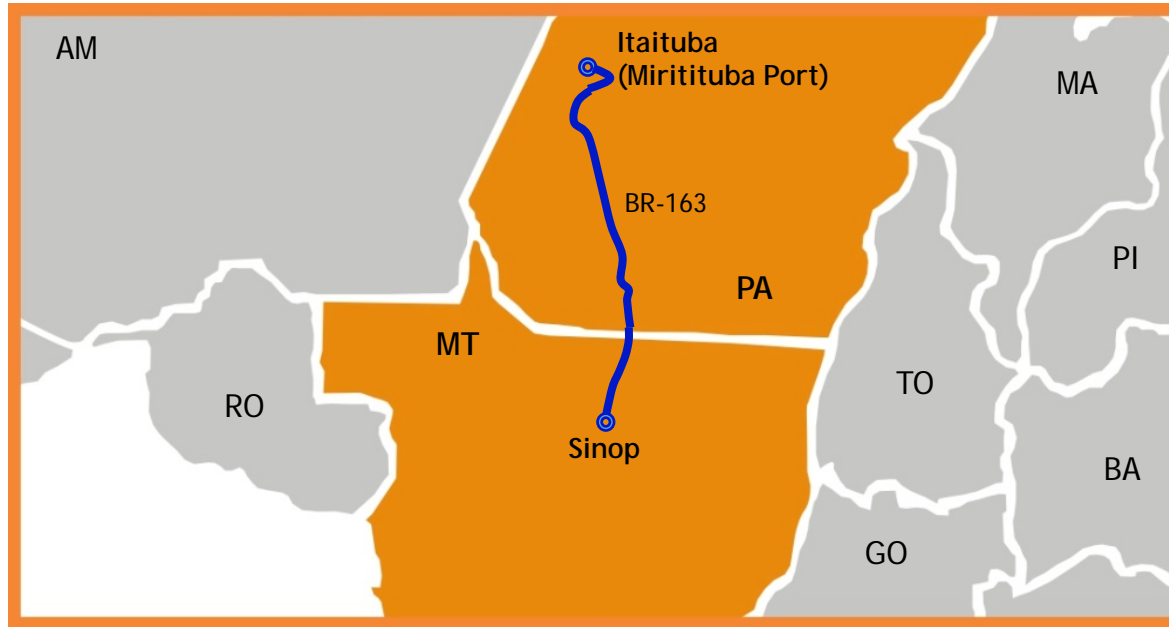
Auctions
In 2015



- Road linking MT/GO
- Total length: 704 km
- Estimated investment: R\$ 4,1 billion
- Goal: transport production from the Center-West region to ports in the North and South Arches

BR-163/MT/PA

Auctions
In 2015

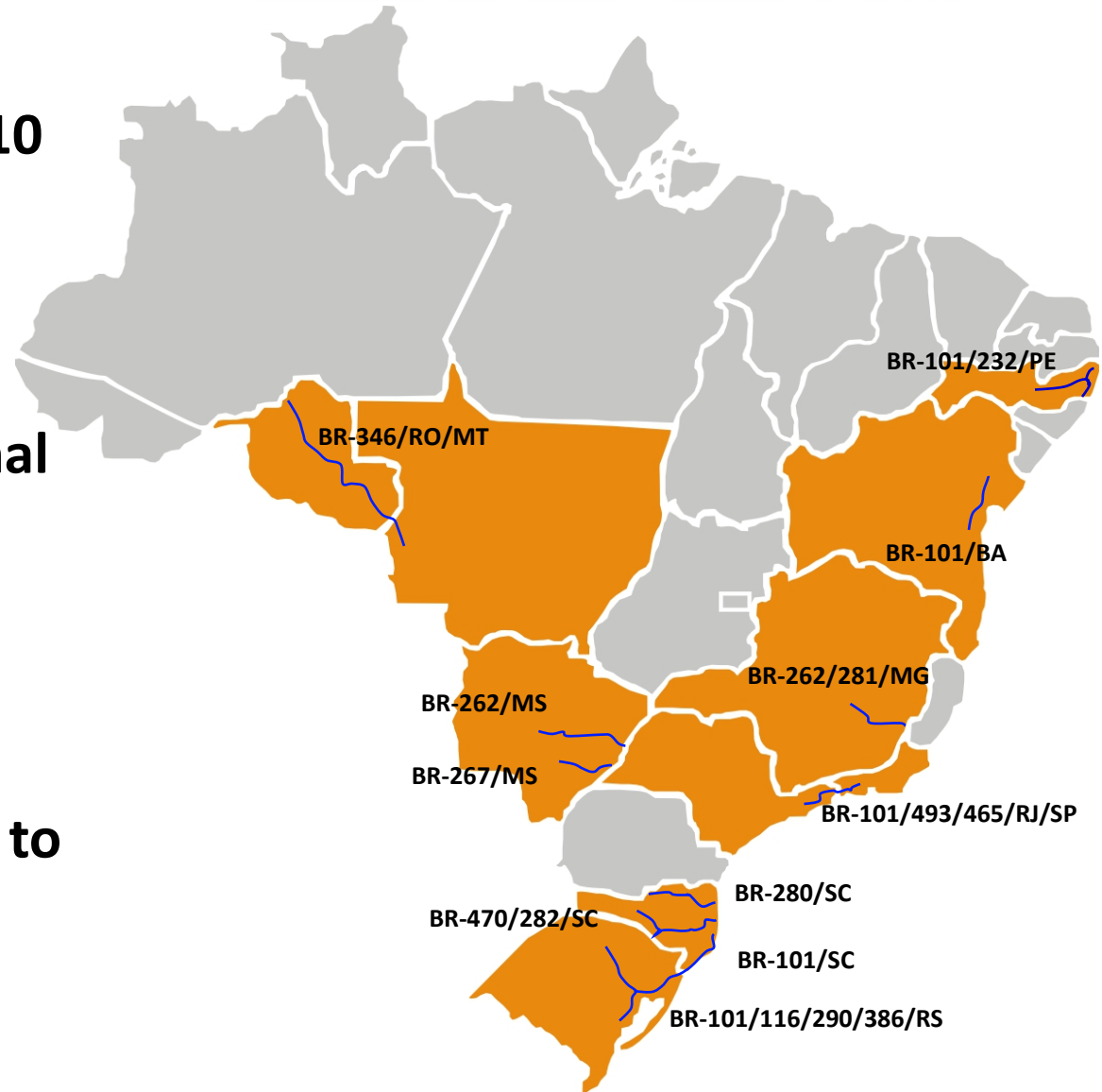


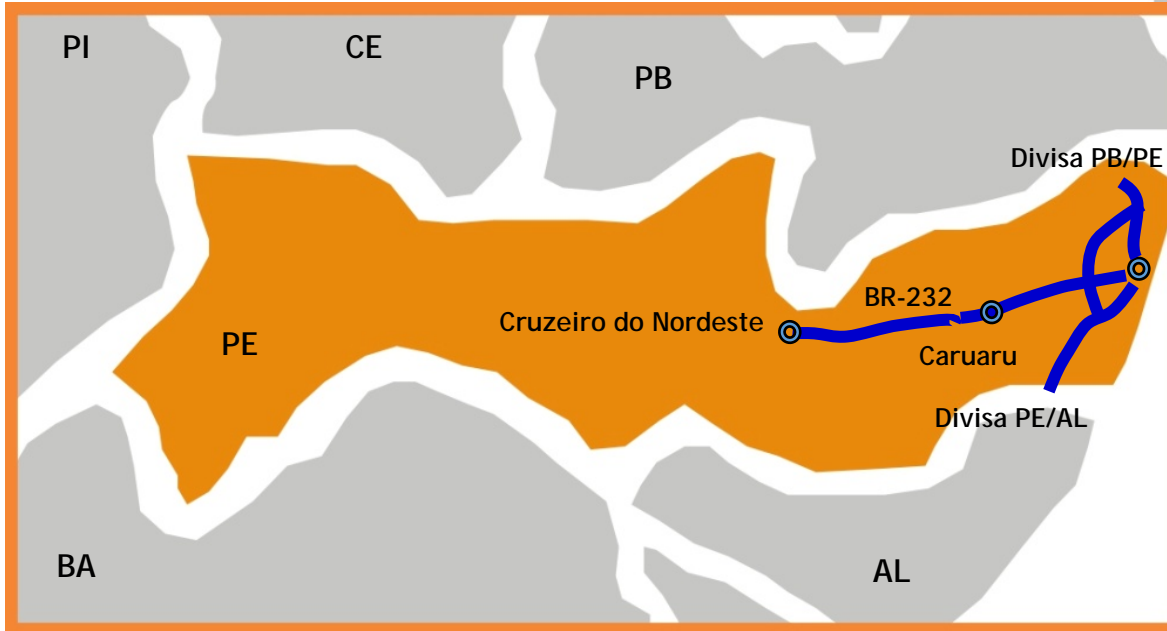
- Road linking MT/PA
- Total Length: 976 km
- Estimated investment: R\$ 6,6 billion
- Goal: increase grain transportation through North Arch ports

