

## Y 2015 Earnings Call

### Company Participants

- Daniel Kuratomi, Investor Relations
- Flavia Godoy, Investor Relations

### Other Participants

- Kevin Kaznica, Analyst

### Presentation

#### Operator

Good morning, ladies and gentlemen and thank you for waiting. We would like to welcome everyone to the Fourth Quarter 2015 and 2015 Earnings Conference Call of CCR SA. We would like to inform, that all participants will be in a 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 financials 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 guarantees of performance. They involve risks, uncertainties and assumptions, because they relate to future events and therefore, depend of circumstance 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'll turn the conference over to Mr. Daniel Kuratomi, CCR's IR Analyst. Please go ahead, sir.

#### Daniel Kuratomi

Thank you, operator. Good morning, everyone and thank you for attending our earnings conference call for the fourth quarter of '15. With us here today are Marcus Macedo, Flavia Godoy and Leandro Mathias, members of the IR team. The earnings release is available on the company's website at [www.ccr.com.br/ir](http://www.ccr.com.br/ir).

Before commenting on the highlights, let's take a -- quick look at some of the macroeconomic indicators we consider important for the performance of our business.

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We'd like to draw your attention to the fact that the unemployment rate came to 6.9% in December '15, to 110 bp higher than in December '14 and 60 bp lower than in November '15. The real average normal income of the quarter was just BRL1,235 in December '15, 6% less than in the same month in 2014.

IBG's data on industrial production saw a 6% decline in January '16, compared to January '15 and a 2% increase over December '15. According to the latest credit details released by the Central Bank. In December '15, credit ranking in the financial system grew by 7% in the last 12 months. Free and earned market credits increased by 4% and 10% in the same period, while consumer credits grew 1% in the month.

Credit to finance vehicles fell 18% between January and December '15 over the same period in '14. It is worth emphasizing that the automotive sector is closely linked to traffic [ph] growth and has a huge influence on the industrial GDP.

The number of licensed vehicles fell 39% year-on-year in January '16 and 32% compared to December '14, while vehicle production declined by 29% an increase by 2% in the same period according to recent data from Anfavea, the Brazilian Auto Manufacturers Association.

On to our operational -- operating numbers for the quarter, we will highlight traffic. With the end of concession agreement in May, at the beginning of MSVia's collection in September '15, traffic was adjusted for comparison purposes, that is, excluding these assets in 4Q15 and 4Q14 as that leading to us 2.8% reduction in the company's consolidated traffic. On the same comparison basis, commercial vehicle traffic declined by 3.9%, while light vehicle traffic moved down by 1.6%. In our press release, you'll find more information on traffic trend for each concessionaire.

We'll now show the key pro forma numbers for the 4Q15, that is, considering all businesses which we do not control or hold share control, consolidated according to CCR's share in each line. We also adjusted the comparison basis, that is, excluding some calculations, those businesses that were not in the company's portfolio in at least one of the comparison period, and in the case as is the case of Ponte and MSVia and businesses which are still in implementation phase and therefore are not generating revenue.

In accordance with this criteria, same basis cash costs increased by 9.3% over 4Q14, below the period of inflation. Same basis adjusted EBITDA totaled BRL1.1 billion, 0.4% higher than in 4Q14, with a margin of 59.8%, down by 360 bps and in 2015, as a whole, that pension [ph] came to 4.8% with a margin reduction of 100 bps [ph].

Net income totaled BRL245 million in 4Q15, 36% down in 4Q14. This result was mainly impacted by the reduction in traffic and by the financial result, which was influenced by the higher stock of that and new businesses there are still under the first phase or is still under implementation. On the same basis, net income stood at BRL250 million down by 19%.

Regarding our debt, the formal leverage measured by the net debt to EBITDA ratio stood at 3 times in 4Q15. This level decides the company's churn scenario that is, the implementation of several projects which were not generating cash or were at operational ramp-up phase at the close of 2015.

