

PPI

INVESTMENT
PARTNERSHIP
PROGRAM

CRESCER

Investment . Infrastructure . Employment

PPI Investment
Partnerships
Program



Marco Aurélio Barcelos
Europe, November 1st

NEW SCENARIO IN BRAZIL

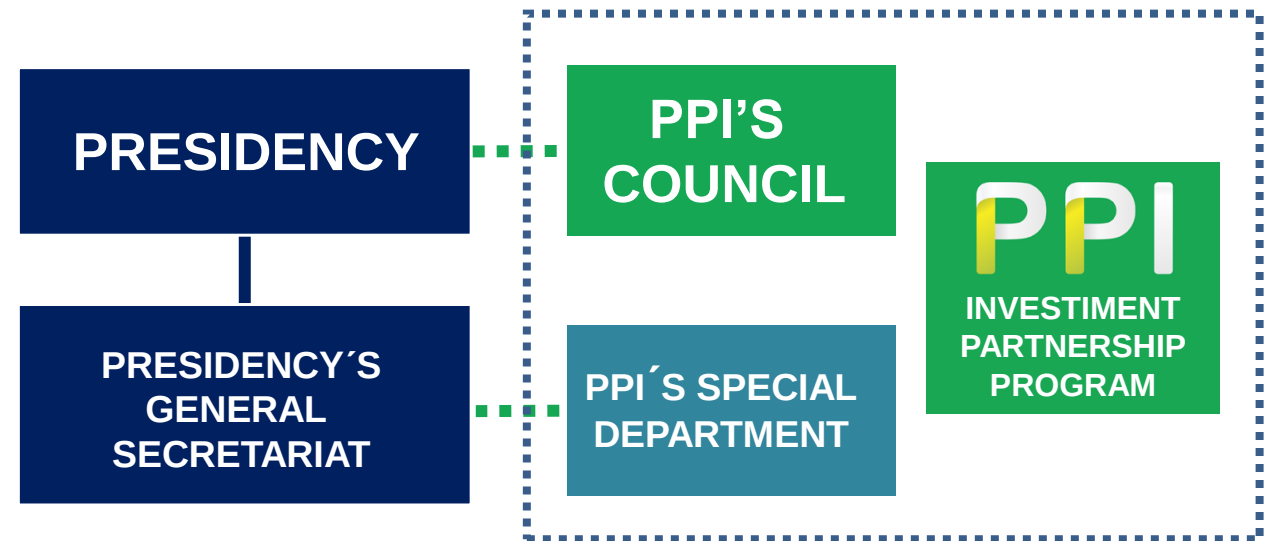
WHAT IS DEFINITELY NEW IN BRAZIL NOWADAYS?

Projects and
investment
opportunities



- **Willingness**
- **New Governance**
- **Dialogue**
- **Long Term Vision**

THE PPI STRUCTURE FOR A NEW GOVERNANCE



WHAT IS THE “NEW GOVERNANCE”?

A new legal framework on infrastructure:

- Act no. 13.334, of 2016
- Act no. 13.448, of 2017
- PPI Council n. 1 Resolution
- The PPI “guidelines”

THE “GUIDELINES” FOR PPI PROJECTS

- High quality projects and maximum technical rigor
- Performance based contracts x construction contracts
- Special focus on risk distribution among partners
- Environmental feasibility required
- Foreign companies now have effective opportunities
- The “100 days rule”
- Bidding documents now published in English
- Investments shall be triggered due to real demands
- IRR according to each sector and not determined in advance
- Arbitration legally admitted in infrastructure contracts
- Special focus on the bankability of projects
- Capital markets as a fundamental source of funding (vs. BNDES)
- Commitment to regulatory certainty and stability

“DIALOGUE” AND “LONG-TERM VISION”

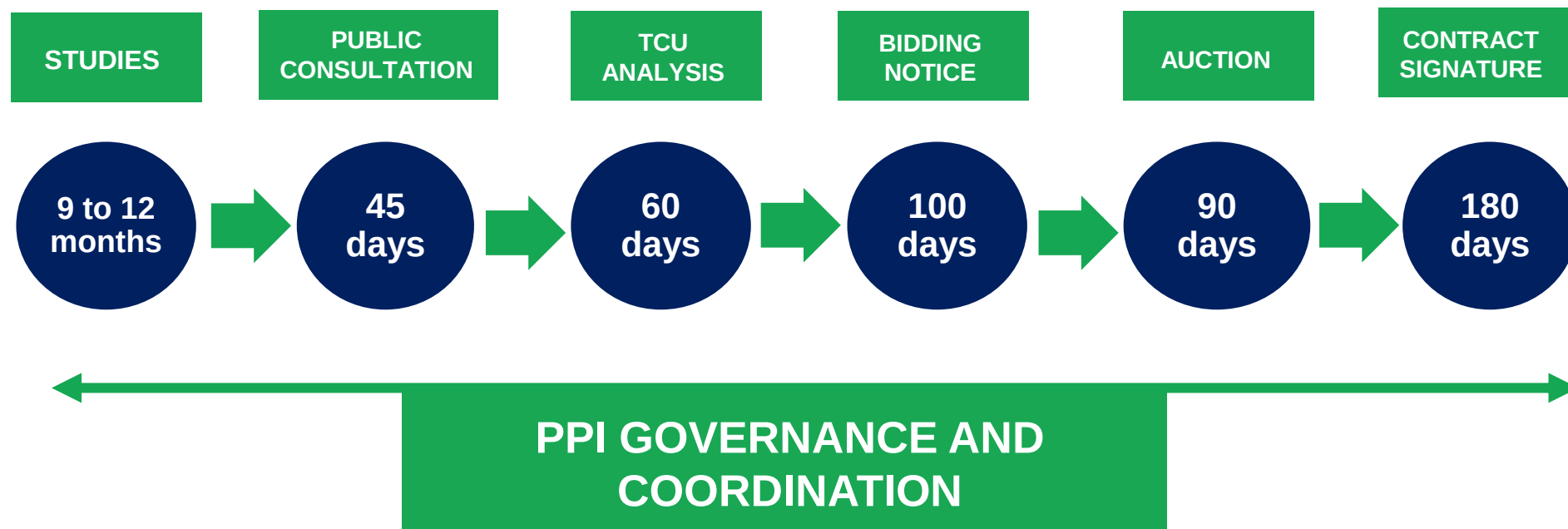
“DIALOGUE” The “empathy approach”

- PPI Secretariat as:
 - ✓ an internal articulator
 - ✓ a market listener
 - ✓ an information hub
- Mandatory public consultation for projects
- Mandatory participation of the Federal Court of Auditors (TCU)

“LONG TERM VISION” The main concern about “Continuity”

- EPL – Logistics Planning Company
- Regulatory Agencies Restructuring
- The **National Logistics Plan (PNL)**

STANDARD TIMELINE FOR PPI PROJECTS:



FINALLY...

**Some numbers so far
and still many
opportunities available**



PROJECTS UNDER GOVERNMENT'S LEADERSHIP

PUBLIC SERVICES



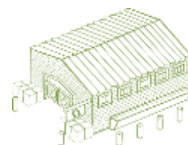
PUBLIC MONOPOLIES



PUBLIC ASSETS (MINING RIGHTS)



PRIVATIZATIONS AND SALES OF PUBLIC SHARES IN PRIVATE COMPANIES



BUILDING THE PPI PORTFOLIO

**1st Meeting of PPI
Council**
September 13, 2016

34

Selected Projects

17

Concluded

17

In progress

**2nd Meeting of PPI
Council**
March 7, 2017

55

Selected Projects

37

Concluded

18

In progress

**3rd Meeting of PPI
Council**
August 23, 2017

56

Selected Projects

2

Concluded

54

In progress

PPI Projects:

145

56

Auctioned/renewed

38,6% of the PPI
portfolio in 15 months

USD* **10.5** billion
Planned investments



Airports

4

Concessions



Port Terminals

7

3 Biddings

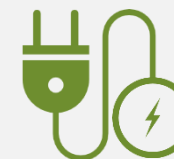
4 Renewals



Oil and Gas

2

Concession for exploring areas with Marginal
Fields accumulations and for exploration and
production



Power

1

Power Distribution
(CELG-D)

35

Transmission Lots

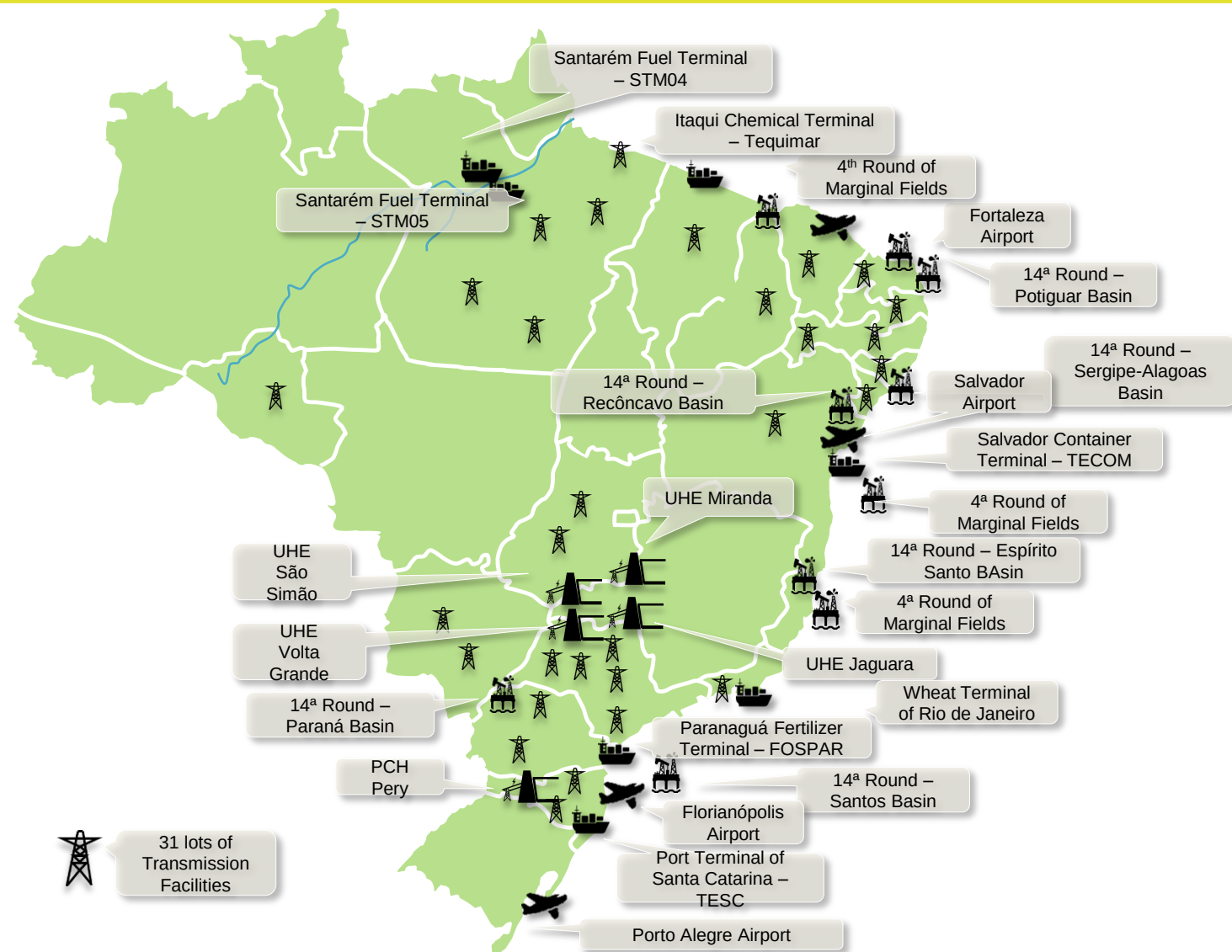
5

4 Biddings UHE

1 Renewal PCH



THE BIG PICTURE: WHAT IS ALREADY DONE



SUBTITLE

-  Airports
-  Ports
-  Oil & Gas
-  Power Transmission
-  Distribution
-  Generation

89
Projects

USD* 32.2 billion
Planned investments



Highways

8

4 Biddings
4 Studies



Railways

8

5 Renewals
3 Biddings



Electric Power

19

1 Extension - UHE
11 Transmission Lots
6 Distributors
1 Privatization



Oil and gas

3

1 Pre-salt sharing
1 Exploration and Production
1 Marginal accumulation



Mining

4

Concession to exploitation of mining areas



Airports

17

13 Concessions
4 shareholding selling



Port Terminals

25

7 Renewals/ Rebalancing
17 Biddings
1 Expansion



COMAER

1

Public-Private Partnership (PPP)



Lottery

1

Concession of the right to exploit lottery

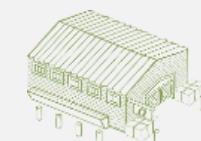


CMB

Brazilian Mint

1

Privatization



Warehouses

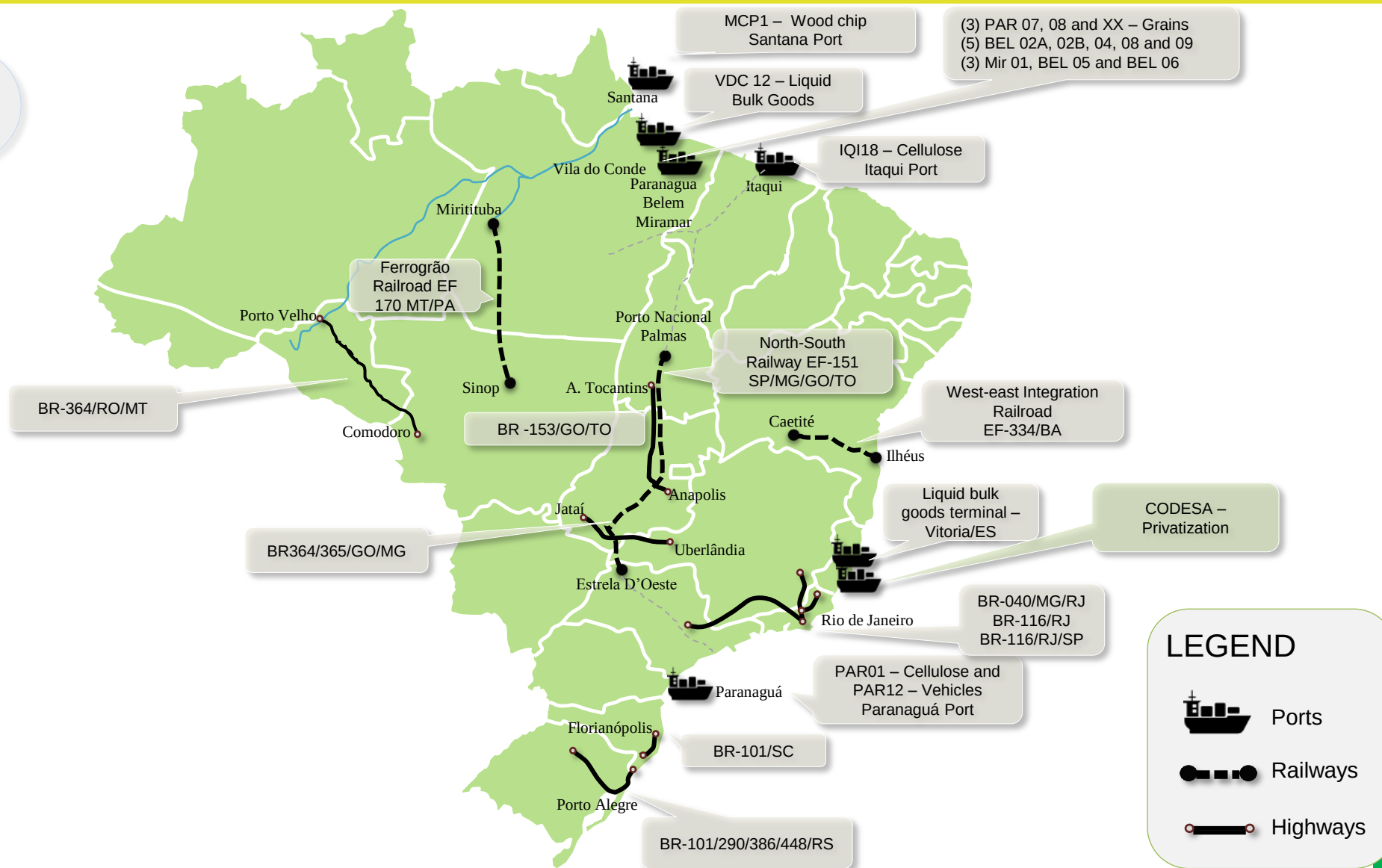
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CEASAMINAS
CASEMG
Privatization