AUCTIONS IN 2016



- 4.371 km of roads in 10 states
- R\$ 31,2 billion in investment: road duplications, additional lanes, etc.
- Integration with the federal road network segments under concession and those to be auctioned in 2015





- Road in PE
- Total length: 564 km
- Estimated investment: R\$ 4,2 billion
- Goals: construction of Recife's metropolitan beltway, better access to the Port of Suape and road duplication until Cruzeiro do Nordeste

BR-101/BA

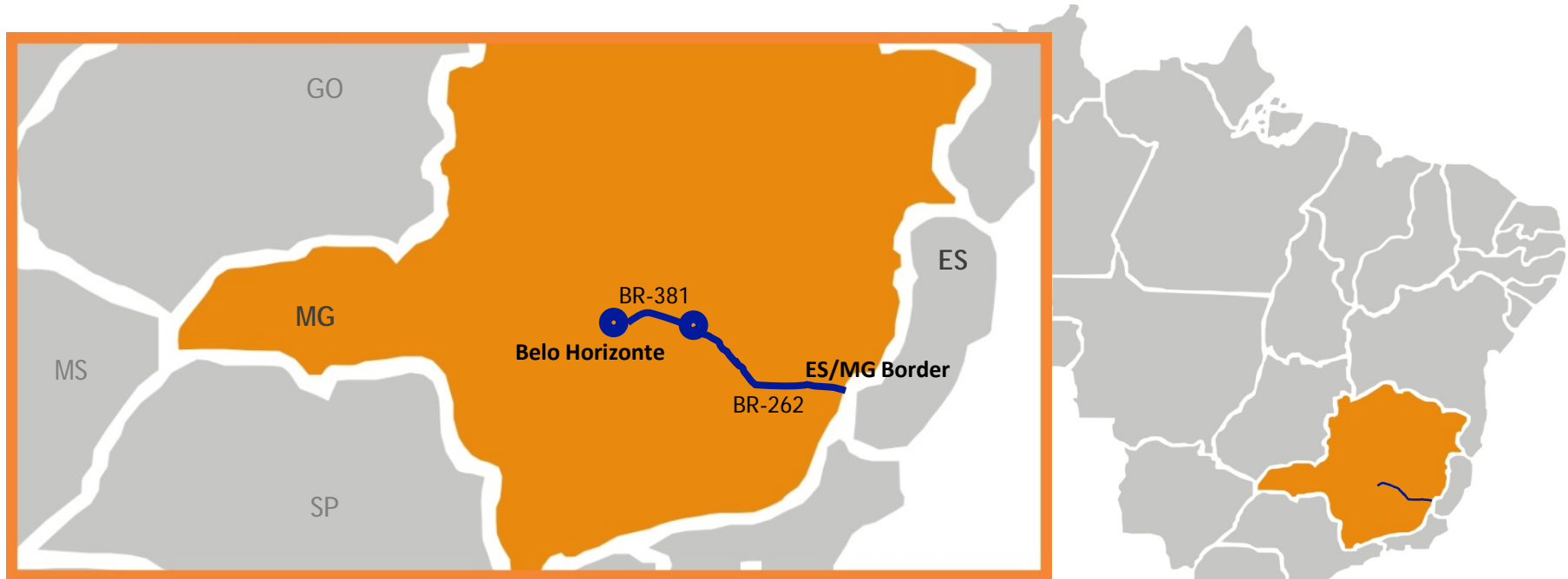
Auctions
in 2016



- Road in BA
- Total length: 199 km
- Estimated investment: R\$ 1,6 billion
- Goals: Duplicate segment Feira de Santana/Gandu and improve cargo transportation between the Northeast and Southeast regions

BR-262/381/MG

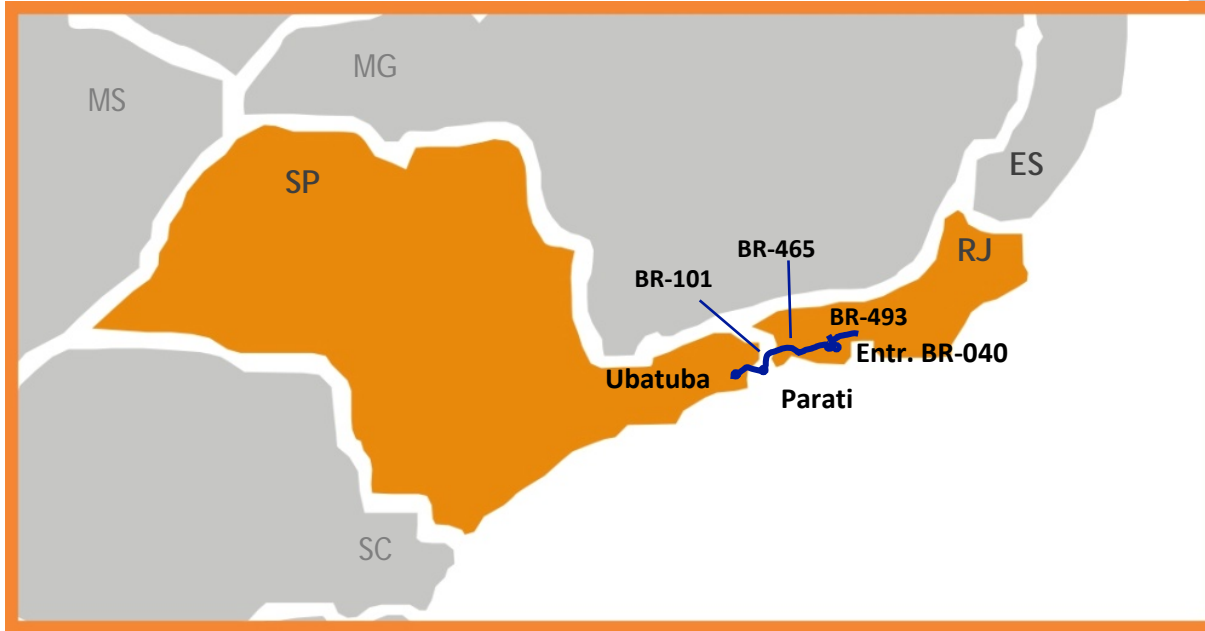
Auctions
in 2016



- Road in MG
- Total length: 305 km
- Estimated investment: R\$ 1,9 billion
- Goals: duplicate Belo Horizonte/ES border segment, enhance safety and reduce costs

