

## Y 2014 Earnings Call

### Company Participants

- Arthur Piotto Filho, Chief Financial and Investor Relations Officer
- Daniel Kuratomi, Investor Relations

### Other Participants

- Sara Delfim, Analyst

### Presentation

#### Operator

Good morning, ladies and gentlemen, and thank you for waiting. We'd like to welcome everyone to the Fourth Quarter 2014 Earnings Conference Call of CCR SA. We would like to inform you that all participants will be in listen-only mode during the company's presentation. After the company's remarks are completed, there will be a question-and-answer session. At that time, further instructions will be given. (Operator Instructions)

Before proceeding, let me mention that forward-looking statements about CCR's business prospects and financial and operating goals are based on the beliefs and assumptions of CCR's management and on information currently available to the company. Forward-looking statements are not a guarantee of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore, depend on circumstances that may or may not occur.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of CCR and could cause those results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to Mr. Daniel Kuratomi, CCR's IR Analyst. Mr. Kuratomi, you may begin the conference.

#### Daniel Kuratomi

Thank you, operator. Good morning, everyone and thank you for attending our earnings conference call for the fourth quarter of 2014. With us here today are Arthur Piotto, our Chief Financial and Investor Relations Officer; Marcus Macedo, Daniel Kuratomi and Leandro Mathias, Members of the IR team. The earnings release is available on the company's website at [www.ccr.com.br/investidores](http://www.ccr.com.br/investidores).

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Before coming into the highlights, let's first take a quick look at some of the macroeconomic indicators we consider important for the performance of our business. We will begin by highlighting the GDP in the last four quarters, ended in the third quarter of 2014, which moved up by 0.7% according to the most recent data disclosed by the Brazilian Institute of Geography and Statistics system of Geography and Statistics, IBGE. We would also like to draw your attention to the fact that unemployment rate stood at 5.3% in January '15, 50 bips higher than January '14. The real average income of workers in January was BRL2,169 in January '15, 1.7% higher than in January '14.

The most recent IBGE data on industrial production showed a decline of 5.2% in January '15, compared to the same month of previous year. In the 12-month period, industrial production fell 3.5%. Credit data on the Central Bank shows our credit remained virtually stable in January '15. Free and then our earn market credit decreased 0.2% in the month and increased 11.1% in the last 12-months, while our consumer credit grew 0.9% and 13.2% in the same period.

Credit to finance vehicles however fell 4.8% between January '14 and '15. It is worth emphasizing that the automotive sector is closely linked to traffic growth and has a huge influence on industrial GDP. The numbers of licensed vehicle fell 18.8% year-on-year in January '15, and 7.2% between '13 and '14. While our vehicle production declined by 13.7% and 15.3% in the same period according to recent data from Anfavea, the Brazilian Auto Manufacturers Association.

Before moving on to the results of the quarter, we would like to mention that CCR's management proposed the distribution of additional dividend totaling BRL100.8 million, equivalent to nearly BRL0.06 per share, to be submitted to approval by the 2015 Annual Shareholders' Meeting scheduled for April.

Talking about the numbers of the quarter, beginning with consolidated traffic at our concessionaires, which fell 0.7% in fourth quarter of '14, considering Renovias and compared with the same period in '13. Commercial vehicle traffic fell 3.9% year-on-year, while light vehicle traffic moved up by 3.2%. In 2014, traffic grew 2.5%. In our press release, you'll find more information on traffic data those offered for those concessionaires.

We have highlighted the key pro forma numbers for fourth quarter '14, that is considering all businesses consolidated in accordance with CCR's shares in each line.

We also adjusted the comparison basis, excluding strong calculations, those business which were not in the company's portfolio in fourth quarter of '13. Metro Bahia and MSVia which are the two in pre-operational stages, and BH Airport and Controlar, which is not operational since January '14. On the same-basis, we also excluded a non-recurring effect of the CCR's [ph] participation in necessity and the write-off of Controlar's assets in fourth quarter '13, and the write-off of the balance of retained payments to the former SPVias shareholders in fourth quarter '14.

In the quarter, we also had some one-off costs and provisions related to the termination date of the Concession Contract of ownership. Besides, the adjustment of receivables in

Quito Airport and others, which are detailed in the section of costs in our release.

In accordance with this criteria, same-basis cost increased 8% over fourth quarter '13, considering cash costs that is excluding depreciation and amortization, prepaid expenses, construction costs and provision for maintenance. Same-basis adjusted EBITDA totaled BRL1.1 billion, 4% up on fourth quarter '13 with the margin of 64.1%.

Net income totaled BRL394 million, 25% more than in fourth quarter '13, positively impacted by the non-recurring write-off of the balance of retained payments to SPVias shareholders, totaling BRL100 million. This figure was also impacted by the new businesses that has not yet reached maturity or are still pre-operational and therefore do not generate revenue.

On the same-basis net income stood at 344 million, 11% down mostly due to the financial results. Regarding our debt leverage measured by the pro forma net debt-to-EBITDA ratio stood at 2.3 times in fourth quarter '14. We believe that this level is comfortable for the company to meet its investment commitment assumed in the recently acquired business.

We now conclude the comments on the quarter, and we will open the question-and-answer session. Operator, please go ahead.

## Questions And Answers

### Operator

Ladies and gentlemen, we will now begin the question-and-answer session. (Operator Instructions) Our first question comes from Sara Delfim with Bank of America.

#### Q - Sara Delfim {BIO 1759641 <GO>}

Thanks. The first one on your CapEx. You are guiding for almost BRL5 billion CapEx in 2015. But -- and have, if I am not mistaken, I think you have around BRL1 billion to receive as a governmental reimbursement for the project. And over the past 10-years, you have been spending like 20% below the guidance. So in your view, what is the cash CapEx that we could consider in our model for every year?

And the second question is still on CapEx. We have seen some of your peers revising up contractual CapEx and tracking on a quarterly basis your numbers, we have not seen any major or material change on this budget. So how confident you are with your CapEx budget from further cossession?

#### A - Arthur Piotto Filho {BIO 4777038 <GO>}

Hi, Sara. This is Piotto, thank you for asking. Well, the company estimated the total investment for 2015 around 5 billion as you said, but it's important to mention that these values are not a bit descended from contribution from (inaudible). So the number that is

around 1 billion is our expectation. So the number should be, that the total investment should be around 4 billion.

But as you also said, historically, the company as a total adjusted 10% low of the guidance. So, maybe it could happen, but as we are in the beginning, aiming reserves, started the year it's slightly close to (inaudible) the company is going to invest less. It's not our perception, in our budgets we have 5 billion as total investments. So we do expect to reset as 5 billion.

## Operator

(Operator Instructions) This concludes today's question-and-answer session. I would like to invite Mr. Daniel Kuratomi to proceed with his closing statement. Please go ahead, sir.

## A - Daniel Kuratomi

Once again, I join all the executives of CCR in thanking you for your time and interest in the company. Please do not hesitate to contact us if you have any further questions. Our contact information is available in our press release and on our website, [www.ccr.com.br/investidores](http://www.ccr.com.br/investidores). There you can find more information on our company.

## Operator

That thus concludes the CCR audio conference for today. Thank you very much for your participation. Have a good day and thank you using Chorus Call.

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