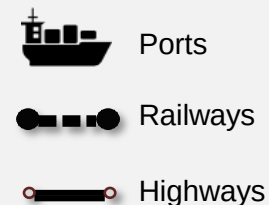
Opportunities in LOGISTICS



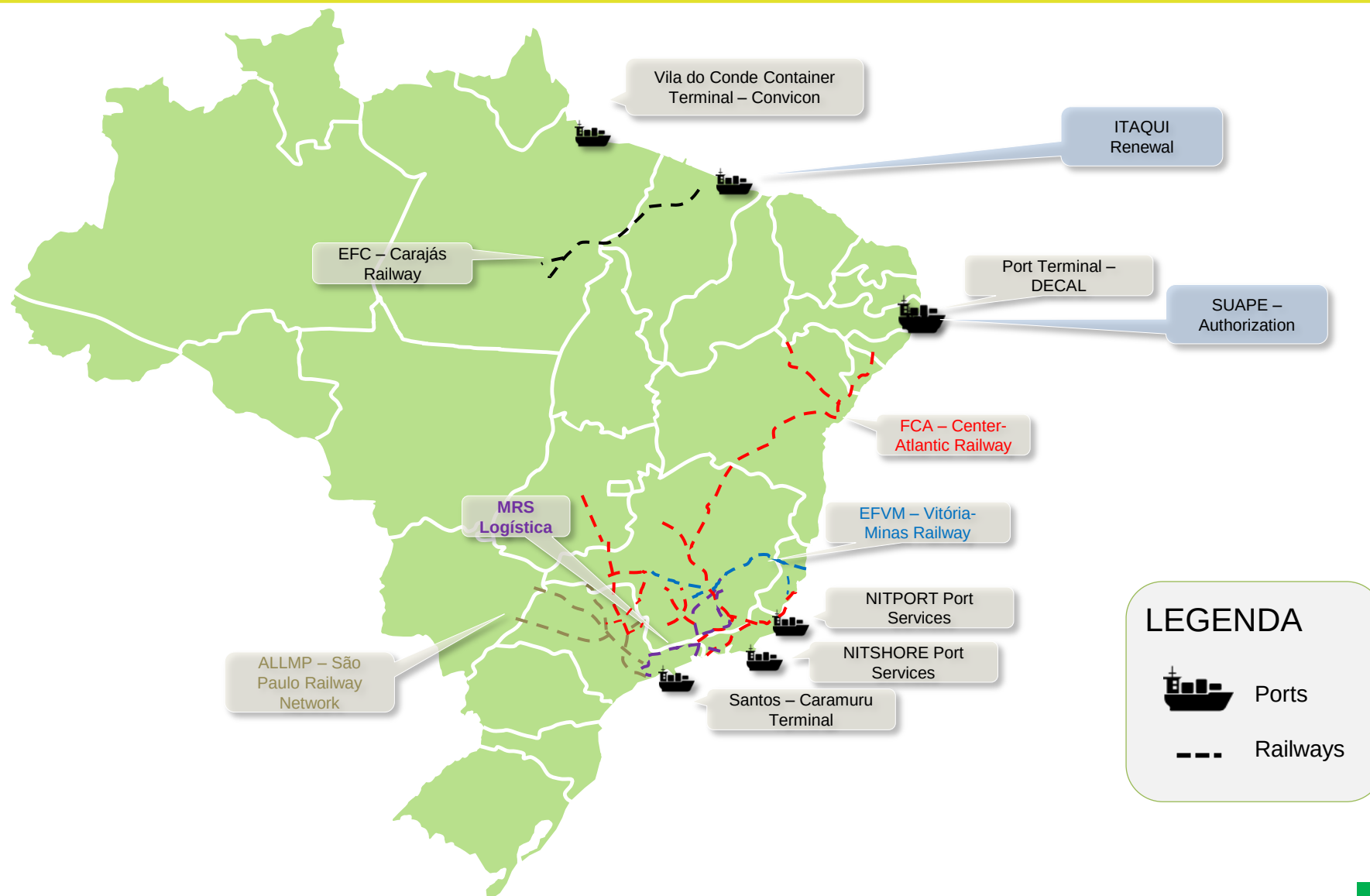
LOGISTICS



LEGEND



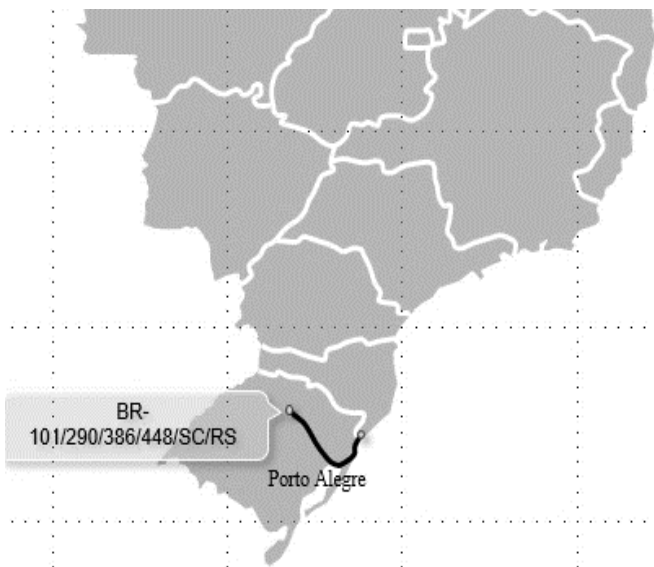
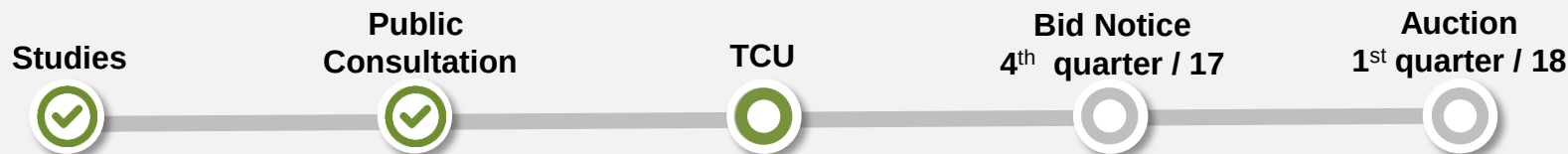
LOGISTICS





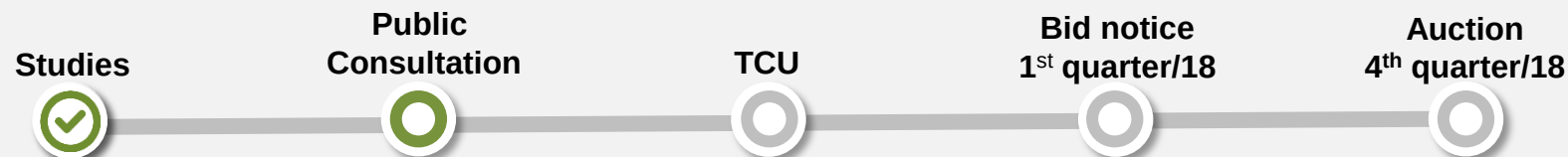
Highways

Border SC/RS - Osório-RS Porto Alegre-RS Canoas-RS



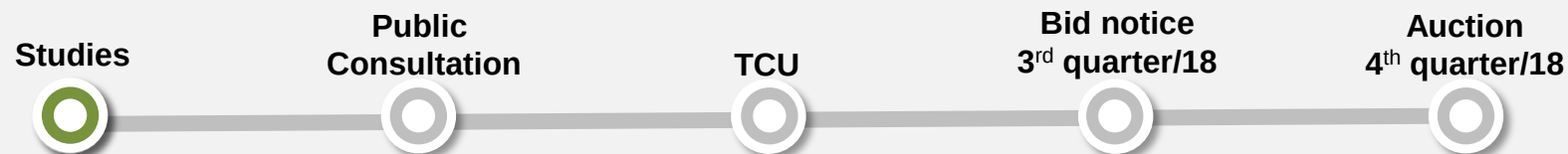
- 473 km
- Traffic: maximum volume of 18,000 vehicles/day in year 3, reaching 35,000 in year 30
- Planned Capex: BRL 8.4 billion
- Planned Opex: BRL 5.3 billion
- Concession period: 30 years
- Auction criterion: lowest toll tariff
- Relevance: it comprises corridors in Porto Alegre Metropolitan Area with great traffic which need further interventions

Jataí-GO Uberlândia-MG



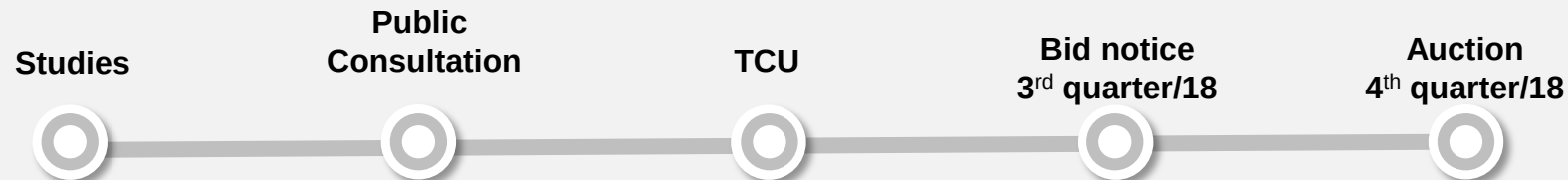
- 437 km
- Traffic: 4,400 vehicles/day in the 1st year of concession
- Planned Capex: BRL 2.0 billion
- Planned Opex: BRL 2.7 billion
- Concession period: 30 years
- Auction criterion: lowest toll tariff
- Relevance: critical corridor for agroindustry production flow from southeast Goiás and Triângulo Mineiro – connects other granted stretches of BR-050 and BR-153, providing access to Southeast market and to Santos Port

South of Palhoça/SC to border between SC and RS



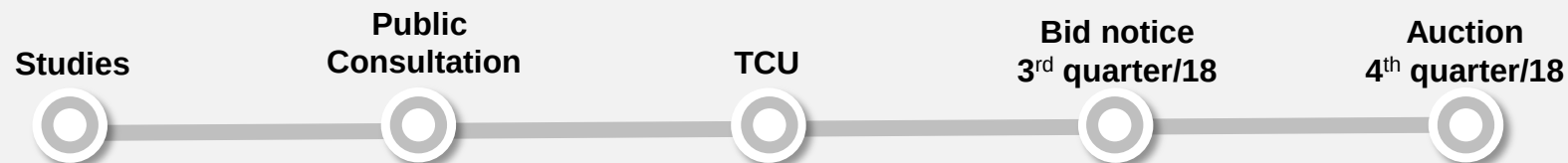
- 220 km
- Traffic: average of 24 thousand vehicles/day
- Planned Capex: BRL 4.1 billion
- Planned Opex: BRL 4.5 billion
- Concession period: 30 years
- Auction criterion: lowest toll tariff
- Relevance: Works will extend the highways capacity and provide a better level of service by reducing accidents and traffic jams and improving trafficability – that will definitely contribute to the region's economic growth

Juiz de Fora to Rio de Janeiro



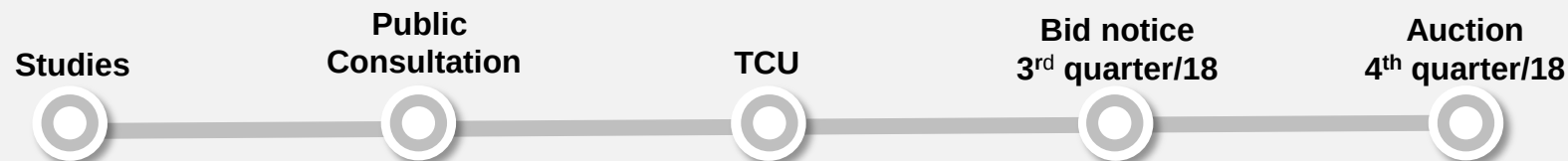
- Brownfield project
- 180 km
- Traffic: average volume of 17 thousand vehicles/day
- This stretch is currently granted to CONCER (contract ends in March 2021)
- Bidding for new concession before the end of the current contract
- Relevance: it connects Rio de Janeiro and Juiz de Fora/MG. It is the main highway corridor between Minas Gerais and Rio de Janeiro states, and it's also a relevant stretch of the radial highway that connects Brasília to Rio
- Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017

Além Paraíba to BR-040



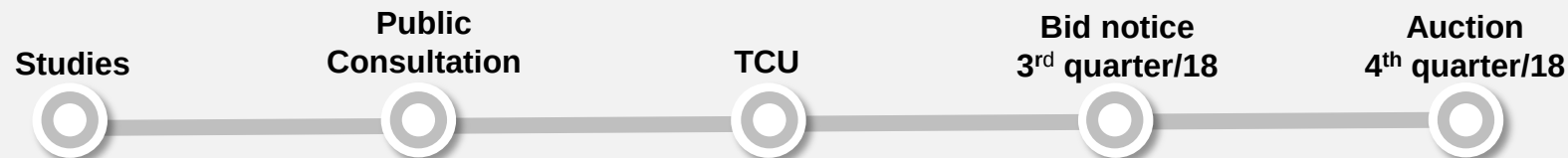
- Brownfield project
- 142.5 km
- Traffic: average volume of 23,000 vehicles/day
- The stretch is currently granted to CRT (contract ends in March 2021)
- Bidding for new concession before the end of the current contract
- Relevance: it is the only route from Rio de Janeiro city to by-pass Baía de Guanabara, providing access to Região dos Lagos, at the north of the state, and to North and Northeast regions of Brazil
- Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017

Rio de Janeiro to São Paulo



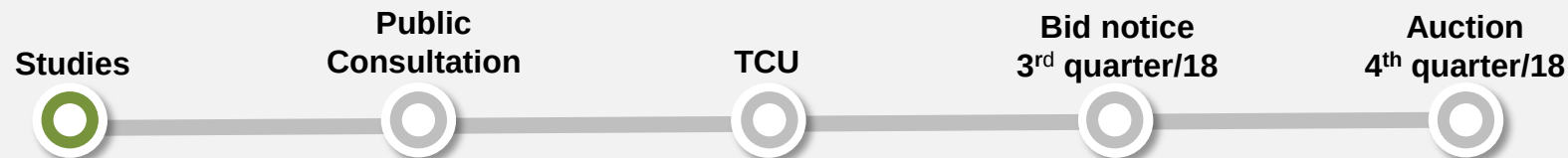
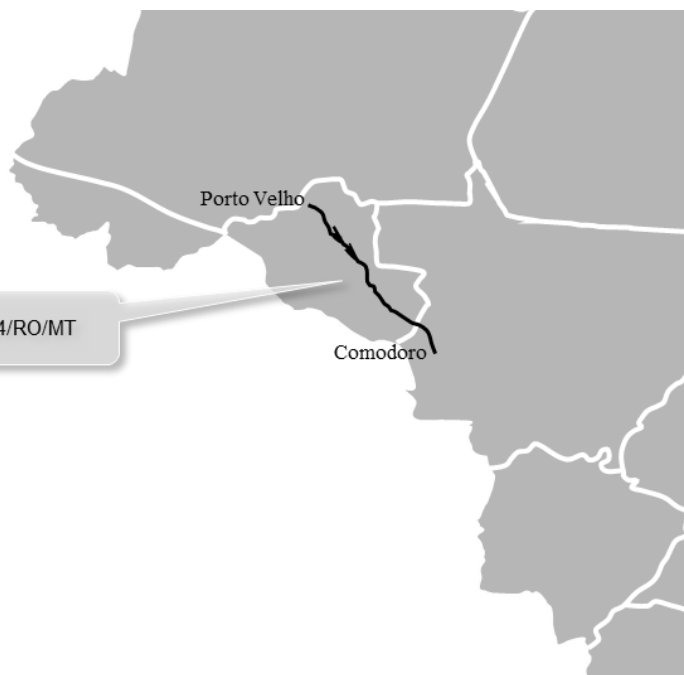
- Brownfield project
- 402 km
- Traffic: average volume of 42,000 vehicles/day
- The stretch is currently granted to CCR (contract ends in March 2021)
- Bidding for new concession before the end of the current contract
- Importance: it connects two major metropolitan areas in the country (São Paulo and Rio de Janeiro). It is part of the main connection between the Northeast and South regions of the country, crossing 34 cities
- Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017