BR-101/493/465/RJ/SP

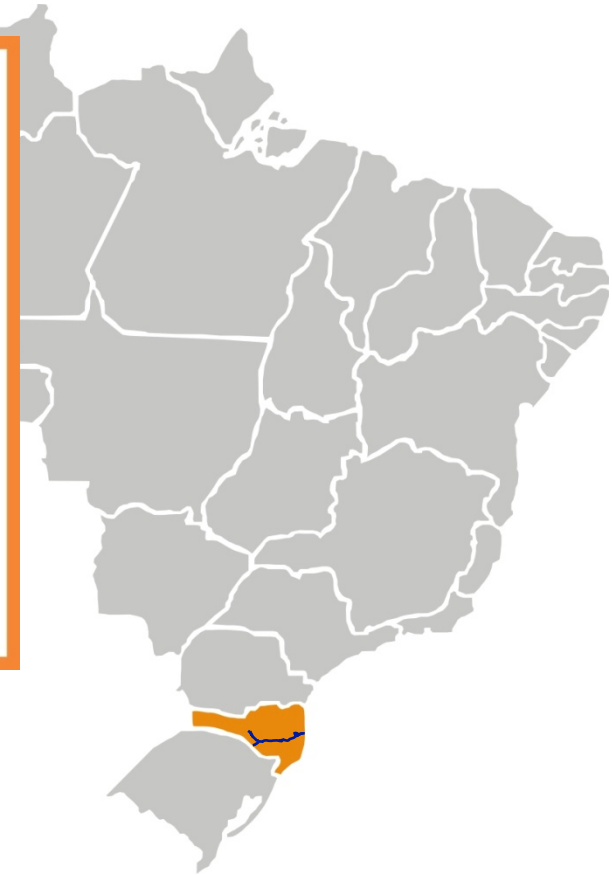
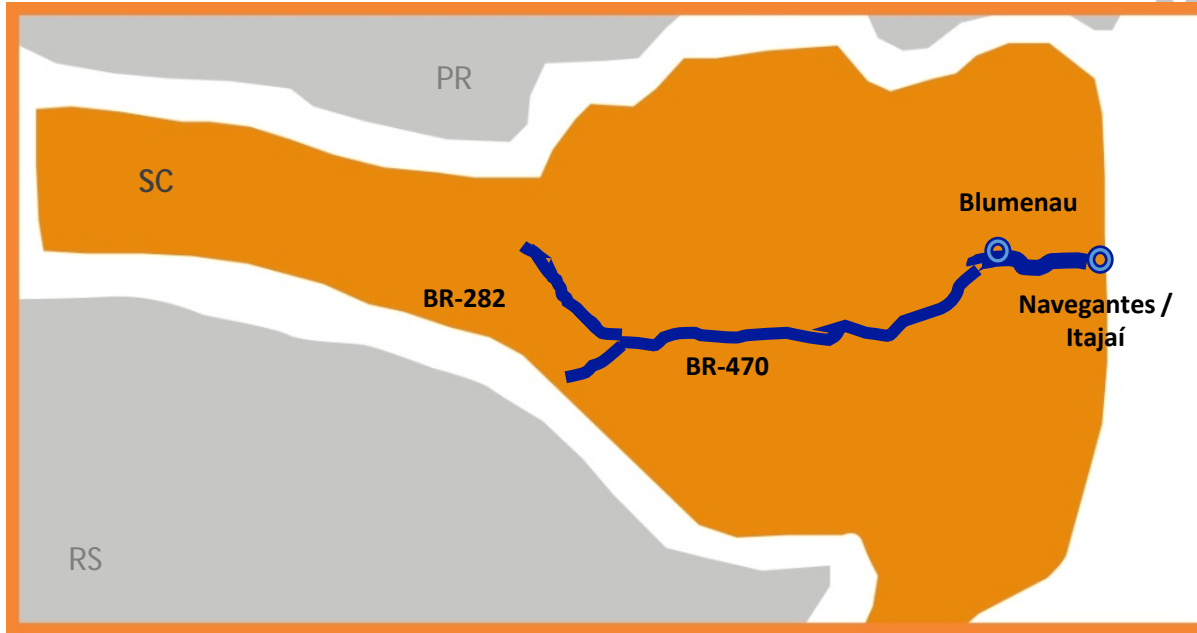
Auctions
in 2016



- Road linking RJ/SP
- Total length: 357 km
- Estimated investment: R\$ 3,1 billion
- Goals: Increase Rio-Santos segment capacity until Ubatuba, a touristic route, with the concession of the Rio de Janeiro metropolitan beltway

BR-470/282/SC

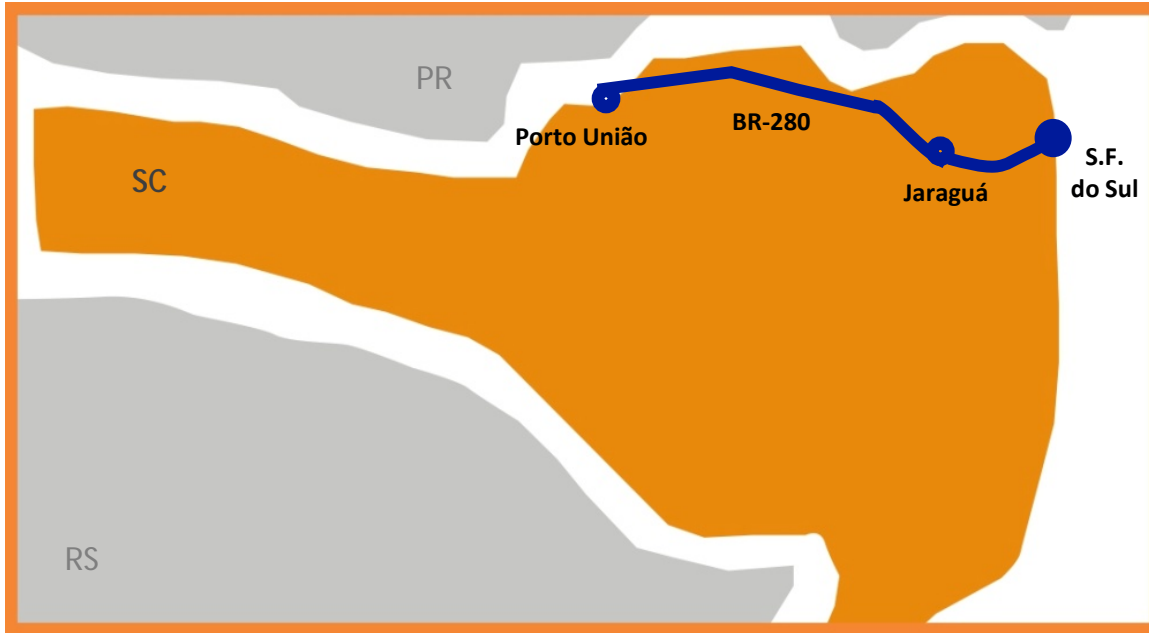
Auctions
in 2016



- Road in SC
- Total length: 455 km
- Estimated investment: R\$ 3,2 billions
- Goal: Duplicate segment that links SC farming and industrial region to the South Arch ports

BR-280/SC

Auctions
in 2016



- Road in SC
- Total length: 307 km
- Estimated Investment: R\$ 2,1 billion
- Goal: improve transportation of SC agricultural and industrial production through South Arch ports

BR-101/SC

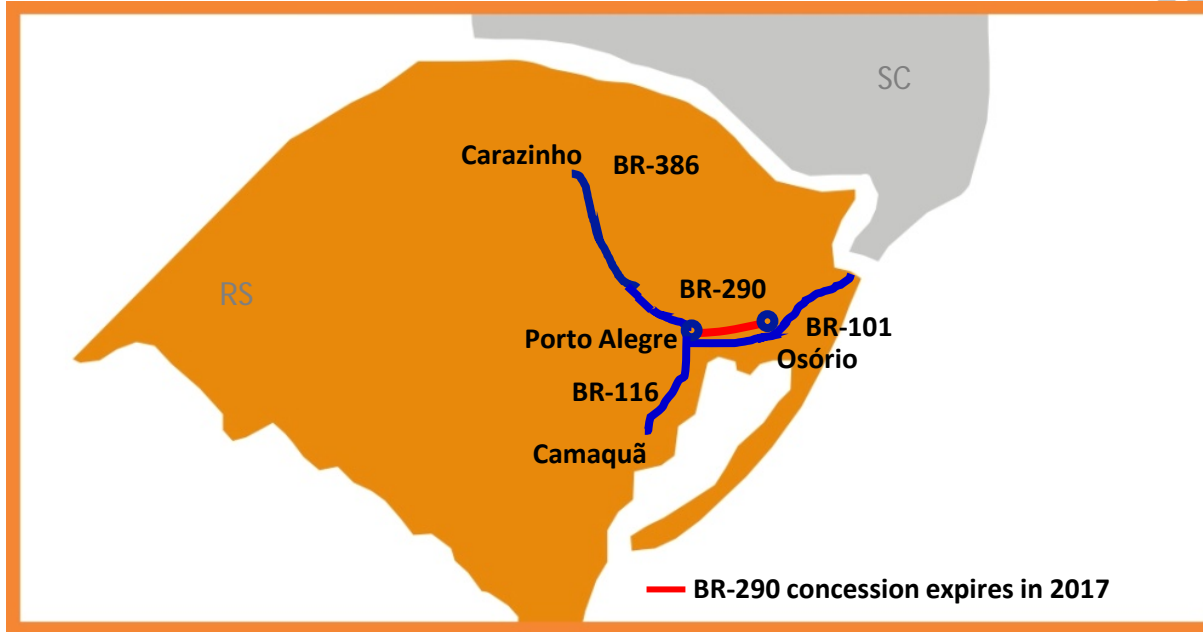
Auctions
in 2016



- Road in SC
- Total length: 220 km
- Estimated investment: R\$ 1,1 billion
- Goal: increase road capacity and safety