We end our comment on the quarters' result by highlighting that, despite the weak economic scenarios with a focused involved in forecasting the 4% GDP reduction, which led to a decline in our concessionaires traffic in 2015. Same basis pro forma adjusted EBITDA grew by 4.8%. The company also invested more than BRL3.5 billion, acquired a -- 70% interest in TAS an airport service company in the United States and increased its interest in Quito Airport in the quarter [ph]. We're reaffirming commitment to qualified growth.

In addition to having distributed more than BRL1 billion in dividends to its shareholders. In addition, the company has extended the maturity and make new emissions of BRL3.8 billion in debt in 4Q15 (Technical Difficulty) and addressed BRL5 billion with BNDES for a new project we spent of more than 25 years, almost 2 billion of which has already been disbursed.

We are now open to question-and-answer session. Operator, please go ahead.

## Questions And Answers

### Operator

Ladies and gentlemen, we will now start the question-and-answer session. (Operator Instructions) Our first question comes from Stephen Trent, Citigroup.

### Q - Kevin Kaznica {BIO 17875244 <GO>}

Hi, good morning. This is actually Kevin Kaznica filling in for Stephen. And thanks for taking the questions. I guess, firstly well what's your plan to rollover the rest of your short-term debt and what are your expectations of your funding cost with that rollover? And also given that the BNDES actually can increase the amount of funding that provides to the sector overall?

### A - Flavia Godoy

Hi Kevin. Who is speaking? Is it Kevin or is it Stephen?

### Q - Kevin Kaznica {BIO 17875244 <GO>}

It's Kevin.

### A - Flavia Godoy

Okay. Hi Kevin. This is Flavia. Well, regarding your first question. We have our concentration in 2016, but around 42% of this concentration CCR already refinanced that we have, I would say, maybe more 2 billion into May. So we are going to rollover those

debt and the other portion the company will just rollover doing this platform as of the year. So it's important to mention that all the long-term that related to BNDES to CCR are already got them, we are already refinanced them. We still are waiting for the first disbursement in CCR that is, predicted to receive the first reimbursement during the 2Q16.

Regarding your second question, could you repeat please about the dividends?

**Q - Kevin Kaznica** {BIO 17875244 <GO>}

I'm sorry. Yeah, We were just wondering, what are your expectations on the costs, financial rollovers and whether -- the authorities may increase the amount of funding, it could perforate to the overall sector.

**A - Flavia Godoy**

Going forward, the monthly due to the volatility on the credit market, I cannot -- I can't give you an idea of the cost of funding. But I mean, CCR monitoring the market and presently, it's higher when you compare with 2015. But it depends on the term of that under all the conditions they guarantee. So, I cannot give you an information about the cost for the next rollover.

**Q - Kevin Kaznica** {BIO 17875244 <GO>}

That's fair enough. And then, if you can just give me -- let me ask one more. Could you refresh the earnings on your recent land purchase and should be having option to cut this land back to the seller, in case the certain outsourcer not received?

**A - Flavia Godoy**

Actually recently CCR announced the acquisition of the plot of the land -- of land. We do expect it to have the first payment during the max maybe during the few weeks ahead. We still don't have all the precedent conditions to do this payment. So the company is going to pay close to BRL336 million and we are going to pay around 66 million as a front payment and the other portion we are going to pay in 30 installments in a monthly basis.

**Q - Kevin Kaznica** {BIO 17875244 <GO>}

Okay. Great. And do you have -- could you confirm or maybe reject, if you have a put -- option on this land back to the seller?

**A - Flavia Godoy**

Kevin, could you repeat your question please?

**Q - Kevin Kaznica** {BIO 17875244 <GO>}

Yeah. We're just wondering if you had put option to purchase back the seller in case certain milestones were in that?

**A - Flavia Godoy**

No, no.

**Q - Kevin Kaznica** {BIO 17875244 <GO>}

No, okay. Thank you very much. I'll get back in the queue.

**A - Flavia Godoy**

Thank you.

**Operator**

We now ended the Q&A session. I would like to turn the conference over to Mr. Daniel Kuratomi, for his closing remarks. 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 on our press release and our website [www.ccr.com.br/ir](http://www.ccr.com.br/ir).

**Operator**

That does conclude the CCR Audio Conference for today. Thank you very much for your participation. Have a good day.

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