Anápolis to Aliança do Tocantins



- Brownfield project
- 624.8 km (simple track: 589.2km and double track: 26.5km)
- Estimated investment: BRL 8 billion
- The stretch is currently granted to Galvao SPE SA. Expiration due on 8/18/17
- Importance: it links the Mid-North of Brazil (Tocantins, Maranhão, Pará and Amapá) to the geo-economic region of the country. Due to this fact and in addition to the large flow of vehicles, the BR-153 is considered one of the main national integration highways in Brazil
- Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017

Porto Velho to Comodoro



- Brownfield project
- 806.3 km (simple track : 783.9km and double track: 22.4km)
- Expected Capex: BRL 8 billion
- Expected Opex: BRL 3 billion
- This stretch has a high volume of traffic, which will become a bottleneck for the expansion of agribusiness, and is the only road linking Port Velho and the State of Acre to the other regions of Brazil
- Importance: in addition to expanding the road capacity by reducing transportation costs and travel time between the north-west of Mato Grosso and Port Velho, the project will encourage the creation and consolidation of a new vector of grain outflows from the region's production areas
- Feasibility studies will be delivered until the 4th quarter of 2017



RAILWAYS



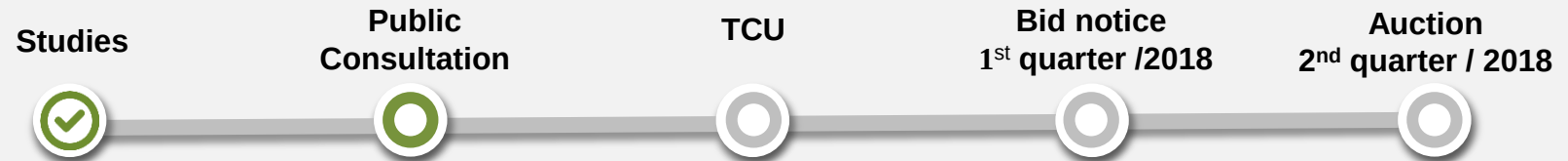
RAILWAYS IN BRAZIL

- Railroads comprise 24% of freight transportation, taking products such as iron ore (over 70% of total rail freight), soybeans, corn, steel and other minerals.
- There is 28,190 Km of railway stretching across the country, which is under private concession.
- Rail transport can be up to 30% less expensive than highway transport, and is also more efficient.
- The major public stakeholders in the rail sector are the Ministry of Transportation, the Regulatory Agency (ANTT), Logistics and Planning Company (EPL) and the Company of Engineering, Railways, and Construction (VALEC).



RAILWAYS – NORTH-SOUTH

EF-151 - Porto Nacional-TO - Estrela D'Oeste-SP



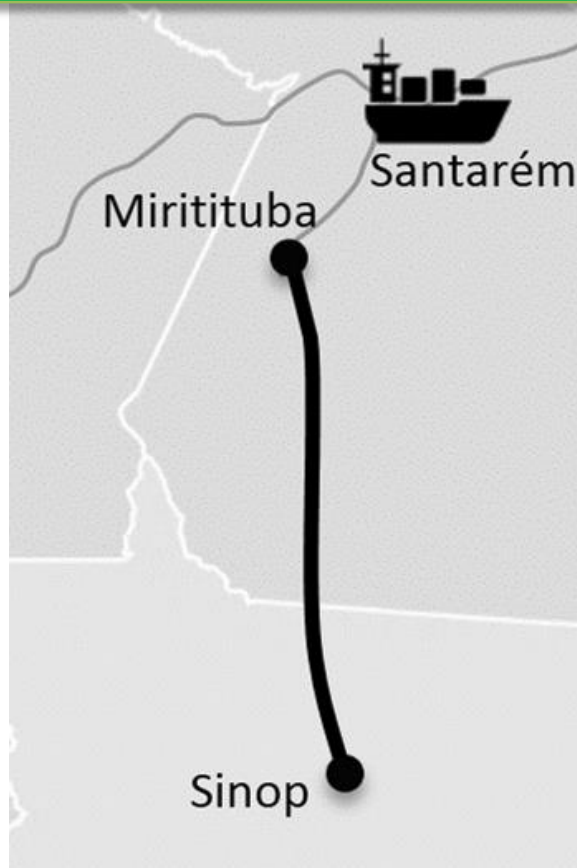
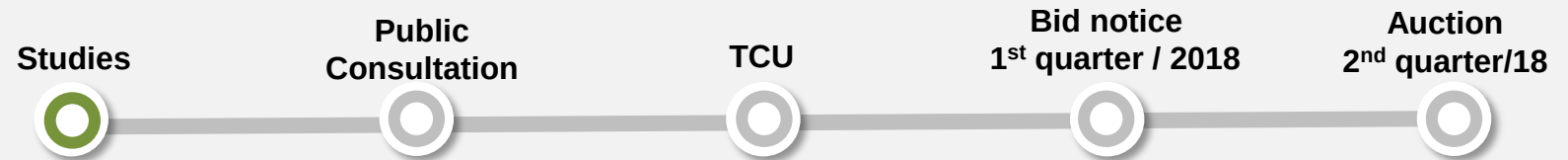
- Backbone of the Brazilian railway system
- Length: 1,537 km
- Importance: it extends the railway connection of the country's central region to Rumo Malha Paulista (Santos Port) and to North/Northeast ports (Itaqui and future Vila do Conde)
- Porto Nacional/TO – Anápolis/GO (855 km): work concluded
- Ouro Verde/GO-Estrela D'Oeste/SP (682 km): 95% executed by VALEC; conclusion: 1st half/2018
- Planned investment: USD* 0.9 billion
- Cargo: 1.2 million tons in 2019 and 22.9 million in 2045 (net and solid bulks and general cargo)
- Auction criterion: highest grant value – minimum USD* 0.51 billion
- Concession period: 30 years
- Public consultation published on 6/27/17 (closed on 8/11/17)
- Documentation: http://www.antt.gov.br/participacao_social/audiencias/audiencias0072017.html

*(1 USD ≅ 3.20 BRL)



RAILWAYS – FERROGRÃO RAILROAD

EF-170 - Lucas do Rio Verde- MT - Sinop-MT Itaituba-PA



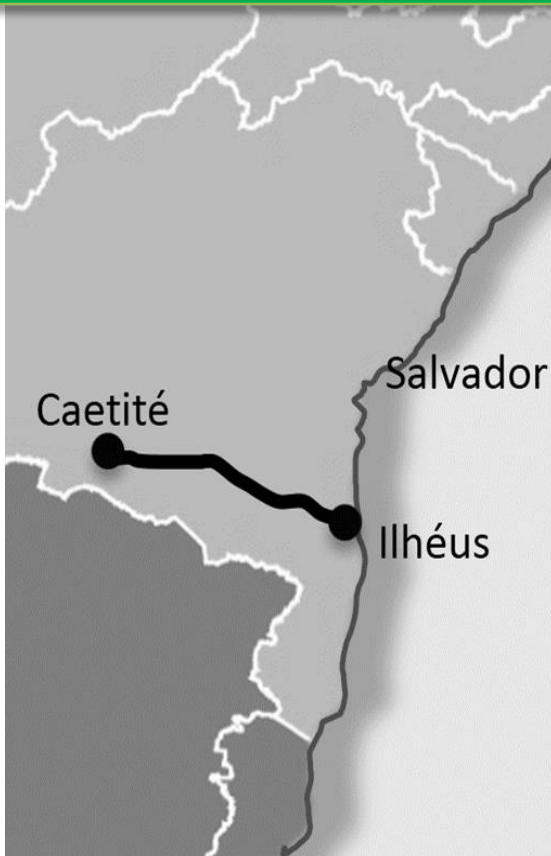
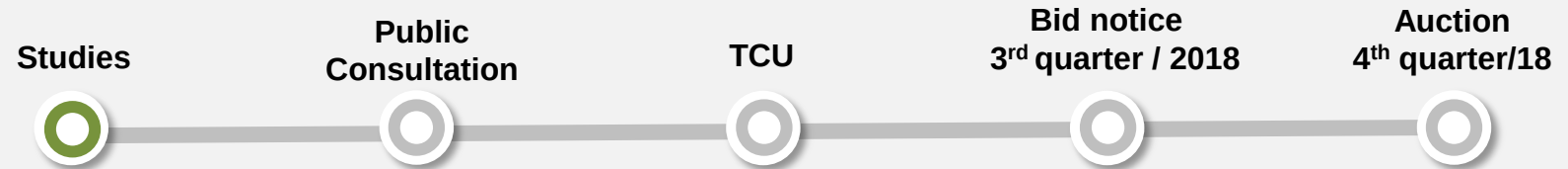
- Greenfield project
- New export railway corridor through “Arco Norte”
- Length: 933 km, with possible extensions to Lucas do Rio Verde/MT (177 km) and Santarenzinho/PA (32 km). Total: 1,142 km
- Importance: it will improve Middle-West agricultural production flow by connecting it to Miritituba Port, in Pará State, where several freight facilities already exist
- Planned investment: USD*4.0 billion (including rolling stock)
- Planned cargo: 25 million tons in 2020 and 42 million in 2050
- Auction criterion: highest grant value (under study)
- Public Consultation to start on October 30th, 2017
- Concession period: 65 years
- Potential stakeholders: ADM, Amaggi, Bunge, Cargill and Louis Dreyfus

*(1 USD $\cong$ 3.20 BRL)



RAILWAYS – WEST-EAST INTEGRATION RAILWAY (FIOL)

EF-334 - Ilhéus-BA - Caetité-BA



- Length: 537 km
- Importance: it will flow iron ore produced in Caetité/BA region (mines from Bahia Mineração – BAMIN) and grain production from Bahia west region through Porto Sul: port complex to be built in the city of Ilhéus/BA surroundings, under the responsibility of Bahia State Government. It can also connect to FNS
- Current situation: works under VALEC responsibility. Physical advance of 70.3% and received around USD* 0.6 billion in investments
- Auction criterion: highest grant value (under study)
- Planned investment: USD*0.36 billion to conclude works

ALLMP, EFC, EFVM, FCA, MRS

Business Plan

Public Consultation

Technical and Legal Opinion

Collegiate Decision

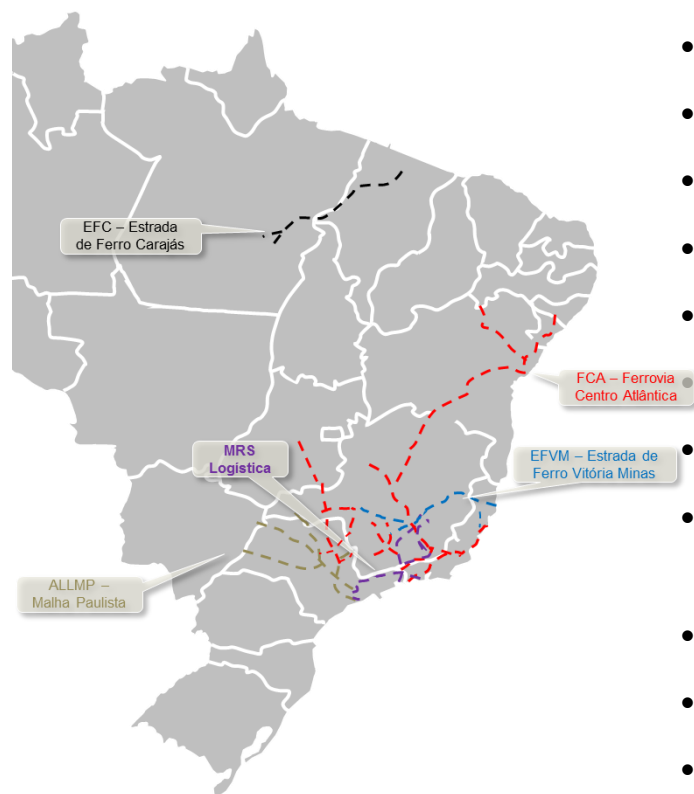
Signature of Additive



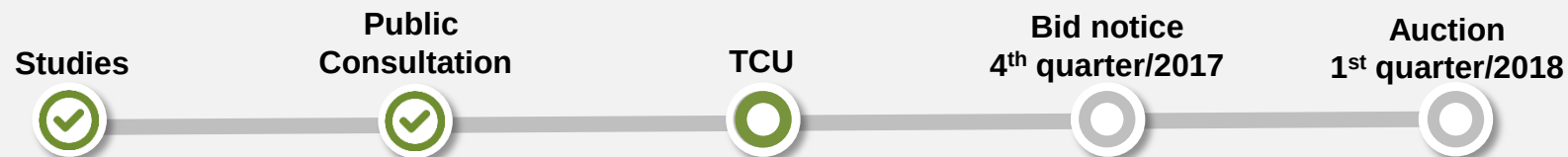
- Concessions granted in the second half of the 90's
- Early extension of contracts will allow investments in different networks
- Total length: 12,675 Km
- Movement: 457 million t/year (90% of annual movement of national railways)
- Estimated investment: BRL 25 billion
- Period: more 30 years

- Malha Paulista public hearing closed (contract expected for 4th quarter/2017)
- MRS Logística public hearing in the 2nd sem/17 (contract expected for 4th quarter/2017)
- Ferrovia Centro-Atlântica S.A
- Estrada de Ferro Vitória a Minas
- Estrada de Ferro Carajás
- All business plan will be evaluated by ANTT with the support of Accenture