BR-101/116/290/386/RS

Auctions
in 2016



- Road in RS
- Total length: 581 km
- Estimated investment: R\$ 3,2 billion
- Goals: duplicate *Rodovia da Produção* until Carazinho, duplicate segment Porto Alegre-Camaquã and ensure *Freeway* quality



- Road in MS
- Total length: 249 km
- Estimated investment: R\$ 2 billion
- Goals: duplicate MS/SP border segment and reduce costs for the transport of farming and livestock produce through South Arch ports



- Road in MS
- Total length: 327 km
- Estimated investment: R\$ 2,5 billion
- Goals: duplicate MS/SP border segment and reduce costs for the transport of farming and livestock produce through South Arch ports

BR-364/RO/MT

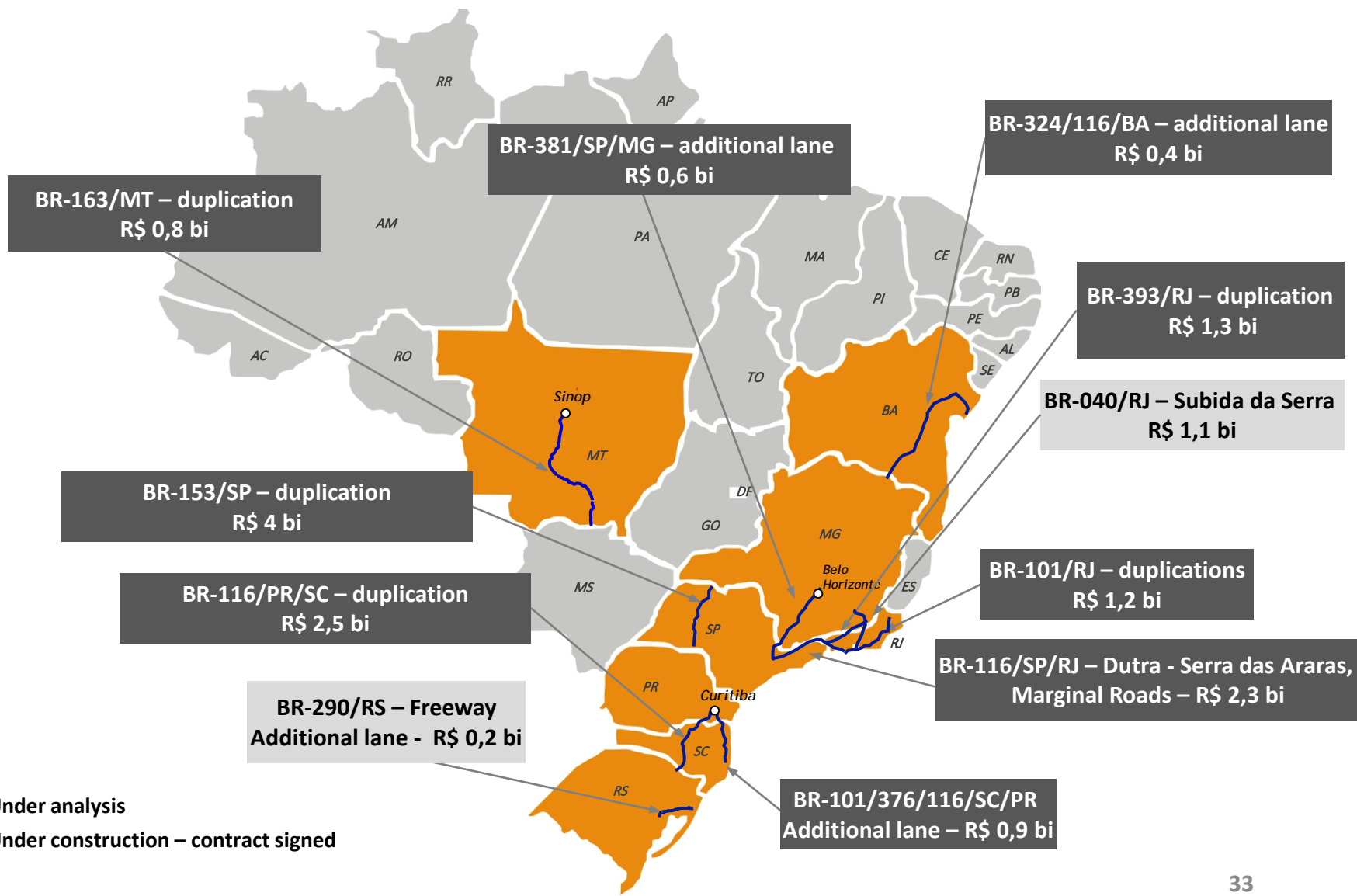
Auctions
in 2016



- Road linking RO/MT
- Total length: 806 km
- Estimated investment: R\$ 6,3 billion
- Goal: enhance the integration of the grain production regions of MT and RO to Rio Madeira waterway

NEW INVESTMENTS IN EXISTING CONCESSIONS

R\$ 15,3 billion (2 ongoing projects and 9 under analysis)



RAILROADS



RAILROAD INVESTMENT

Public and Private



1995-2002

512 km built



2003-2010

909 km built



2011-2014

1.088 km built



IMPROVING THE CONCESSION MODEL



- **Ensure the right of passage in order to integrate previous and new concessions**
- **Foster competition in the verticalized operator model**
- **Make use of previous public investment in the North-South axis – R\$ 12,7 billion in the 1995-2014 period**
- **Allow private sector to present infrastructure projects through the Requests For Proposals (RFP) Procedure**
- **Adopt either the grant of rights for the highest bidder model or the shared investment model**



Estimated Investment R\$ 86,4 billion

Norte-Sul
Palmas-Anápolis
Barcarena-Açailândia

R\$ 7,8 bi

Norte-Sul
Anápolis-Estrela
D'Oeste-Três Lagoas

R\$ 4,9 bi

Lucas do Rio Verde-
Miritituba (PMI)

