

Q3 2011 Earnings Call

Company Participants

- Flavia Godoy, IR

Presentation

Operator

Good afternoon, ladies and gentlemen and thank you for joining us. Welcome to the CCR teleconference to discuss the results for the Third Quarter of 2011. Please be advised that all participants will be in a listen-in only mode during the conference presentation, following which we will provide further instructions before beginning a question-and-answer session. (Operator Instructions)

Before proceeding, we would like to note that forward-looking statements which may be made during this conference call regarding the Company's business prospects, operational and financial prospection, and goals are based on the beliefs and the assumptions of this CCR's board of executive officers as well as information currently available to the Company.

Forward-looking statements are not guarantees of such future performances as they relate to future events, they involve risks, uncertainties and assumptions and therefore depend on circumstances that may or may not occur.

Investors should understand that general economic conditions, industry information and other sectors could affect the Company's future results and could cause results to differ materially from those expressed in such forward-looking statements. I now give the phone call to Ms. Flavia Godoy, IR team member. Ms. Flavia, you may proceed.

Flavia Godoy

Many thanks to our call operator. Good afternoon, everyone and thank you for joining our conference call on the results for the Third Quarter of 2011. Today, in addition to myself, who will have with us assist me also CFO and IR officer and member of our investor relations team, Marcus Macedo.

Before getting into our third Q results, we will quickly go over some macroeconomic indicators which we believe are important and regards our business performance. After the first half of 2011, we saw signs of cooling in the economic as a result of the macroeconomic measures, taken to control inflation.

Nevertheless, we have an employment rate which stood at 6% at the end of the Third Quarter of 2011, that was an improvement over the June 2011 figure of 6.2% and the

lowest rate calculated for the month of September since 2002.

Average in (reals) monthly in terms for workers was calculated in September 2011 as BRL1,600 which represented a stability in relation to September 2010.

In the Third Quarter, the industrial sector was stable compared to the same period in 2010. The seasonally adjusted into structural debt (finances) for the first nine months of the year, which is (traded) an increasing of 1.1%.

The annualized rate accumulated over the last twelve months has been an upward trend since October of the last year reaching 1.6%, falling at 2.3% rate in August. Comparing the quarter with the one in (misjustly) proceed in each industrial production, outsource financed of the growing (in pace) registering a 0.8% decreasing.

The latest credit information from the central bank for the period from the year to September was positive. It showed growth in the volume of credit for year market and targets your reserves at 17% for the month of September, 2011 compared to the same period last year.

And on individual credits grew by 25% with credit for the equal finance up to 33% during the same period. Bear in mind that also industry it closed negative to growth in traffic and this has great relevance to the GDP in Brazil.

The number of license vehicles increased to 2.5% in the Third Quarter of 2011 versus the same period in 2010 while vehicle production grew 148% over the same period. We maintain our positive outlook for the Brazilian economy and we are confident in the future.

As you can see in our report, since 2010 the Company has been publishing financial statement in corporations (renewals) brought into effect by the IFRS. We remind you that in our press release of 2010, which is available on our website, you can find supporting materials to facilitate your understanding of the impact of this new standard on our financial statements.

In third part of 2011, consolidated in traffic in our concessions grew 10.7% over the same period of last year. Using this same basis for comparison, there was a 4.4% increase in the Third Quarter of 2010 versus Third Quarter of 2011.

This result is managed to the economic activity and drives the income, especially the growth of light vehicle traffic. Using the same basis of comparison, the flow of passenger vehicles rose 4.5% compared to the same quarter in 2010.

In the case of commercial vehicles, there was a 4.4% increase. We note that preliminary data from October continues to indicate consolidated annual traffic growth, in line with our expectation for the year, which is to say approximately 1.5 times the GDP.

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In our press release, you can find more information regarding the evolution of traffic in our concession.

Throughout 2010, our results were affected by early stage businesses that generated costs and like the two potential of revenue generations resulting in temporary (session) on the EBITDA margin.

For the year, we believe we will have reduced the factors resulting in our consolidated EBITDA margin for 2011 of roughly 64% which really improve in the future years as the business reached its full potential.

In fact, we honor the Third Quarter with an EBITDA margin of 67%, even with some business acting out their initial phases of development, which do not reflects the full potential.

It is not worth that as previously disclosed on our schedules, even with the (active deals) measure, the line -- each item cost for the third party service, sell by 0.5% due to mainly -- to the reductions in cost for upkeep, maintenance, operations and signage in the NovaDutra, RodoNorte and Ponte concessionaires.

With respect to our investments, the Company's leverage as measured by net debt EBITDA over EBITDA reached 2.35, slightly above that which was recorded in the previous quarter. This is mainly being caused by announced (anticipation) of dividend distribution. Although the Company understands that this is a comfortable level of leverage as regards its prospects for the future, we mostly emphasize that the indicator carries all of the debt incurred for the acquisition of SPVias in October last -- the last year. (inaudible).

On September 30, 2011, CCR paid the dividends of BRL1.59 per share. The total amount was BRL700 -- BRL700 million. Considering the additional dividends for 2010, that were distributed on April 29th on 2011, the total amount was BRL0.22 per share.

Cash dividends paid total of BRL1.81 per share for 2011, represent a dividend return of 3.9% using an average shared price of 46%, as calculated from January to September 2011.

With this said, we conclude our comments on the Third Quarter 2011 results and we're prepared to answer any questions you'd like to ask. Operator, please proceed.

Questions And Answers

Operator

Ladies and gentlemen. we will now begin the question-and-answer session. (Operator Instructions) Now, I would like to give the floor to Ms. Flavia Godoy.

A - Flavia Godoy

Once again, together with all members of CCR, I would like to thank you for your time and interest in the conference. Please do not hesitate to contact any of us in the event you have additional doubt.

Our contact information is available on our release and our website, www.groupccr.com.br/ir. There you will be finding additional information regarding our company.

Operator

CCR teleconference is finished. Have a nice day.

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