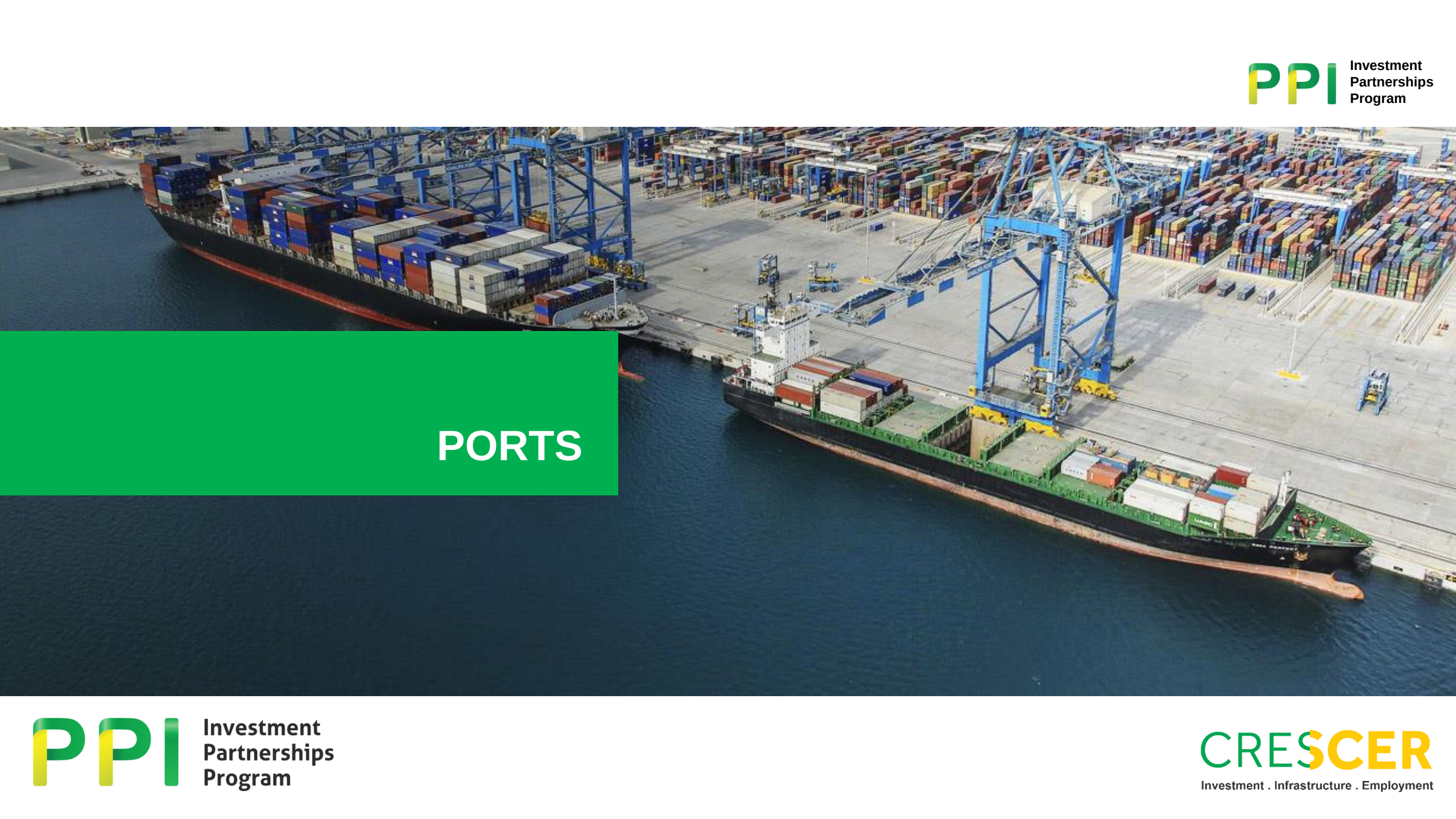
Business Plan	Public Consultation



PAR01

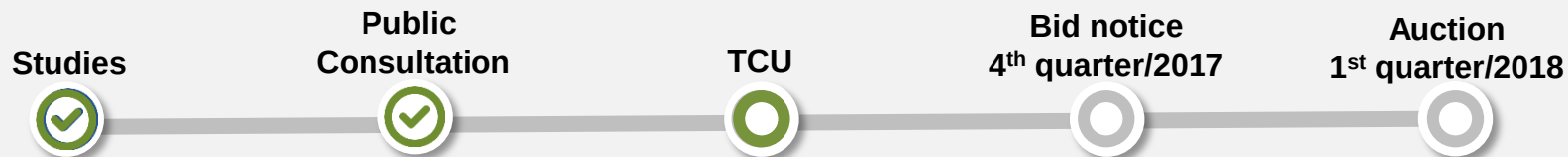


- Greenfield project
- Terminal area: 28,000 m²
- Estimated investments: BRL102 million
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1.3 million tons/ year (general cargo)
- Amount to be invested: BRL102 million



PORTS

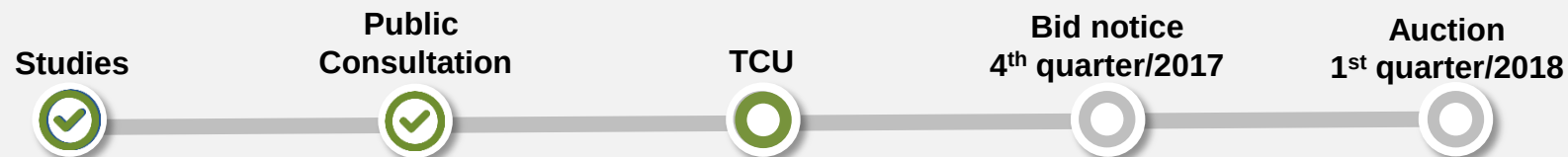
PAR12



- Greenfield project
- Terminal area: 28,000 m²
- Estimated investments: BRL102 mi
- Contract period: 25 years
- Auction criterion: highest grant
- Capacity: 1.3 million tons/year (cellulose)
- Amount to be invested: BRL102 million

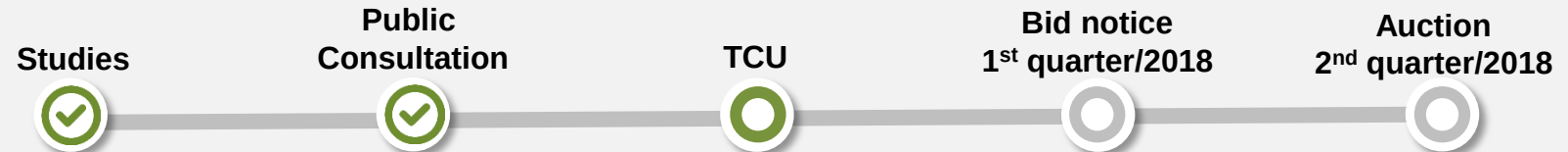
PORTS – Lease of terminal for handling general cargo (cellulose) in Port of Itaqui, Maranhão

IQI18



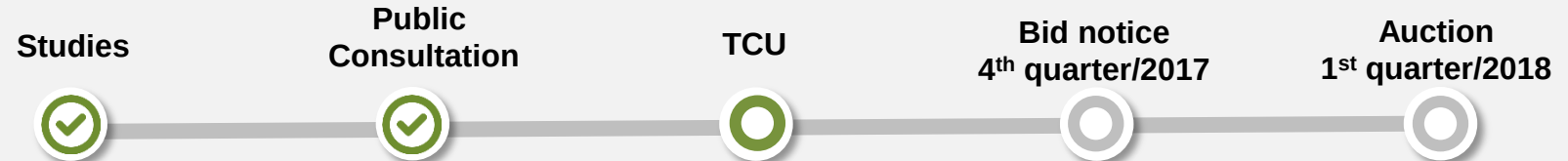
- Greenfield project
- Terminal area: 53,000 m²
- Estimated investments: BRL 221 mi
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1.5 million tons/ year (cellulose)

MCP1



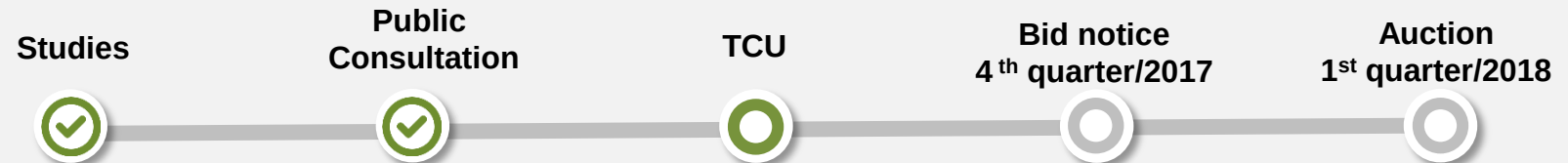
- Brownfield project
- Terminal area: 22,000 m²
- Estimated investments: BRL 61 million
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1 million tons/ year (wood chip)

MIR01 (GLP)



- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the gas market in the Northern Region of the country
- Estimated investments: BRL 0,065 bi
- Contract term: 20 years
- Auction criterion: greatest grant
- New capacity: 64.8 thousand tons/ year

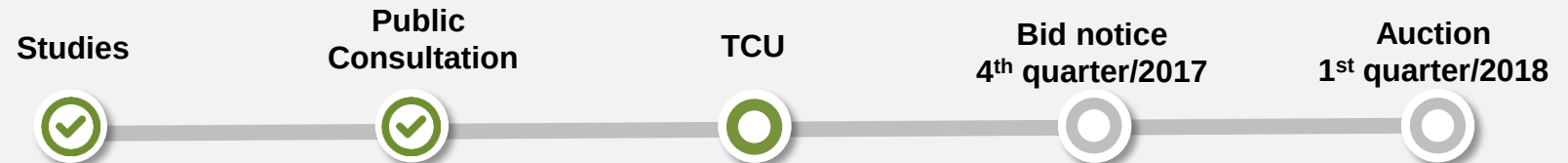
BEL05 (GLP)



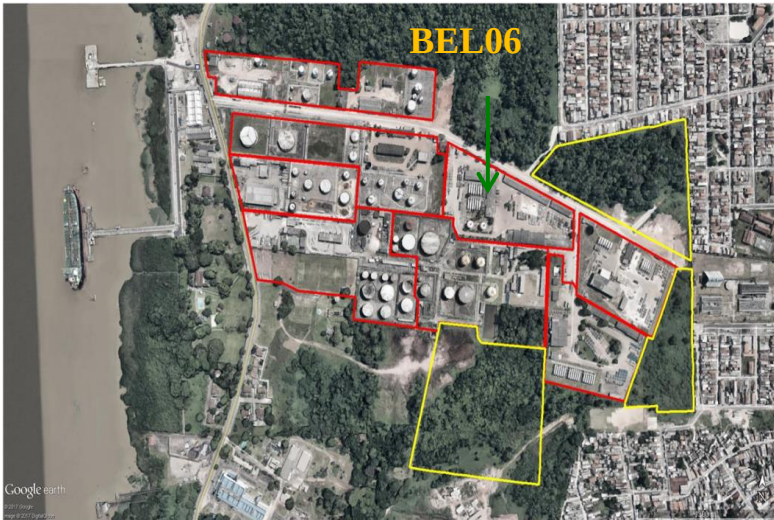
- Greenfield project
- Market: maintenance of gas operating conditions in the northern region
- Estimated investments: BRL 0,051
- Contract term: 20 years
- Auction criterion: greatest grant
- New capacity: 86.4 thousand tons/ year



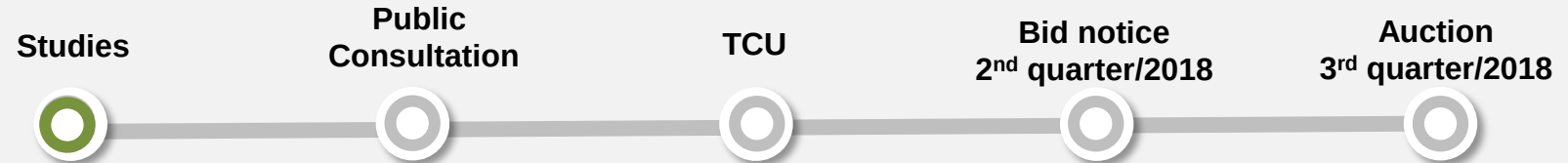
BEL06 (GLP)



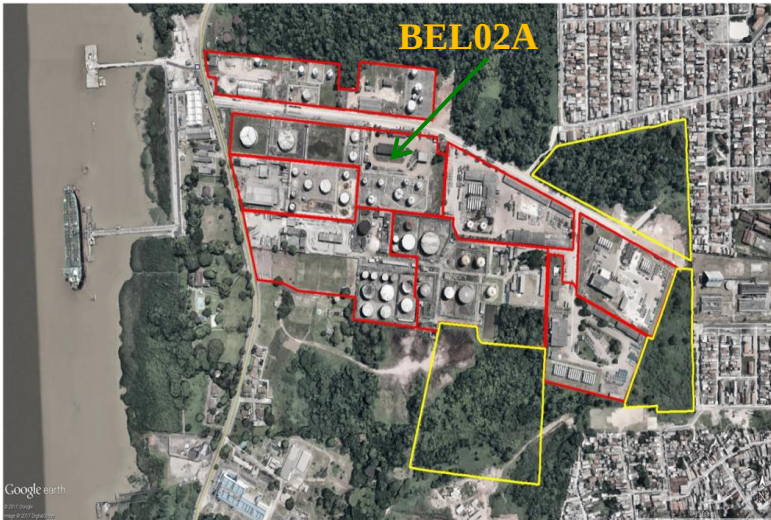
- Greenfield project
- Market: maintenance of gas operating conditions in the northern region
- Estimated investments: BRL 0,052 bi
- Contract term: 20 years
- Auction criterion: greatest grant
- New capacity: 82.8 thousand tons/ year



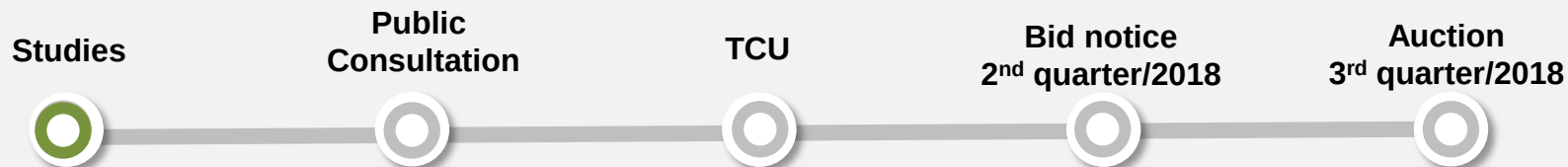
BEL02A (Fuel)



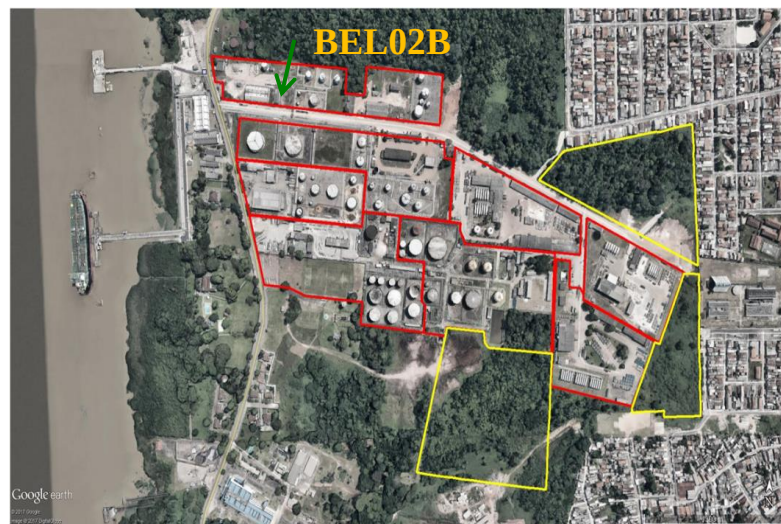
- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the Northern Region of the country
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study



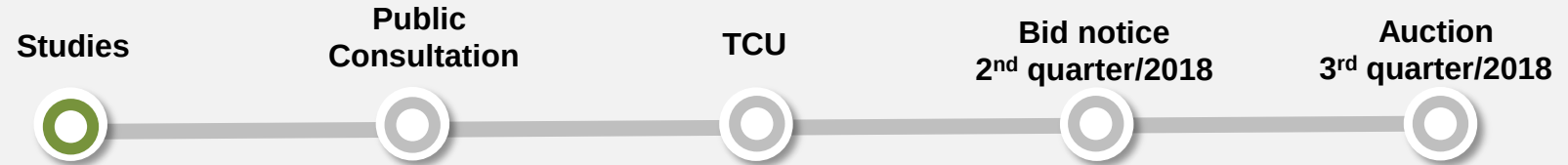
BEL02B (Fuel)



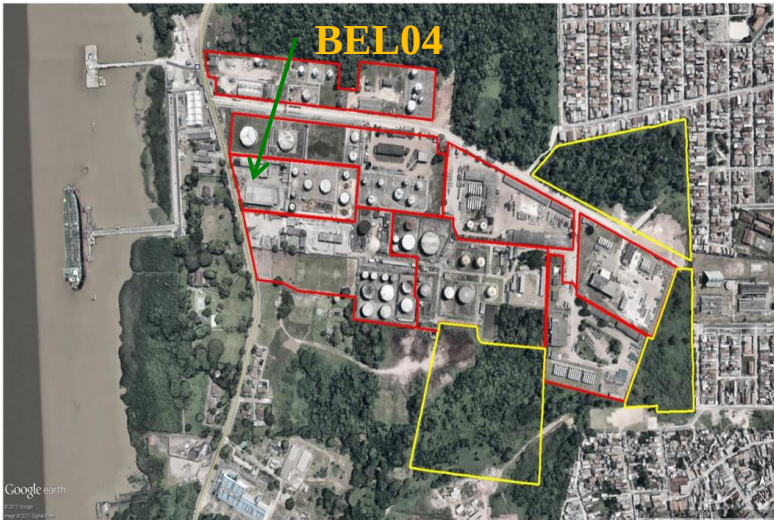
- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the Northern Region of the country
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study