R\$ 9,9 bi

Public hearing
Rio-Vitória

R\$ 7,8 bi

Bioceânica
segment in Brazil

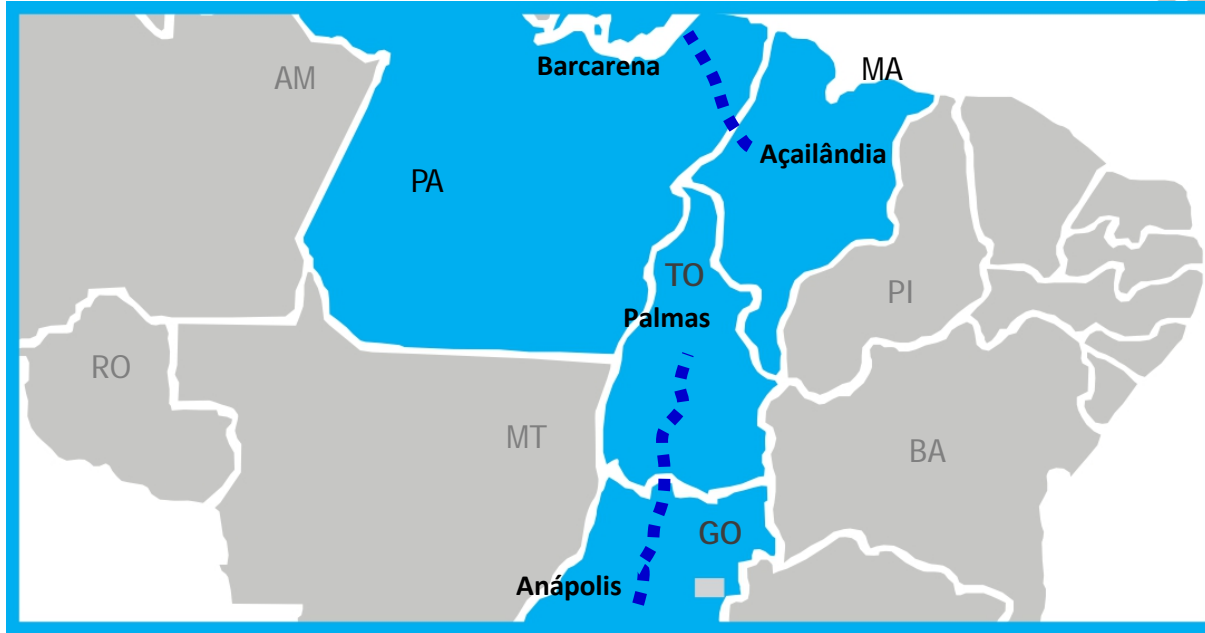
R\$ 40 bi

New investment in
existing concessions

R\$ 16 bi

NORTE-SUL RAILWAY

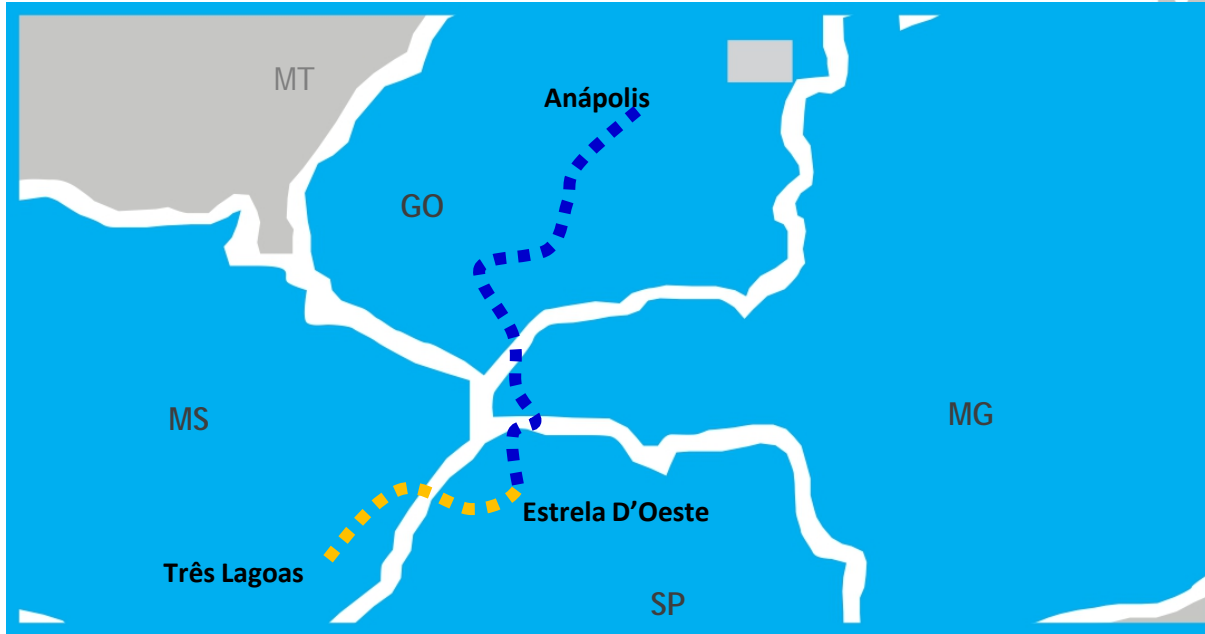
Palmas/TO-Anápolis/GO and Barcarena/MA-Açailândia/PA



- **Railroad through GO/TO/MA/PA**
- **Full Length: 1.430 km**
- **Estimated investment: R\$ 7,8 billion**
- **Goal: finish Northern segment of the North-South corridor, with exits to the North Arch Ports**

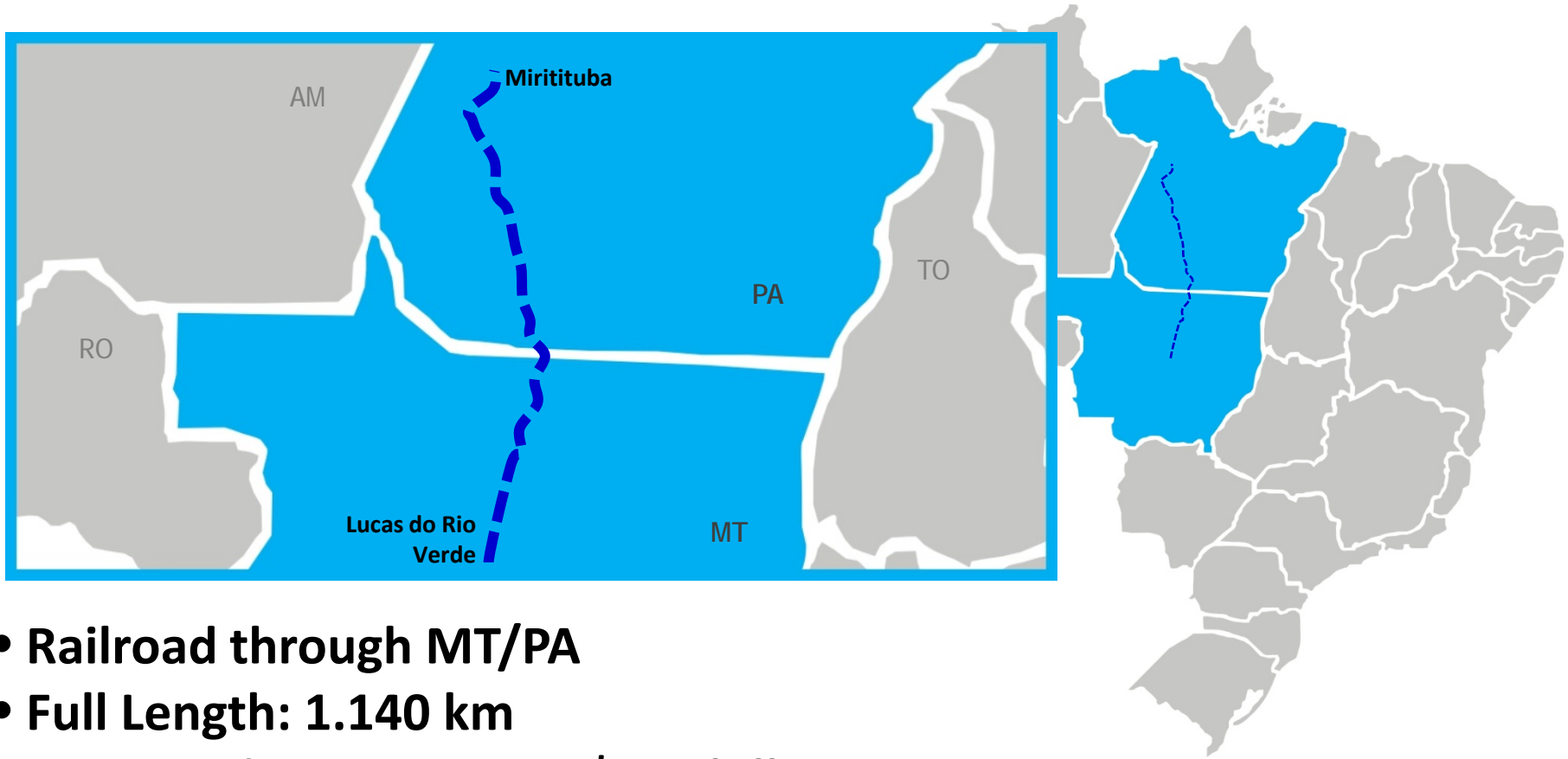
NORTE-SUL RAILWAY

Anápolis/GO-Estrela D'Oeste/SP-Três Lagoas/MS



- Railroad through GO/MG/SP/MS
- Full Length: 895 km
- Estimated investment: R\$ 4,9 billion
- Goal: finish Southern segment of the North-South corridor with links to the agricultural and industrial area of Três Lagoas

LUCAS DO RIO VERDE/MT-MIRITITUBA/PA



- **Railroad through MT/PA**
- **Full Length: 1.140 km**
- **Estimated investment: R\$ 9,9 billion**
- **Goal: improve transportation of agricultural goods from MT state through the Tapajós waterway**

