

## Q3 2012 Earnings Call

### Company Participants

- Raquel Turano, IR

### Presentation

#### Operator

Good morning. Welcome to EcoRodovias 3Q '12 earnings conference call. With us here today are Marcelino Seras, the Company's CEO; Marcelo Guidotti, CFO and IRO; and Raquel Turano, Investor Relations. This presentation is being recorded and all participants will be in listen-only mode during the presentation. After that, we will begin the question and answer session for analysts and investors only, when further instructions will be provided. (Operator Instructions) The audio and the slides of this conference call are being broadcast simultaneously at [www.ecorodovias.com.br/ir](http://www.ecorodovias.com.br/ir) where you will find the presentation for download from the webcast platform in the Investor Relations sections.

Before proceeding, we would like to clarify that the forward-looking statements that may be made during this conference call, relating to EcoRodovias's business prospects, projections, operational and financial targets, are based on the Company's management's beliefs and assumptions, as well as on currently available information. They involve risks, uncertainties and assumptions, as they refer to future events, and hence depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions and other operating factors may affect the future performance of EcoRodovias and lead to results that differ materially from those expressed in such forward-looking statements.

We will now turn to the floor to Ms. Raquel Turano, Investor Relations, who will discuss the 3Q '12 results. Ms. Turano, you may proceed.

#### **Raquel Turano** {BIO 21085763 <GO>}

Good morning. Welcome to the EcoRodovias 2Q '11 (sic) earnings conference call. We will begin the call by bringing you up to date on the negotiations for the sale of 22.4% of EcoRodovias capital by Impregilo International. The sale and transfer of 3.74% of EcoRodovias shares to Banco BTG Pactual were concluded as was the negotiation for the sale of 19% of total shares to Primav Construcoes e Comercio S.A. When the conditions proceed then to conclude the transaction with CR Almeida Primav, which will have a 64% interest in EcoRodovias capital, while Impregilo's interests will fall from 25.5% to 6.5% and a new shareholders' agreement will be entered into by the parties, according to corporate structure (inaudible).

The signature of the concession agreement for BR-101 in Espírito Santo state, which is still suspended due to injunctions pending at the 13th federal court of the judiciary section of the Federal District Consorcio Rodovia da Vitoria, comprised of by EcoRodovias SBS Engenharia, winner of the bid, has been taking all the necessary measures to ensure a favorable decision.

Now I'd like to move on to the 3Q '11 (sic) results. As you can see on slide three, traffic in our highway concessions were up by 4.8%, to BRL154 million equivalent paying vehicles in 3Q '11.

The operating performance of logistics, Elog, in the primary zone came in line with our expectations. The number of containers handled (inaudible) was improved service mix and increasing the number of containers handled at CLIA led to a 47.7% year-on-year increase in the average tariff, as you can see on slide four.

On slide five, you can see the Tecondi Complex operating performance, with operating volumes remaining stable over 3Q '11, totaling 82,600 containers, while warehousing volume fell by 6.5% over 3Q '11.

However, as you can see on slide six, the Tecondi Terminal's market share of containers entering the Port of Santos remaining at 60%. And the average warehousing tariff per container reached BRL4,900, 30.6% higher than in 3Q '11.

Consolidated net revenue, excluding construction revenues totaled BRL600m, 43% (sic; see presentation "46.9%") over 3Q '11, as you can see on slide 7, which also shows gross revenue by business, with 59% coming from Highway Concessions, 12% from Logistics and 22% from Tecondi Complex.

On the next slide, you can see that consolidated IFRS EBITDA amounted to BRL326m, with a margin of 47%. The non-IFRS consolidated EBITDA margin into 57%, lower than in 3Q '11, chiefly due to the consolidation of the Tecondi Complex.

On slide nine, we have the non-IFRS EBITDA margin of our Highway Concessions, which came to 72% in 3Q '11 (sic), 1.9percentage points higher than in the previous year.

The EBITDA margin of the Logistics segment, Elog, stood at 21.4% in 3Q '12, improving from the Second Quarter of 2012, thanks to the revision of the business plan of process in the Transport segment and the reorganization of the distribution centers product portfolio aimed at improving the margins of this service.

Moving on to slide 10, we have the share of each segment of EcoRodovias consolidated EBITDA. The Highway Concessions item refers to the Group's current highway concessionaires, Ecovias dos Imigrantes, Ecopistas, Ecovias Caminho, Ecocataratas and Ecosul. Logistics refers to the 80% interest in Elog, the Group's logistics company. Tecondi refers to the 100% interest in the Tecondi Complex, comprising Tecondi, Termares and Termlog. STP refers to the 12.75% interest in STP, the Group's electronic toll collection

company. Services refer to the providers of corporate and related service, EcoRodovias Concessionários e Serviços. And finally, the holding company, EcoRodovias Infraestrutura e Logística.

Moving on to slide 11, we have Ecorodovias gross debt of BRL2,800 million on September 30. The main debt-related events were Elog issued BRL300 million in local bonds at CDI plus 1.6% due in 2020, mostly allocated to pay off the first local bond issued in the amount of BRL170 million and to reinforce the Company's working capital.

In October 2012, EcoRodovias Concessionários e Serviços made its second long-term local bonds issue in the amount of BRL800m, divided into three tiers, CDI rate plus 0.79% due in six years, (ICTA) plus 5%, due in seven years and ICTA plus 5.35% due in 10 years.

The proceeds of this (perpetual) issue will be reflected in our 4Q '12 results. These new issues are mainly intended to reduce the EcoRodovias Group's cost and extend debt maturity. The net debt to last 12 months EBITDA ratio fell to 2.15, chiefly due to the upturning EBITDA from existing concessions and the consolidation of Tecondi Complex's EBITDA between June and September. We are comfortable with this leverage for the sector.

On slide 12 we have our investments, which total BRL150 million in the quarter, led by work to duplicate the 14 kilometer stretch of BR-277 Ecocataratas, the adjustment of the intersection at Eco Pimentas, the beginning of implementation of the fifth lane between kilometers 26 and 41 in Rodovias dos Imigrantes and investments in saving and conservation.

Net income totaled BRL99.7m, 3% down from 3Q '11, due to expenses related to the Tecondi Complex acquisition, in particular, the beginning of the amortization of goodwill generated by this transaction.

To reference, we would like to stress that as new bidding opportunities, we are analyzing the bids of federal highways BR-040 and BR-115 whose bid notice are expected to be published later this year.

This concludes our brief presentation. We would now like to open the Q&A session. We are now ready to answer questions for investors and analysts. Thank you.

## Questions And Answers

### Operator

Thank you. We will now begin the question and answer session for investors and analysts. (Operator Instructions) And this concludes our question and answer session. I will now turn the floor back to Ms. Raquel Turano.

**A - Raquel Turano** {BIO 21085763 <GO>}

If you still have any questions or wish to contact us for any reason, please feel free to get in touch with our Investor Relations department or visit our website. Thank you very much and have a nice day.

## Operator

EcoRodovias conference call is now closed. Thank you very much for your participation and we wish you all a very good day.

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