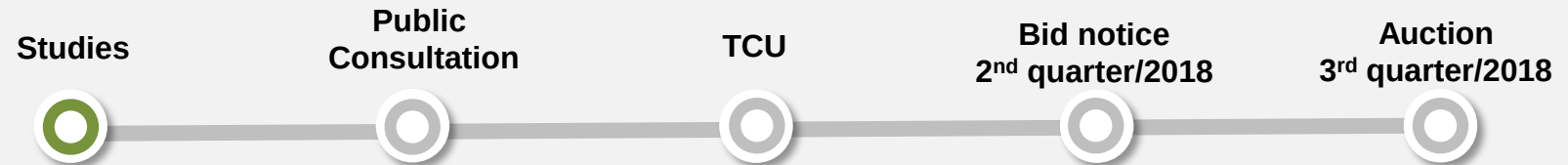
BEL04 (Fuel)



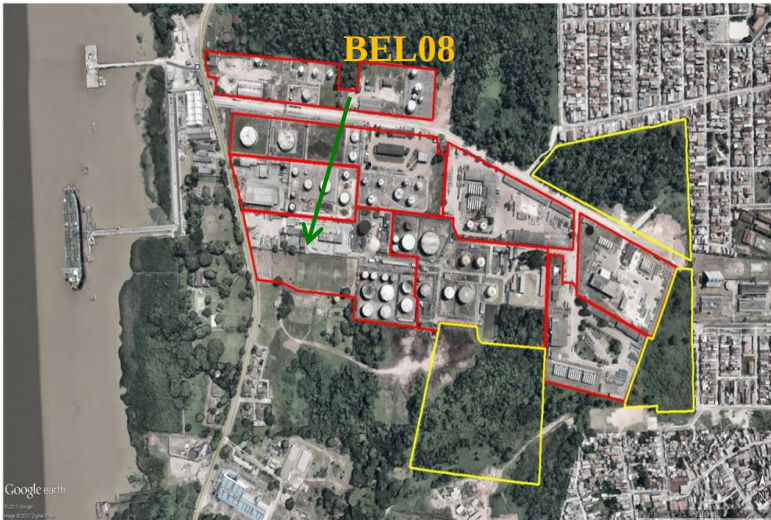
- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the Northern Region of the country
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study



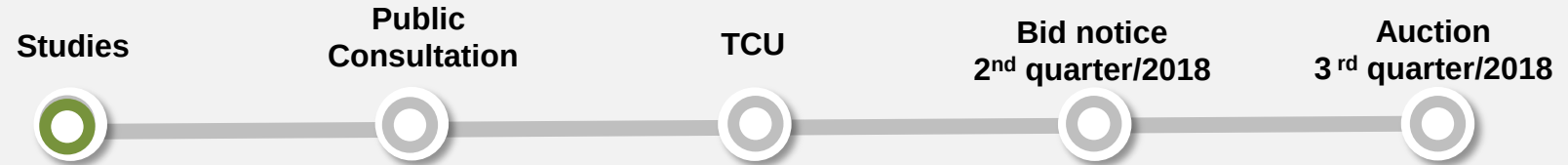
BEL08 (Fuel)



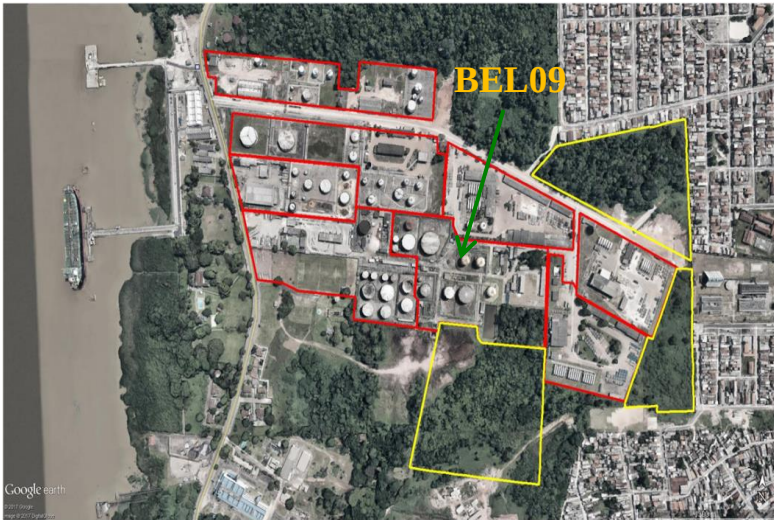
- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the Northern Region of the country
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study



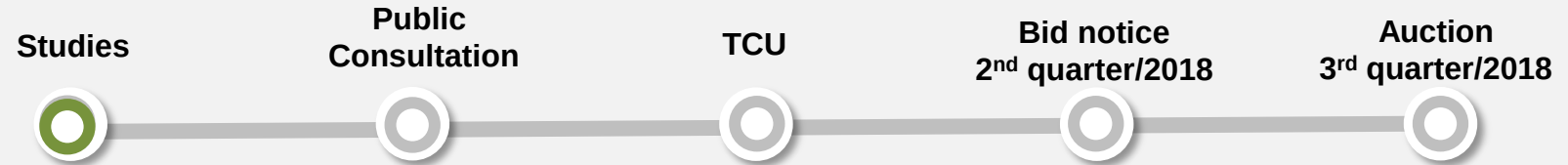
BEL09 (Fuel)



- Greenfield project
- Market: maintaining the operating conditions of the fuel market in the Northern Region of the country
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study



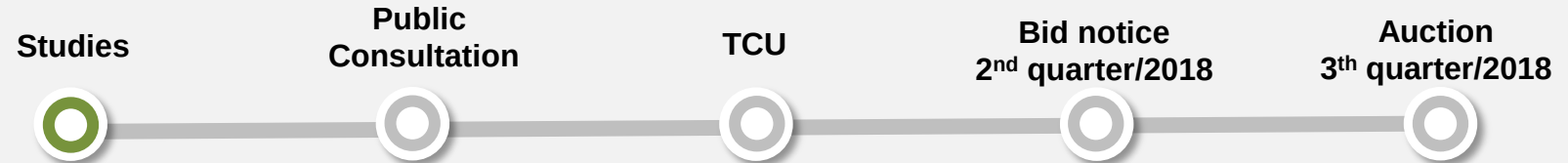
VDC12 (Fuel)



- Greenfield project
- Market: increasing the number of players in the fuel market in the Northern Region of the country
- Estimated investments: BRL 0,410 bi
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: 4 million tons

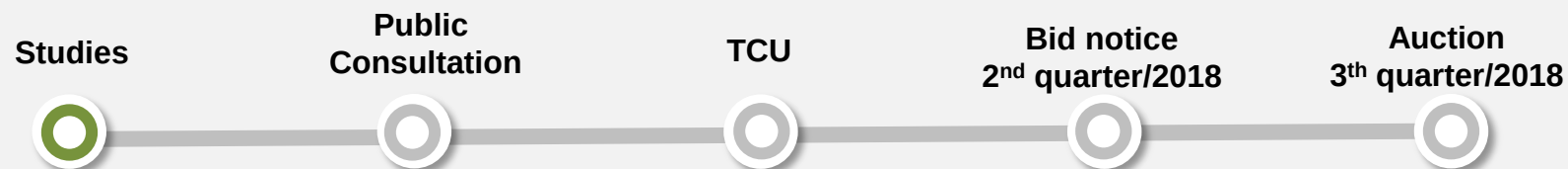


TGL (Fuel)

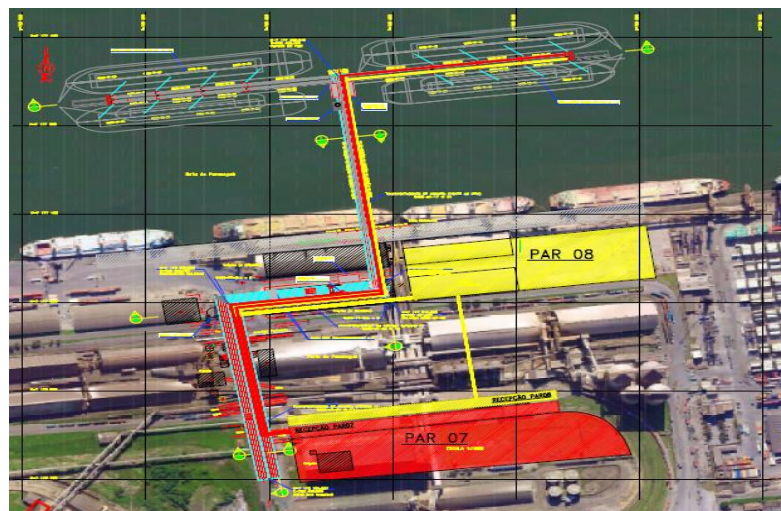


- Greenfield project
- Market: increased capacity to move fuels in the Greatest Vitória region, given the current capacity's deficit
- Estimated investments: BRL0,187 bi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 4.3 million tons

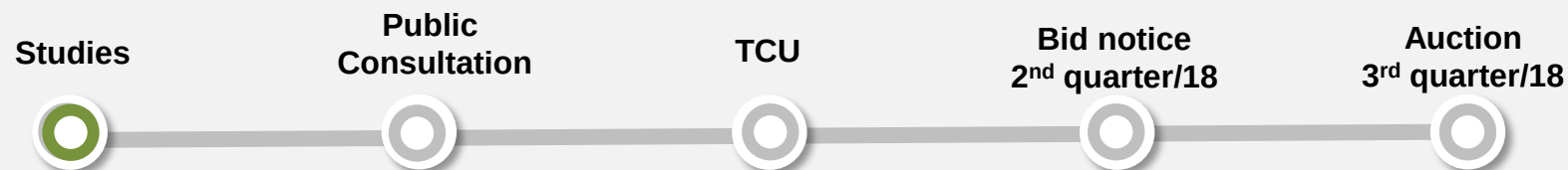
PAR07 (Solid bulk)



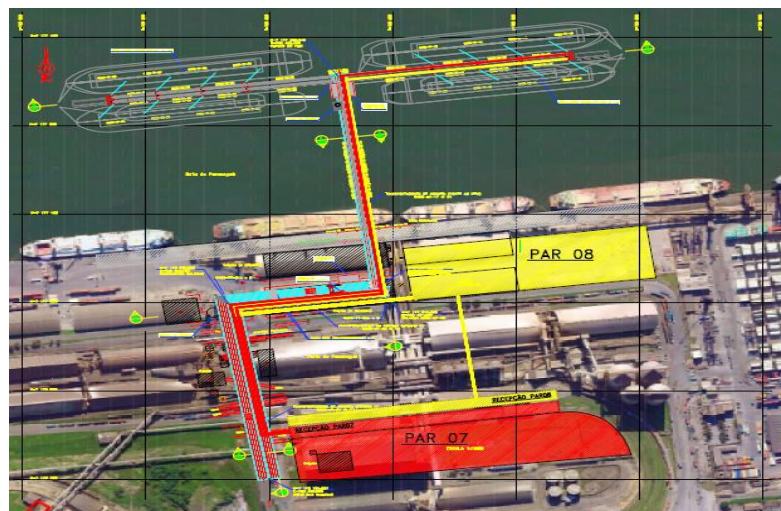
- Greenfield project
- Market: meet the expected export demand for Port of Paranaguá
- Estimated investments: BRL 0,328 bi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 5.1 million tons



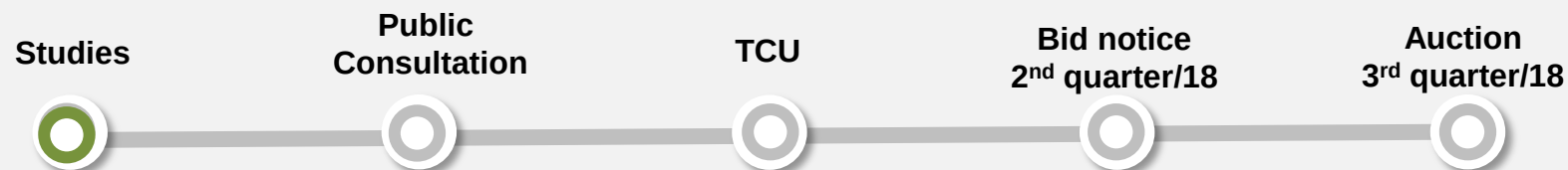
PAR08 (Solid bulk)



- Greenfield project
- Market: to meet the expected export demand for Port of Paranaguá
- Estimated investments: BRL 0,4 bi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 4.6 million tons



PARXX (Solid bulk)



- Greenfield project
- Market: to meet the expected export demand for Port of Paranaguá.
- Estimated investments: BRL0,123 bi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 3 mi tons



A horizontal timeline with five circular markers. Above each marker is a label: 'Studies', 'Public Consultation', 'TCU', 'Bid notice 3rd quarter/18', and 'Auction 4th quarter/18'.