RIO DE JANEIRO/RJ-VITÓRIA/ES



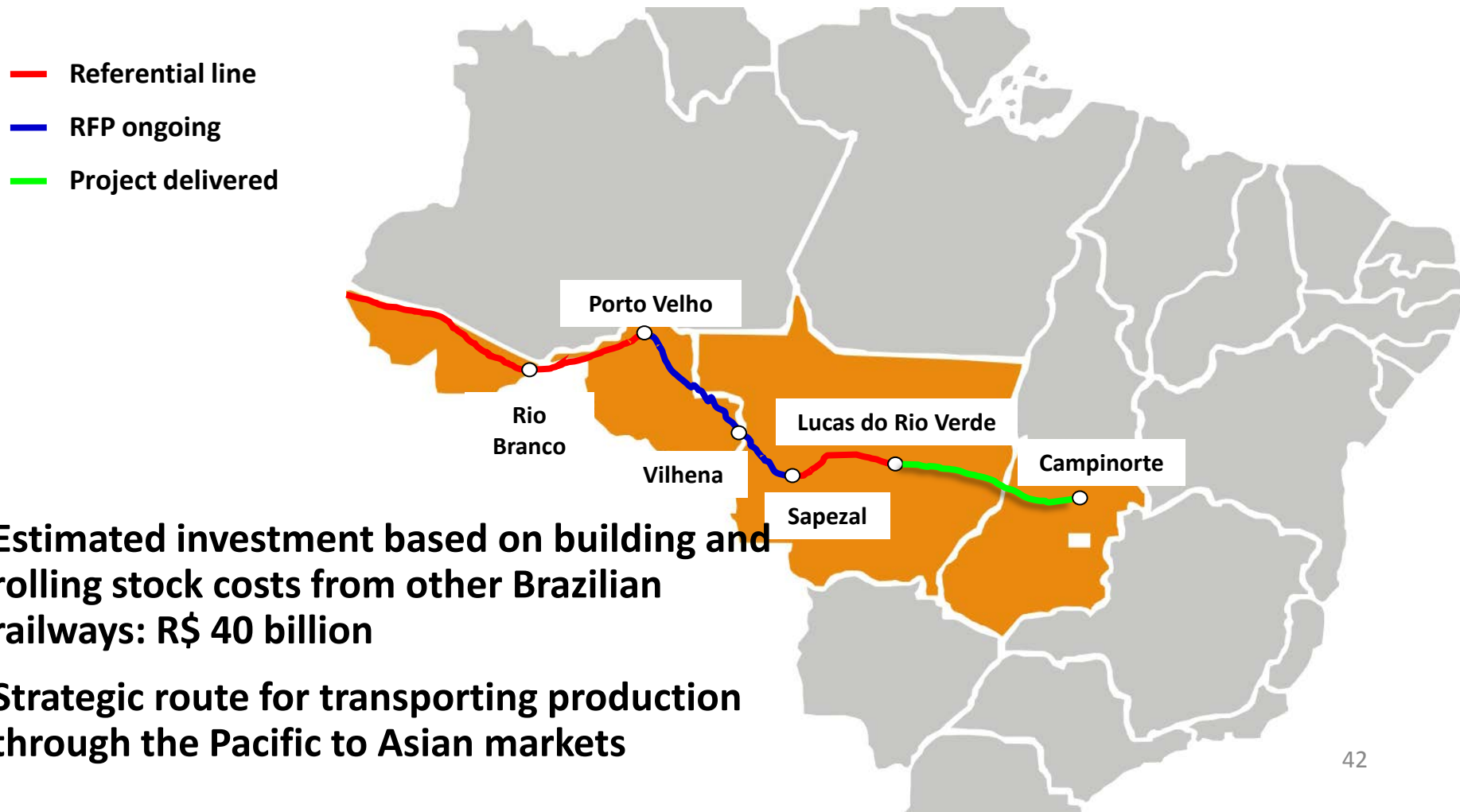
- Full Length: 572 km
- Estimated investment according to a study prepared by the state governments of ES and RJ: R\$ 7,8 billion
- Goal: integrate Rio de Janeiro port and Private Terminals from ES and RJ to the ports of Vitória and Tubarão

BIOCEÂNICA RAILWAY

Estimated brazilian segment– 3,5 thousand km



Brazil-China-Peru Memorandum of Understanding established directives and set deadline for studies to be concluded in May/2016



- Estimated investment based on building and rolling stock costs from other Brazilian railways: R\$ 40 billion
- Strategic route for transporting production through the Pacific to Asian markets

NEW INVESTMENT IN EXISTING CONCESSIONS

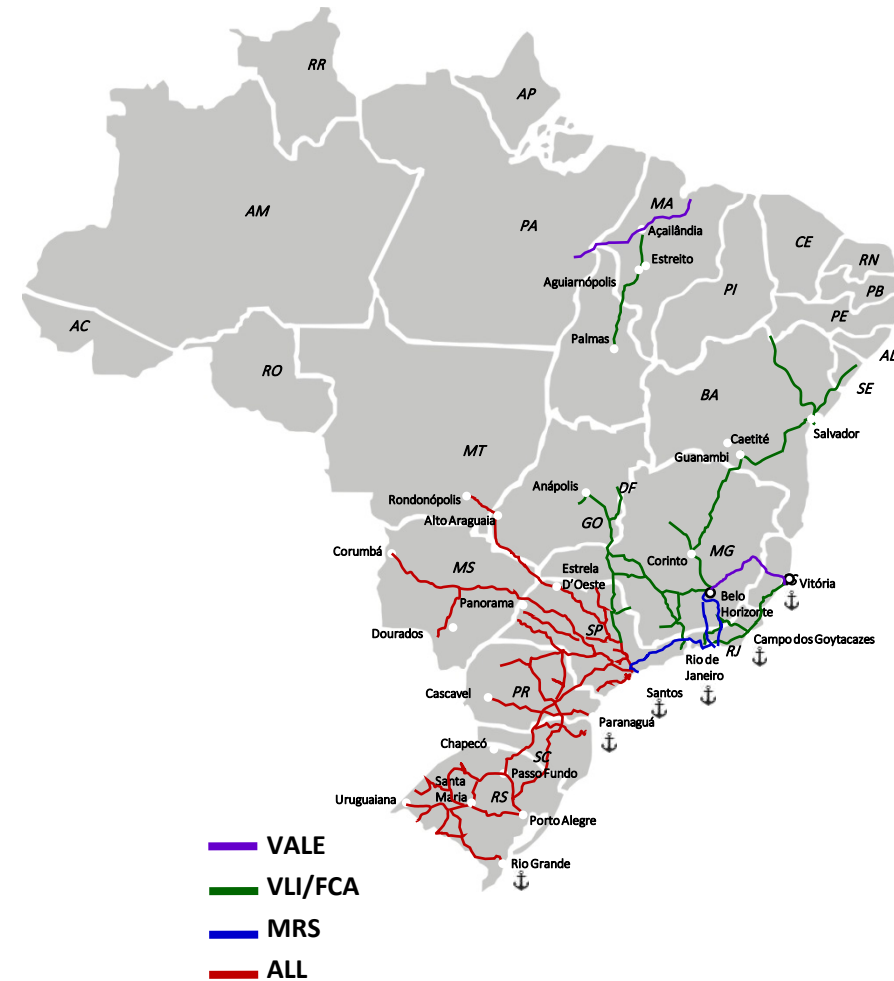


Estimated investment : R\$ 16 billion

Projects under negotiation with concessionaires:

- Expansion of the traffic capacity
- New yards
- Reduction of urban interferences
- Duplications
- Construction of new segments
- Signaling and railway equipment
- Expansion of the Fleet

MAIN EXISTING CONCESSIONS



PORTS



INVESTMENT IN PORTS



The new Port Law

- Allowed further investment in private terminals and lifted the “own cargo” requirement
- Set guidelines for auctioning new leases and renewing existing ones, based on the following goals:
 - Modernize and expand terminal capacity
 - Ensure competitive scale for terminals
 - Reduce costs in meeting demand for cargo handling

INVESTMENT UNDER THE NEW PORT LAW



TERMINALS		Number	Investment (R\$ bi)
TUPs	Built	8	0,2
	Authorized	28	8,4
	Under expansion	4	2,5
	Sub Total	40	11,1
Leases	Anticipated Extension	3	0,4
Total			11,5



Estimated Investment R\$ 37,4 billion

50 new
leases

R\$ 11,9 bi

63 new
TUPs

R\$ 14,7 bi

24 Anticipated
Lease
Renewals

R\$ 10,8 bi

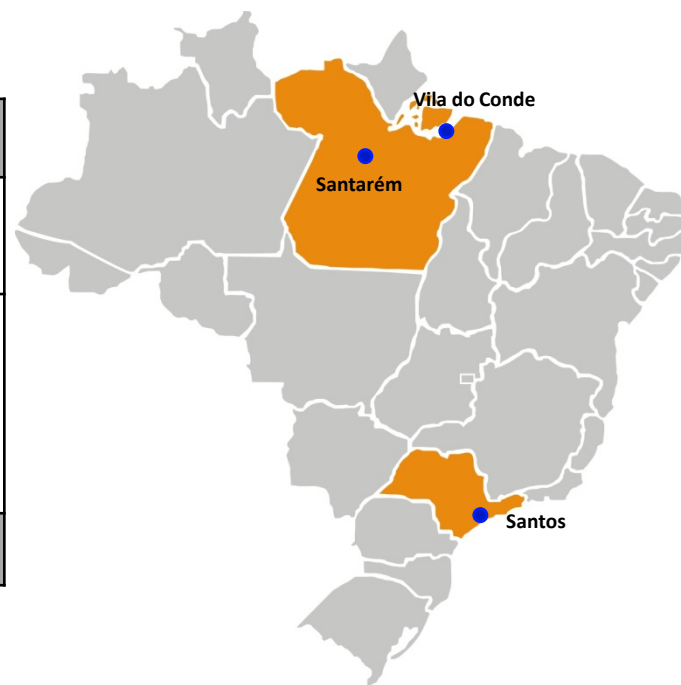
LEASES

Block 1 Auction



- 29 terminals approved by TCU – 9 in Santos and 20 in Pará state
- Investment of R\$ 4,7 billion
- Auction in 2015 – 2 stages

Stage	Cargo Type / Port	Investment
1	Grain – Pará (5) and Santos (1) Cellulose – Santos (2)	2,1 bi
2	Bulk – Pará (2) and Santos (4) General Cargo and Containers – Pará (1) and Santos (2) Fuels and LPG – Pará (12)	2,6 bi
Total		4,7 bi



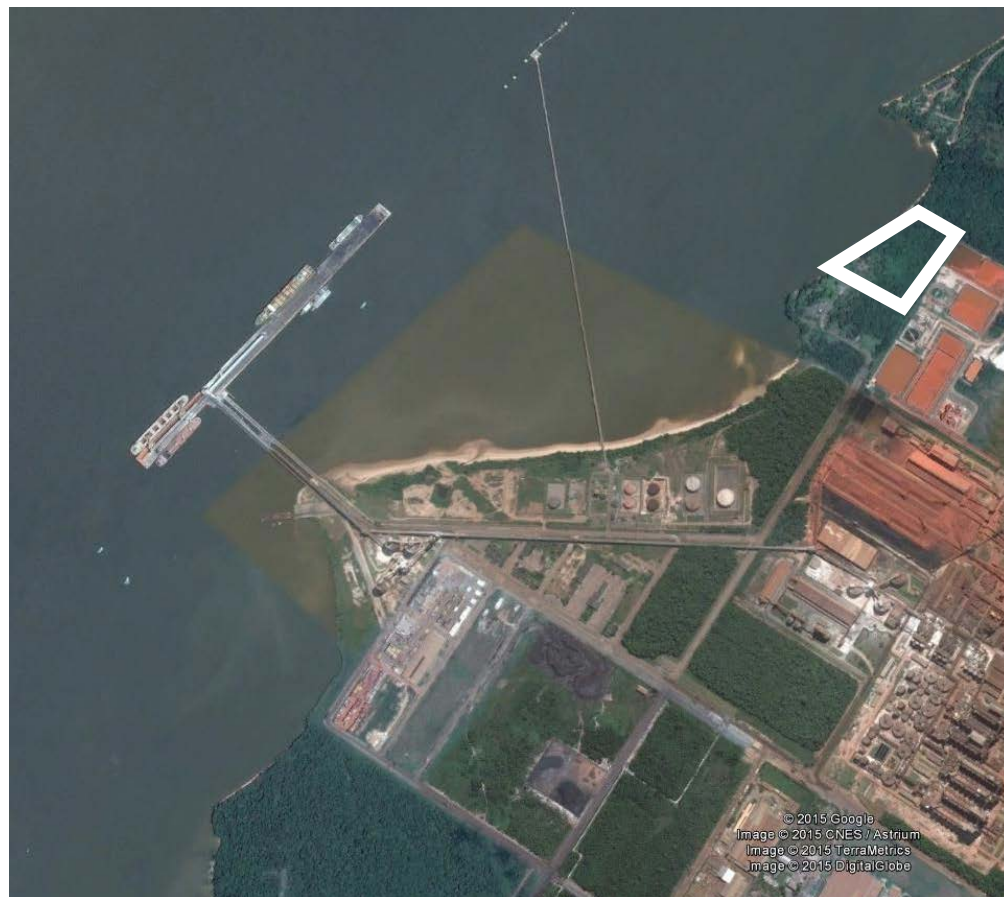
BLOCK 1 – STAGE 1

Vila do Conde – Vegetable Bulk



TERMINAL NAME	VDC29
CITY	BARCARENA
STATE	PA
ESTIMATED INVESTMENT	R\$ 501,06 million
CARGO TYPE (EXPECTED)	Grain
FUTURE HANDLING CAPACITY (TON)	5,1 million
DURATION	25 years

Details on all the terminals will be available at www.planejamento.gov.br

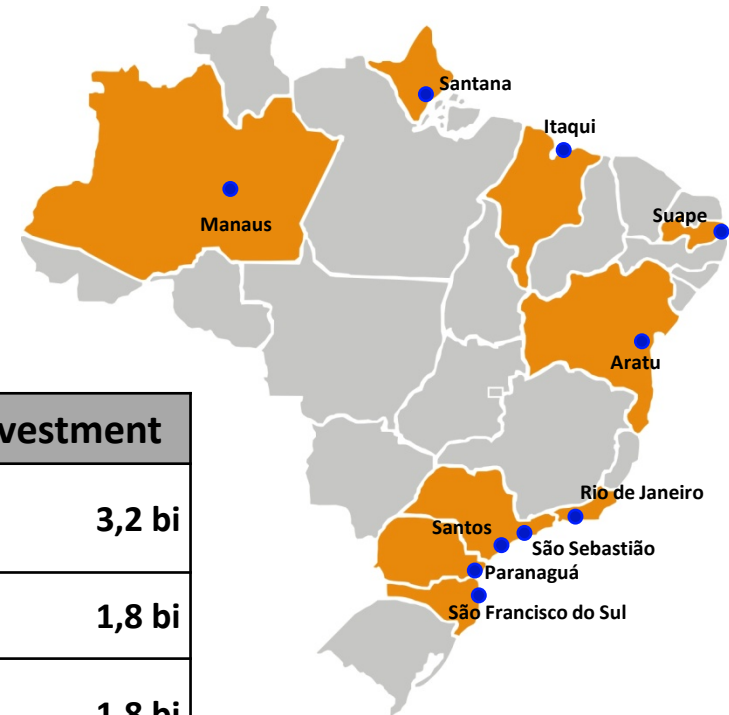


LEASES

Block 2 Launch



- 21 terminals – Suape, Aratu, Rio de Janeiro, São Sebastião, Santos, Paranaguá, São Francisco do Sul, Manaus, Santana and Itaqui
- Investment of R\$ 7,2 billion
- Grant of rights for the highest bidder
- Auction expected for 1st half of 2016



Type	Port	Investment
Container and General Cargo	Manaus, Paranaguá, Santana, Suape (2), São Sebastião and São Francisco do Sul	3,2 bi
Mineral Bulk	Itaqui, Paranaguá, Aratu and Suape (2)	1,8 bi
Grain	Suape, Santos, Rio de Janeiro and Paranaguá (3)	1,8 bi
Liquid Bulk	Santos	0,1 bi
Cellulose	Paranaguá and Itaqui	0,3 bi
Total		7,2 billion