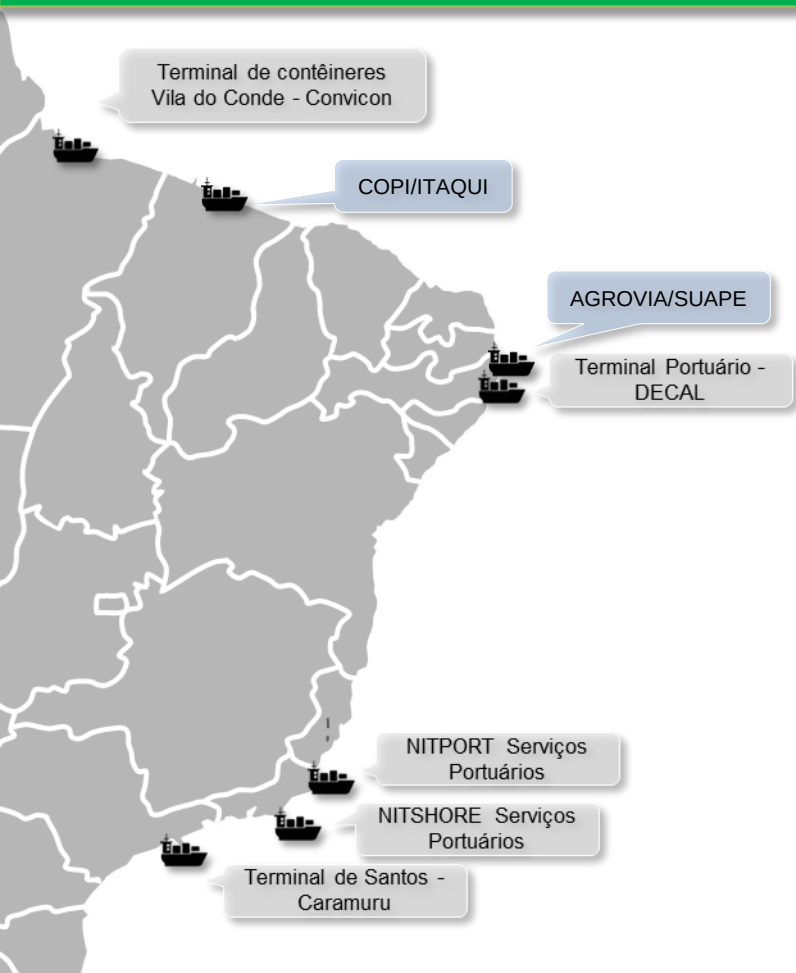


CARAMURU, DECAL, CONVICON, NITPORT, NITSHORT, COPI/ITAQUI, AGROVIA/SUAPE

Approval of investment plan

EVTEA approval

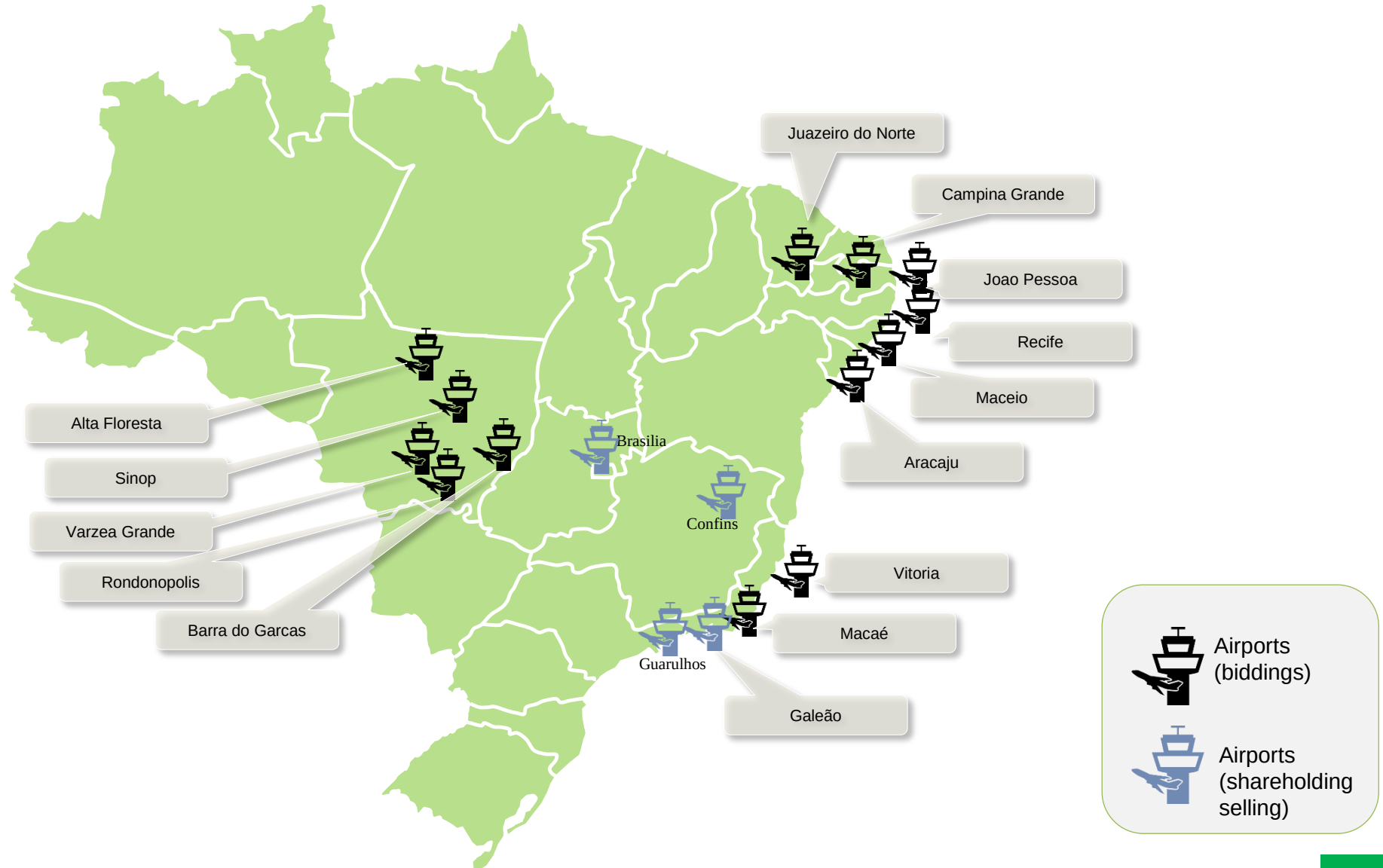
Amendment signature



- Extension of contracts to allow new investments in the port sector
- 7 brownfield projects
- Total area of the terminals: 332,000 m²
- Total investments: approximately BRL 813 million
- **Early Renewals (5 contracts):**
 - CONVICON (15 years)
 - NITPORT (10 years)
 - NITSHORE (10 years)
 - CARAMURU (25 years)
 - COPI/ ITAQUI (20 years)
- **Rebalancing (2 contracts):**
 - DECAL
 - AGROVIA/SUAPE

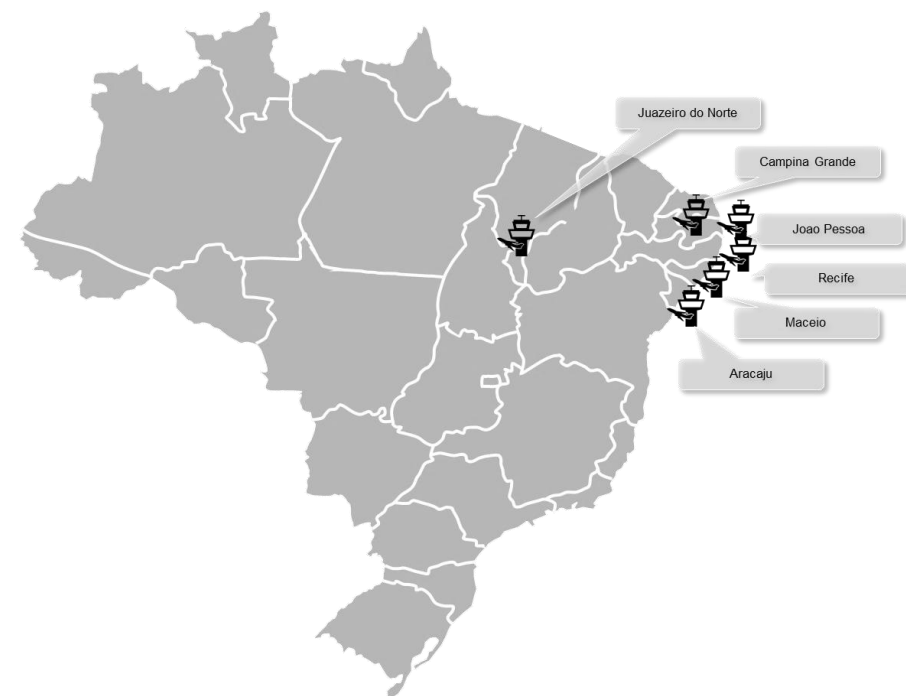
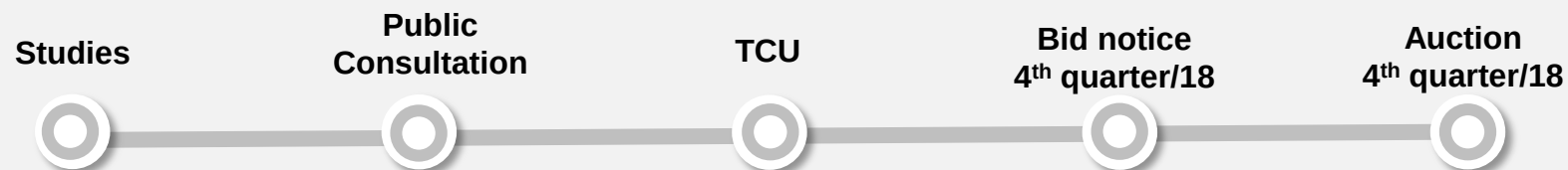
AIRPORTS

LOGISTICS



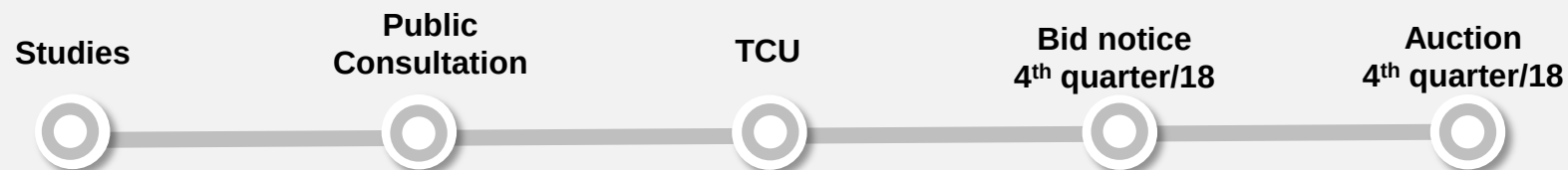
AIRPORTS – Studies for bidding (Northeast Region)

Recife/PE, Maceió/AL, João Pessoa/PB, Campina Grande/PB, Aracaju/SE and Juazeiro do Norte/CE



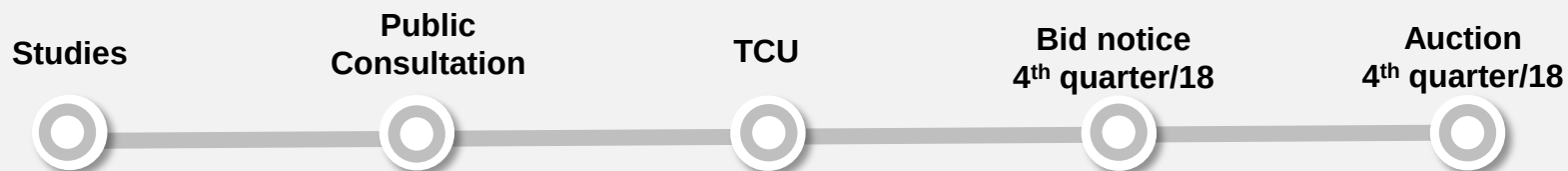
- Studies for bidding and possible block concession
- Brownfield projects
- Passenger flow: (2016) 12,11 million passengers/year
- Estimated investments: BRL 2.67 billion
- Estimated grants: BRL 2,06 billion
- Contract term: 30 years
- Entity in charge of studies: ANAC (Brazilian National Civil Aviation Agency)

Várzea Grande, Rondonópolis, Alta-Floresta, Sinop and Barra do Garças/MT



- Studies for bidding and possible block concession
- Brownfield projects
- Passenger flow: (2016) 3.43 million passengers/ year
- Estimated investments: BRL1.08 billion
- Estimated grants: BRL 0,204 billion
- Contract term: 30 years
- Entity in charge of studies: ANAC

Vitória/ES



- Studies for bidding
- Brownfield project
- Passenger flow: (2016) 3.12 million passengers/ year
- Estimated investments: BRL 0,78 billion
- Estimated grants: BRL 0,72 billion
- Contract term: 30 years
- Entity in charge of studies: ANAC



Macaé/RJ

Studies

Public Consultation

TCU

Bid notice
4th quarter/18

Auction
4th quarter/18

- Studies for bidding
- Brownfield project
- Aerodrome with vocation to serve the offshore oil industry chain
- Passenger flow: (2016) 318,000 passengers/ year
- Investments in progress: BRL 0,108 billion
- Contract term: 30 years
- Entity in charge of studies: ANAC

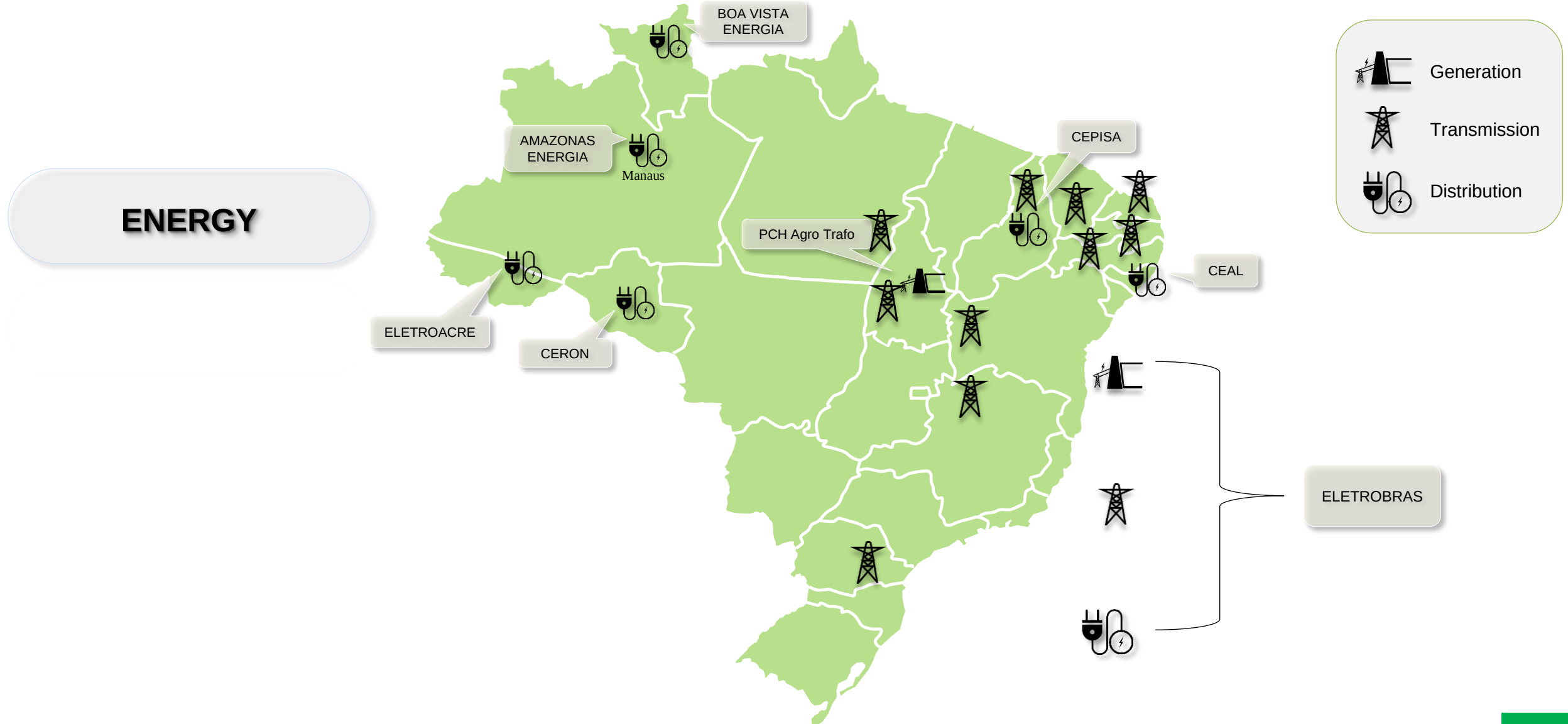


Brasília/DF, Confins/MG,
Galeão/RJ & Guarulhos/SP



ENERGY

GENERAL OVERVIEW OF THE CURRENT OPPORTUNITIES





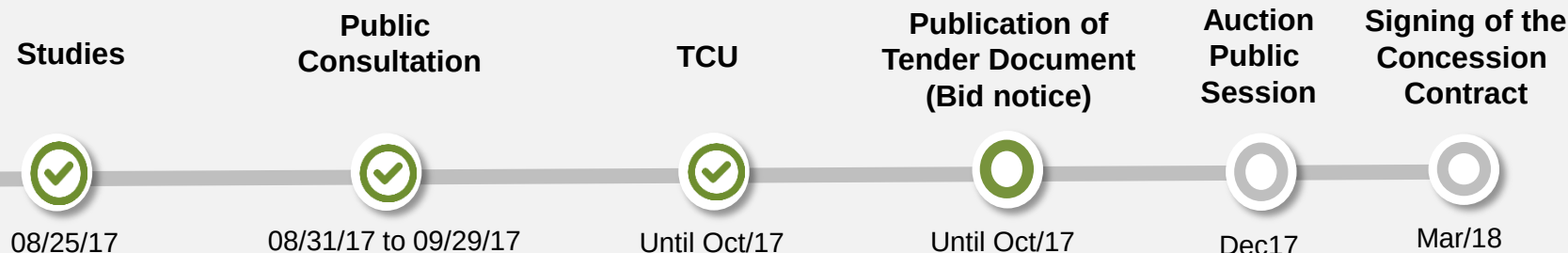
TRANSMISSION LINES IN BRAZIL

- The Brazilian National Interconnected System (SIN) is a grid consisting of several individual power systems normally operating with a number of connecting tie lines, known as transmission lines.
- The whole system is equivalent in size to Europe, from Portugal to Russia.
- The new concessions will be tendered for the construction, operation and maintenance of 11 lots of transmission lines.
- The major public stakeholders in the energy sector are the Ministry of Mines and Energy (MME), ANEEL (Energy Regulatory Agency) and the Energy Planning Company (EPE).



ENERGY – 11 TRANSMISSION LINES INSTALATION

11 lots:
Paraná, Piauí, Ceará, Pará,
Tocantins, Bahia, Rio Grande do
Norte, Paraíba, Minas Gerais and
Pernambuco



- Greenfield projects
- Model: common concession
- Term: 30 years
- Capacity expansion: 10,416 MVA
- Extension of transmission lines: 4,919 km
- Entity in charge of studies: ANEEL and MME/ EPE
- Auction criterion: offer of the lowest amount of Annual Permissible Revenue (RAP, in Portuguese)
- Lots of projects: 11 lots
- Distribution of lots in the North, Northeast, Southeast and South regions
- Total investments exceeding USD 2.76 billion*

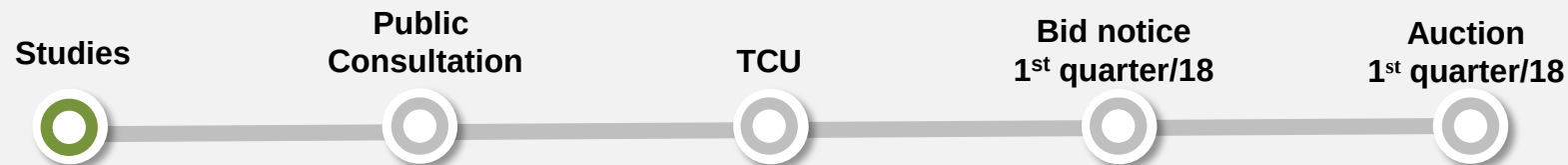
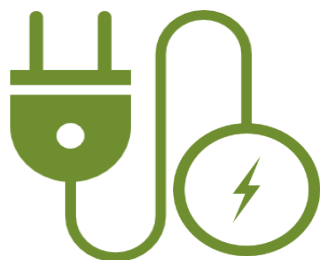
*(1 USD $\cong$ 3.20 BRL)



POWER – AMAZONAS POWER DISTRIBUTION S.A.

ELETROBRAS Amazonas Power Distribution S.A.

Amazonas Power Distribution's main activity is the electricity distribution to 62 municipalities located in Amazonas State



In addition to the company's privatization, the project includes the granting of a concession agreement:

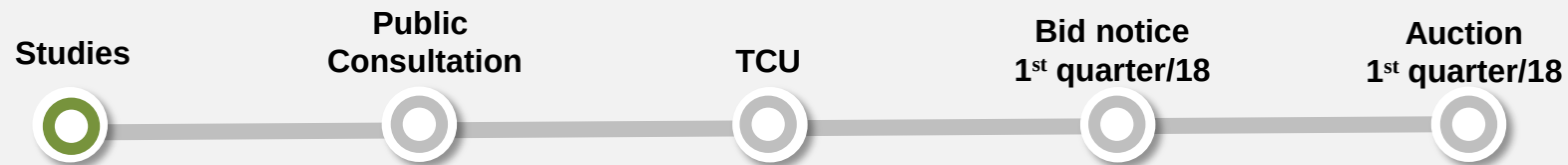
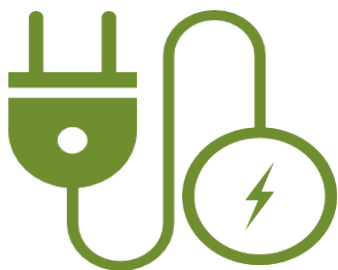
- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies hired by BNDES
- Consumers served: 589,332 consumers



POWER – BOA VISTA POWER DISTRIBUTION

ELETROBRAS Boa Vista Power Distribution

The company operates electric power distribution in the municipality of Boa Vista and other 10 municipalities at Roraima State



In addition to the company's privatization, the project includes the granting of a concession agreement:

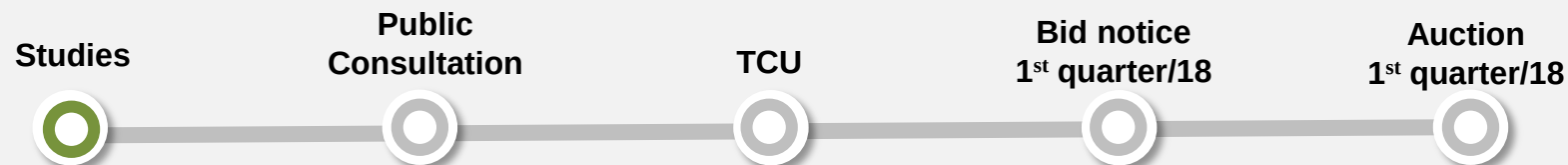
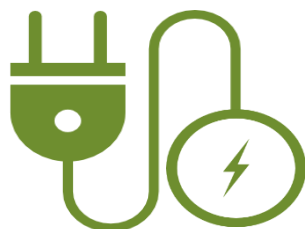
- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies hired by BNDES
- Consumers served: 106,620 consumers



POWER – ACRE ELECTRICITY COMPANY – ELETROACRE

ELETROBRAS Acre Electricity Company

It is the power distribution concessionaire responsible for serving the entire State of Acre, with 22 municipalities and a physical concession area of 164,222 km²



In addition to the company's privatization, the project includes the granting of a concession agreement:

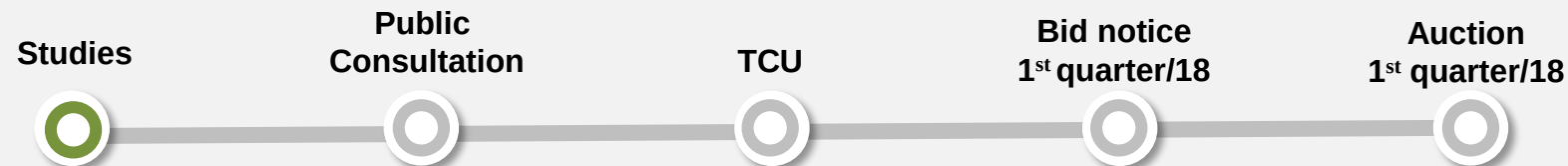
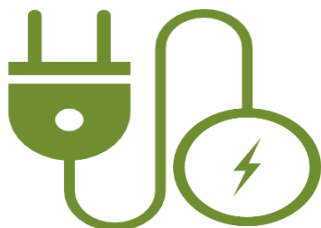
- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies hired by BNDES
- Consumers served: 242,693 consumers



POWER – PIAUÍ POWER COMPANY – CEPISA

ELETRÓBRAS Piauí Power Company

It is the electricity distribution concessionaire of Piauí State, responsible for serving 224 municipalities, covering the entire state of Piauí



In addition to the company's privatization, the project includes the granting of a concession agreement.

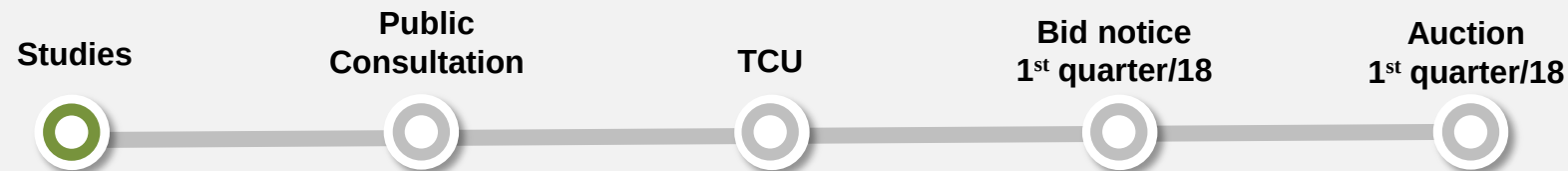
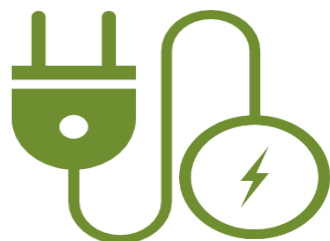
- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies hired by BNDES
- Consumers served: 1.17 million consumers



POWER – ALAGOAS POWER COMPANY – CEAL

ELETROBRAS Alagoas Power Company

It is the electricity distribution concessionaire of Alagoas State, responsible for serving 102 municipalities, in a concession area of 27,848 km²



In addition to the company's privatization, the project includes the granting of a concession agreement.

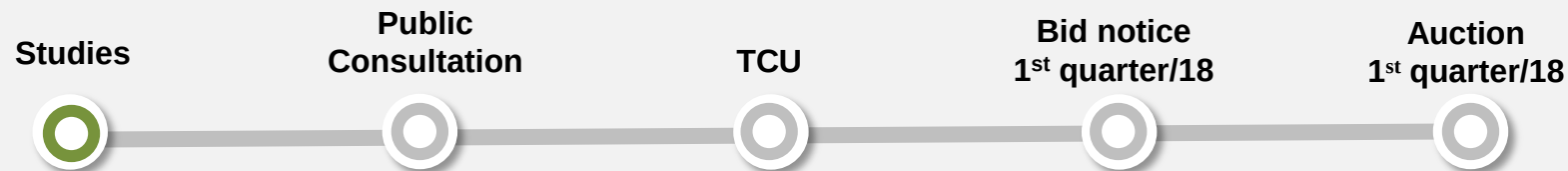
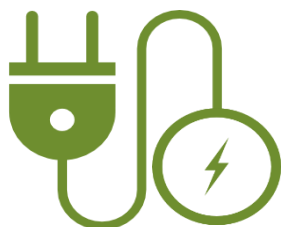
- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies hired by BNDES
- Consumers served: 1.045 million consumers



POWER – RONDÔNIA HYDROELECTRIC POWER PLANTS S.A. – CERON

ELETRÓBRAS Rondônia Hydroelectric Power Plants S.A.

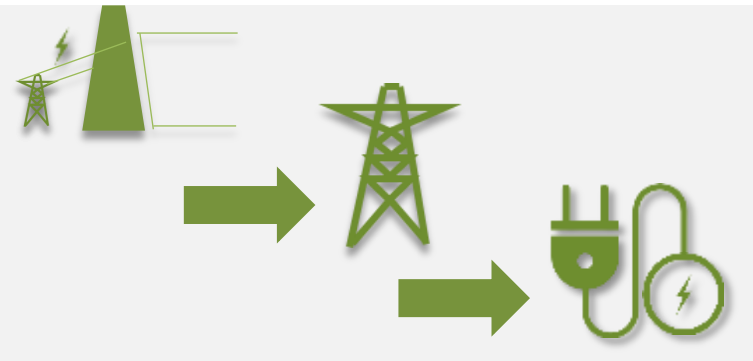
CERON is responsible for serving 52 municipalities in an area of 237,576 km². In addition, 9 isolated systems are served by means of thermal park based on diesel oil



In addition to the company's privatization, the project includes the granting of a concession agreement.

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies hired by BNDES
- Consumers served: 589,332 consumers

ELETROBRAS – The company's rearrangement will bring competitiveness and agility to its operations management



- Power generation capacity: 46.86 GW
- 233 power plants (hydroelectric; thermoelectric; thermonuclear; wind; solar)
- 63,387 Km of transmission lines (230 Kv)
- About 25,000 employees

- **Model: privatization**
- **Conditions:**
 - financial return to Government
 - highest governance requirements
 - limitation of the voting power of the shareholders with greater equity stake, in order to guarantee the democratization of the capital control
 - special share of the capital stock to the Federal Government, with special powers in relation to changes in the corporate name, corporate objects or Eletrobras headquarters or companies controlled by it
 - part of the shares should be offered to its employees and employees of the companies controlled by it directly or indirectly
 - reduction of charges of the electric energy sector, with priority to the costs of the “social energy tariff”
 - commercialization of electricity under an independent production regime
 - development of a program to revitalize the water resources of the São Francisco Basin, directly or indirectly through its subsidiary Companhia Hidro Elétrica do São Francisco – CHESF

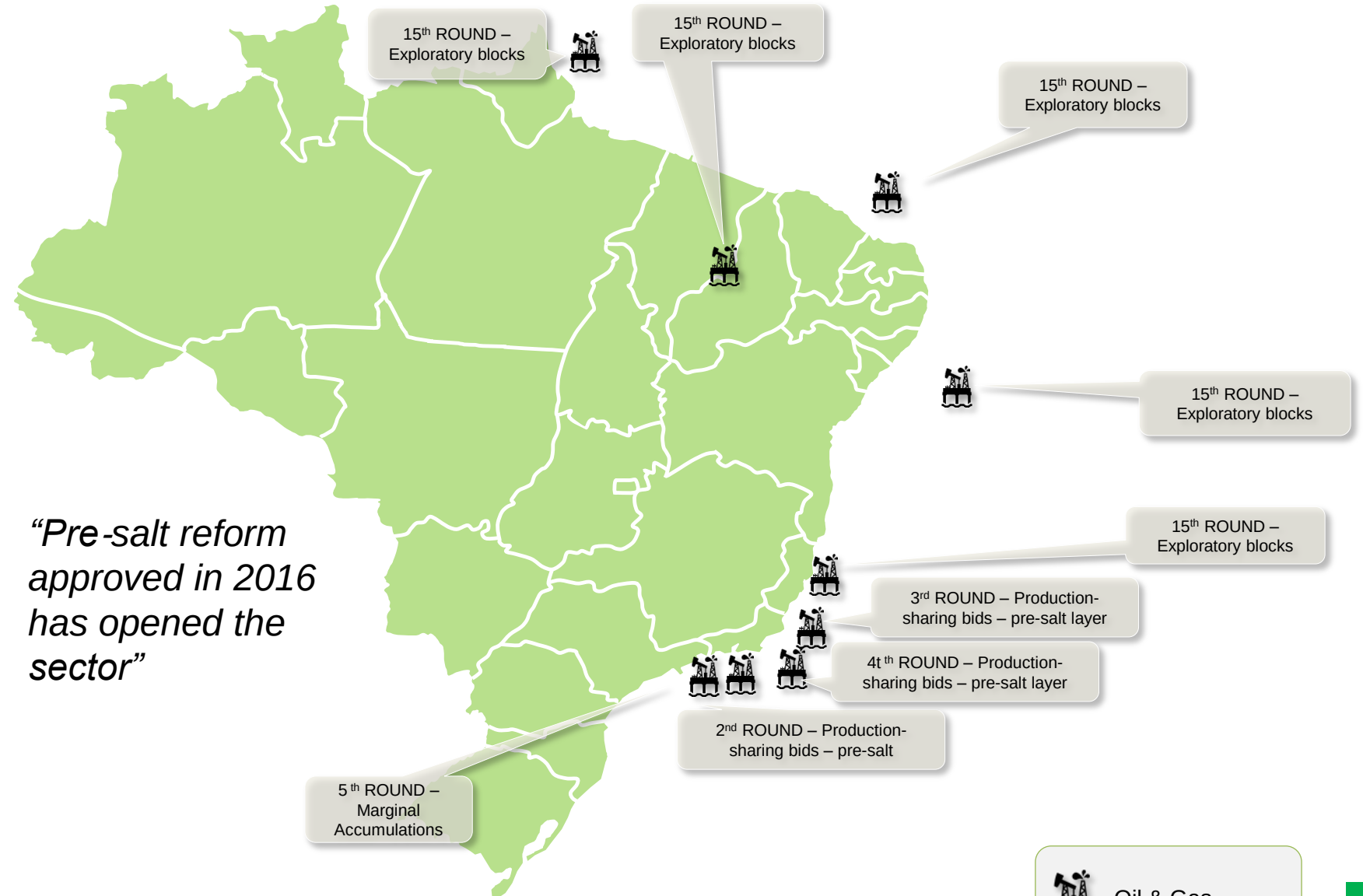
A large offshore oil and gas platform stands in the ocean under a dramatic sunset sky with orange, red, and purple clouds. The platform's complex steel structure, including cranes and piping, is silhouetted against the bright horizon. The calm water reflects the colors of the sky.