BLOCK 2

Suape – Containers



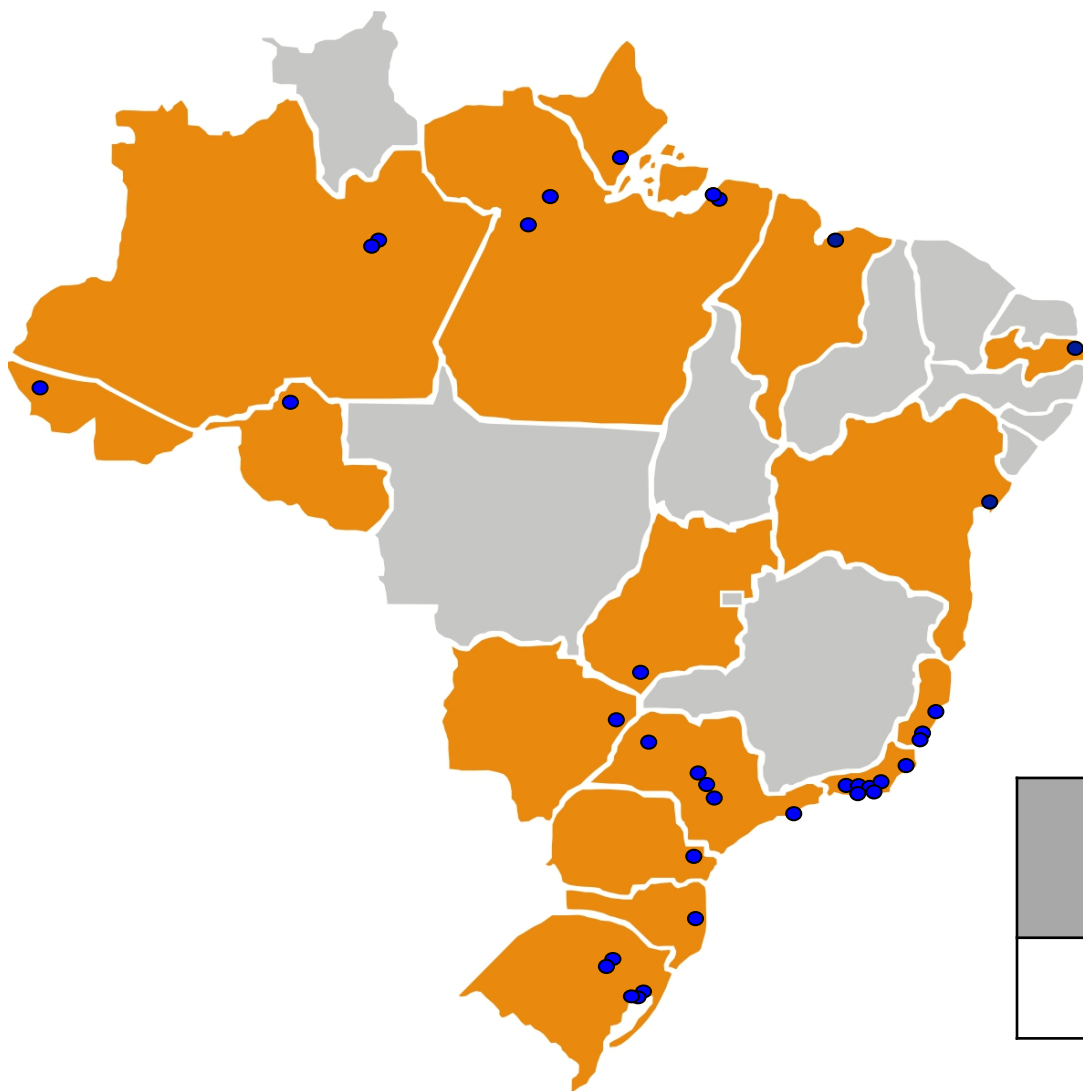
TERMINAL NAME	SUA05
CITY	IPOJUCA
STATE	PE
ESTIMATED INVESTMENT	981,1 million
CARGO TYPE (EXPECTED)	Contêineres
FUTURE HANDLING CAPACITY (TON)	10,9 million
DURATION	25 years

Details on all the terminals will be available at www.planejamento.gov.br



AUTHORIZATIONS FOR TUPS

2015



Authorization for Private Use Terminals (TUPs) in 16 states

TUPs under analysis	Investment (R\$ billion)
63	14,7

NEW INVESTMENT IN EXISTING LEASES



**Lease extension for
Public Ports Terminals
in 9 states**

Requests under analysis	Investment (R\$ billion)
24	10,8

AIRPORTS



INVESTMENT IN AIRPORTS



**6 airport
concessions**

**Investment
of R\$ 26 billion**



São Gonçalo
do Amarante
RN



Guarulhos
SP



Viracopos
SP



Brasília
DF



Confins
MG



Galeão
RJ

**5 international airport operators in the Brazilian
market increasing efficiency and improving
services and infrastructure**

INVESTMENT IN AIRPORTS



New Airport Concessions

- **Expand infrastructure**
- **Create new regional hubs**
- **Increase passenger satisfaction with airport operations**
- **Bring innovation and know how from international operators**
- **Foster tourism**
- **Improve cargo transportation**

Concessions of delegated regional airports

Restructuring and modernizing Infraero



Estimated investment
R\$ 8,5 billion

Fortaleza
R\$ 1,8 bi

Salvador
R\$ 3 bi

Florianópolis
R\$ 1,1 bi

Porto Alegre
R\$ 2,5 bi

Regional
Delegated
Airports
R\$ 78 mi

FORTALEZA INTERNATIONAL AIRPORT

Pinto Martins



- **12th busiest airport in Brazil and the 3rd in the Northeast Region**
- **Total Passengers in 2014: 6,5 million**
- **Main investment: aircraft apron and passenger terminal expansion**
- **Estimated Investment: R\$ 1,8 billion**



SALVADOR INTERNATIONAL AIRPORT

Dep. Luiz Eduardo Magalhães



- **8th busiest airport in Brazil and the 1st in the Northeast Region**
- **Total Passengers in 2014: 9,2 million**
- **Main investment: passenger terminal expansion and new runway**
- **Estimated Investment: R\$ 3 billion**



FLORIANÓPOLIS INTERNATIONAL AIRPORT

Hercílio Luz



- **14th busiest airport in Brazil and 3rd in the South Region**
- **Total Passengers in 2014: 3,6 million**
- **Main investment: new passenger terminal and aircraft apron**
- **Estimated Investment: R\$ 1,1 billion**



PORTO ALEGRE INTERNATIONAL AIRPORT

Salgado Filho



- **9th busiest airport in Brazil and 1st in the South Region**
- **Total Passengers in 2014: 8,4 million**
- **Main investment: runway, apron and passenger terminal expansion**
- **Estimated Investment: R\$ 2,5 billion**



SCHEDULE



Stage	Deadline
RFP for studies	2nd quarter 2015
RFP studies conclusion	4th quarter 2015
TCU Analysis and Approval	1st quarter 2016
Auction	1st quarter 2016

ASSENT FOR THE CONCESSIONS OF 7 DELEGATED REGIONAL AIRPORTS



Estimated R\$ 78 million in private investment

Concession Model: Grant of Rights for the highest bidder



FINANCING PROVISIONS



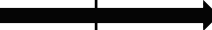
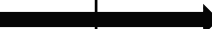
LONG TERM FINANCING

- **BNDES will remain in a relevant role in financing infrastructure expansion**
- **Banks and capital markets participation will be expanded**
- **Issuance of infrastructure bonds for increased asset to public, TJLP-based financing**
- **Operators will be required to invest their own capital**
- **New opportunities for institutional investors, both domestic and foreign**
- **New instruments for risk management and mitigation**

BNDES FINANCING CONDITIONS

Roads



Issuing at least 10% in infrastructure bonds increases TLJP financing share from 35% to 45%

ROADS	No bonds	At least (10%) in bonds	At most (25%) in bonds
BNDES TJLP + 1,5% p.a. + credit risk	35% 	45%	45%
BNDES other sources + 1,5% p.a. + credit risk	35%	15%	0%
Infrastructure bonds	0% 	10%	25%
Equity + Cashflow	30%	30%	30%

BNDES FINANCING CONDITIONS

Ports



Issuing at least 10% in infrastructure bonds increases TLJP financing share from 25% to 35%

PORTS	No bonds	At least (10%) in bonds	At most (35%) in bonds
BNDES TJLP + 1,5% p.a. + credit risk	25% 	35%	35%
BNDES other sources + 1,5% p.a. + credit risk	45%	25%	0%
Infrastructure bonds	0% 	10%	35%
Equity + Cashflow	30%	30%	30%

BNDES FINANCING CONDITIONS

Airports

Issuing at least 15% in infrastructure bonds increases TLJP financing share from 15% to 30%

AIRPORTS	No bonds	At least (15%) in bonds	At most (35%) in bonds
BNDES TJLP + 1,5% p.a. + credit risk	15% 	30%	35%
BNDES other sources + 1,5% p.a. + credit risk	55%	25%	0%
Infrastructure bonds	0% 	15%	35%
Equity + Cashflow	30%	30%	30%

BNDES FINANCING CONDITIONS

Railroads

For railroads, BNDES will be able to finance up to 70% based on TJLP and up to 20% based on market rates, regardless of whether infrastructure bonds have been issued

RAILROADS	No bonds	20% in bonds
BNDES TJLP + 1,5% p.a. + credit risk	70%	70%
BNDES other sources + 1,5% p.a. + credit risk	20%	0%
Bonds and other private investments	0%	20%
Equity + Cashflow	10%	10%

GOVERNO FEDERAL
BRASIL
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