OIL & GAS

GENERAL OVERVIEW OF THE CURRENT OPPORTUNITIES

OIL & GAS

“Pre-salt reform approved in 2016 has opened the sector”



Oil & Gas



- All areas have potential for new oil & gas discoveries
- The leads mapped by ANP are world-class
- The unrisks in place volumes superpasses 50 billion barrels of oil
- The major public stakeholders in the oil sector are the Ministry of Mines and Energy (MME), EPE and ANP (Oil & Gas Regulatory Agency)

Expectation: over US\$ 80 billion in **new investments** during contract term, and more than **US\$ 100 billion** in royalties and **hundreds of new job opportunities**



15th bidding round

Exploratory blocks of
production and natural gas



Minimum grant
BRL **5.7** billion

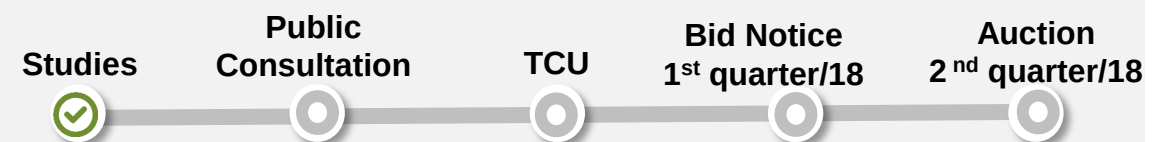


4th bidding round

Production Sharing regime of
Pre-salt production



Minimum grant
BRL **4.45** billion

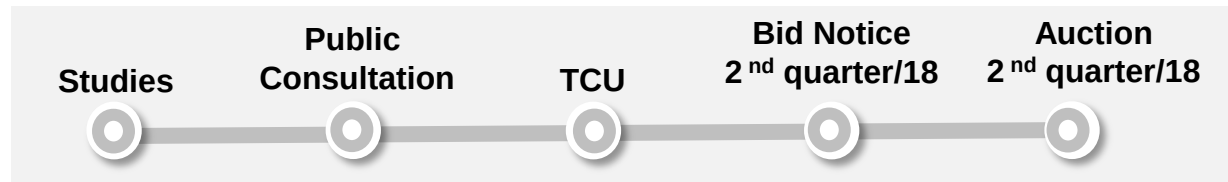




5th bidding round Marginal Accumulations



Minimum grant:
to be defined





MINING

GENERAL OVERVIEW OF THE CURRENT OPPORTUNITIES

MINING



LEGENDA



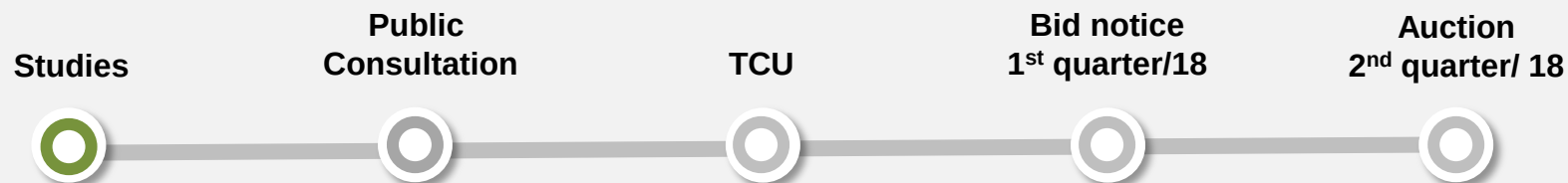
Mining

Phosphate (Miriri-PE/PB)

Copper, Lead and Zinc (Palmeirópolis-TO)

Coal (Candiota-RS)

Copper (Bom Jardim-GO)



Miriri: there is a strong demand for phosphate in the country today, which imports about 43% of what it consumes, all basically used in the agricultural sector

Palmeirópolis: these are small areas, but with high potential for increasing reserves and good location of infrastructure (being served by roads and railways)

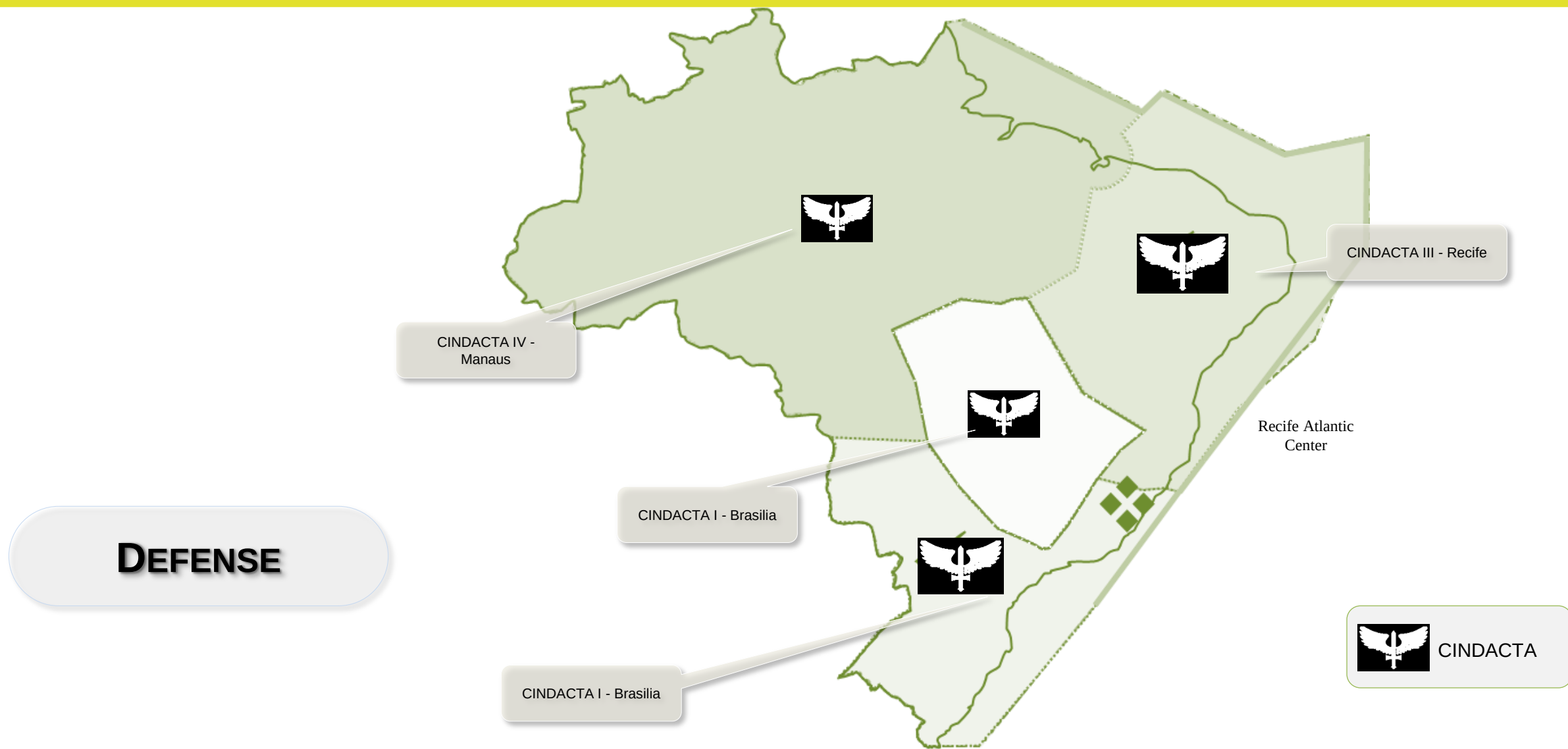
Candiota: coal has its main use for thermoelectric plants in the region (such as President Médice Thermoelectric Power Plant). Other thermoelectric plants are being deployed nearby, some in the licensing phase

Bom Jardim: copper from Bom Jardim de Goiás can bring great importance to the local and national economy, especially for its applicability in civil construction (hydraulic installations, gas, reservoirs, electrical connectors, among others)

Conclusion of studies (forecast): Dec/ 17

Auction criteria: to be defined

Public Private Partnership (PPP) for Brazilian Air Force's networks integrated management will take place under an administrative concession mode



COMAER

Studies



Public Consultation



TCU



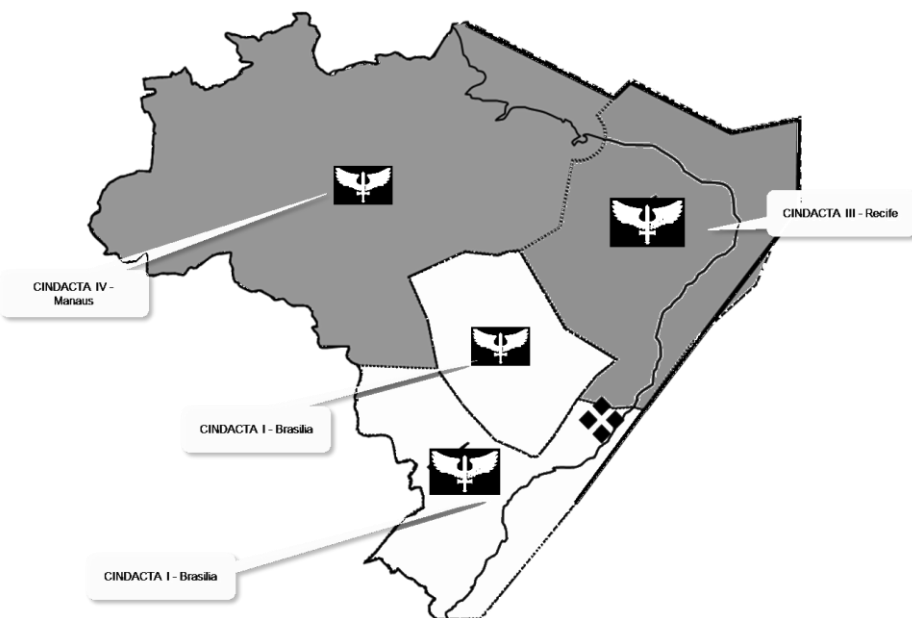
Bid notice
4th quarter /17



Auction
1st quarter/18



- 1st Federal PPP
- Model: Administrative Concession
- Term: 25 years
- CAPEX: BRL 1.09 bi
- OPEX: BRL 2.19 bi
- Auction criterion: Lowest Monthly payment by Public Administration
- Maximum Monthly public Administration Payment: BRL 15.2 million
- Guarantee Payment: FGIE/ ABGF – 6 monthly public payments



STATE SUPPLY AND WAREHOUSE COMPANIES

GENERAL OVERVIEW OF THE CURRENT OPPORTUNITIES



CASEMG

CEASAMINAS

BRAZILIAN MINT



Supply

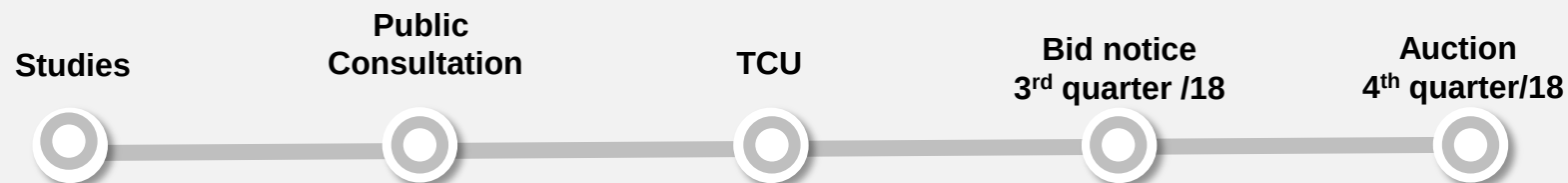
Finance

CMB

**SUPPLY &
FINANCE**

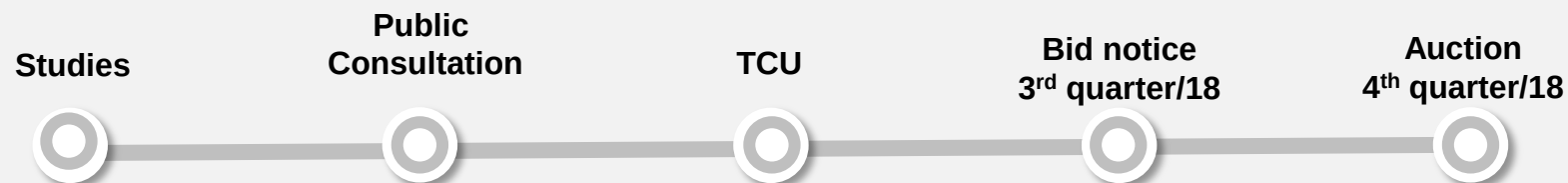
CASEMG – Company of Warehouses and Silos of Minas Gerais

CASEMG



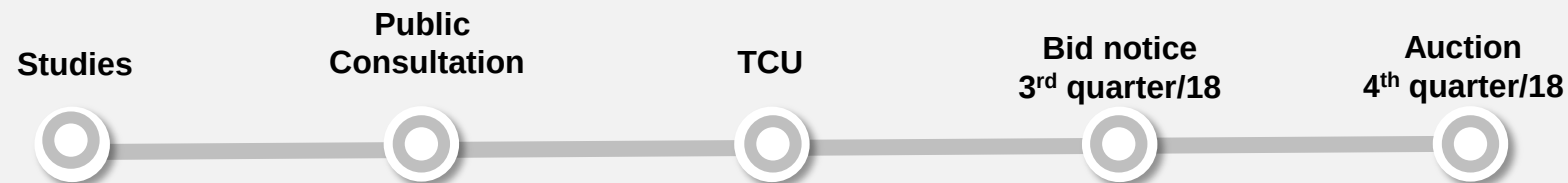
- Bodies involved: Ministry of Agriculture
- CASEMG: A mixed-capital company, 92.29% of it belong to the Federal Government
- It has 18 storage units in Minas Gerais State
- From 2011-16 the company presented a cumulative loss of BRL16.8 million

CEASAMINAS



- Bodies involved: Ministry of Agriculture
- CEASAMINAS: a mixed capital company, with a registered capital on 12/31/15 of BRL 26 million (99.57% owned by the Federal Government)
- 6 warehouses in Minas Gerais State: counties of Contagem, Juiz de Fora, Caratinga, Governador Valadares, Uberlândia and Barbacena.
- In 2016, 2.5 million tons of products were marketed in the 6 warehouses

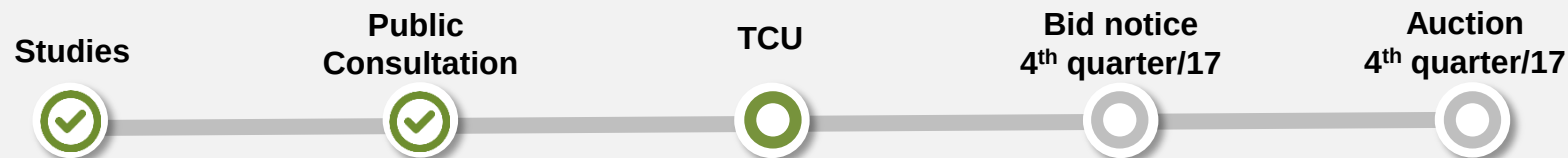
CMB (privatization)



- Agencies involved: Ministry of Finance
- Main sources of revenue:
 - contracts with the Central Bank of Brazil (BCB) for the supply of banknotes and coins, respectively, in the amounts of BRL 279.14 million and BRL 272.53 million, totaling BRL 551.67 million
 - services rendered to the Federal Police Department (BRL172.13 million) and to the Ministry of Foreign Affairs (BRL 21.14 million)
 - beverage Production Control System (SICOBE): the largest source of revenue of CMB. In 2016, this product accounted for more than 62% of the company's gross sales



LOTTERY CONCESSION



This lottery mode, “Raspadinha” (scratch card), as it is popularly known, has significant potential for commercialization in the country



- The Exclusive Instant Lottery (LOTEX) was created by Act n. 13.155/15
- Agencies involved: Ministry of Finance
- Responsible for the studies: BNDES
- Completion of studies: Aug/17
- Auction criterion: greatest grant



INVESTMENT PARTNERSHIPS PROGRAM PPI

When a project is qualified for the Investment Partnerships Program it's defined as a **NATIONAL PRIORITY**.



The PPI Secretariat (*Secretaria Executiva do Programa de Parceiras de Investimentos*) is in line with international best practices should remain well resourced, both financially and in terms of human resources.





www.ppi.gov.br

Marco Aurélio Barcelos
Secretary for Investments and Partnerships

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