

## Q4 2012 Earnings Call

### Company Participants

- Flavia Godoy, Investor Relations
- Marcus Macedo, Investor Relations

### Other Participants

- Michael Hintze, Analyst
- Stephen Trent, Analyst

### Presentation

#### Operator

Good morning, ladies and gentlemen. Thank you for waiting. Welcome to the CCR conference call for discussion of the results of the fourth quarter of 2012. We would like to inform that all participants will only be listening to the conference call during the presentation of the company but immediately afterwards we will begin the question-and-answer session, when we will provide more instructions. (Operator Instructions)

Before proceeding, we would like to mention that any eventual statements made during this conference call relating to the company's business prospect, projections and operating and financial targets represent mere beliefs and assumptions on the part of CCR's management as with those currently available information from the company. Forward-looking statements do not assure future performance. They involve risks, uncertainties and assumptions because they refer to future events and therefore depend upon circumstances that may or may not occur.

Investors must understand that general economic conditions, conditions within the industry, and other operating factors may affect the company's future results and could lead to results that materially differ from those that are expressed in the forward-looking statements.

I would now like to give the floor over to Ms. Flavia Godoy, CCR Investor Relation Coordinator. Please, Ms. Flavia, you may proceed.

#### Flavia Godoy

Many thanks, operator. Good morning to you all and thanks for your presence at the conference call regarding the earnings results for the fourth quarter of 2012. With us are Arthur Piotto, our CFO and IR Officer; Marcus Macedo, Daniel Kuratomi and Leandro Mathias, members of IR team.

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We would like to inform that our quarterly earnings release for the fourth quarter and the year of 2012 is available on the company's website at [www.grupoccr.com.br/investidores](http://www.grupoccr.com.br/investidores).

Before speaking of the highlights regarding the results, I'd like to run through some of the macroeconomic indicators that we believe are important for our business.

Among the important economic and the production indicators that are disclosed, we would like to highlight the unemployment rate in December 2012, which was at 5.6%, a continuous improvement over the 4.7% result in December 2011. Average real income of workers in December 2012 was 1,700 representing a 2.7% growth compared to December 2011. However, in the fourth quarter, industrial production declined 0.6% when compared to the same period of 2011.

The accumulated interest for the past 12 months registered a 2.7% reduction in the comparable December 2011 indicators was down by 2.6%. (inaudible) comparing the previous quarter industrial production decreased slightly by 0.3%.

The latest credit report published by the Brazilian Central Bank demonstrates that the evolution of the credit in December 2012 was positive. There was a 52.3% [ph] increase in development of free and directed credit, with credit for individuals rising by 8.9 when compared to December 2011.

It's important to mention that the automobile industry is intimately linked to the growth of traffic and has major importance in the industrial GDP. The number of licensed vehicles increased 6.5% in the 4Q 2012 versus the same period of 2011 and the production of vehicles also rose 7.4% in the 4Q 2012 compared to the same period in 2011.

As a result of the efforts of the Brazilian government to stimulate the economic development of the country, we are maintaining our positive view about the Brazilian economy and we are quite confident regarding the future in the very short-term. We expect the domestic (inaudible) will continue to show gradual recovery through the end of this year, and in fact the preliminary March numbers support the expectation that the growth of traffic should continue to be outlined with 1.5 times of GDP as the traffic data of the recent years has been indicating.

Before speaking about the highlights of our earnings result, I would like to emphasize some points related to CVM Instruction 527 and the IFRS 10 and 11. As of the fourth quarter of 2012 CCR begin to publish its adjusted margin EBITDA and EBITDA margin following CVM 527 instruction. The EBITDA began to be calculated based on the net income of the period adding taxes and profit, the net financial results and the depreciation/amortization. For the margins, these indicators now include the construction revenues in the calculation.

Taking into consideration of the criteria, the EBITDA margin was 40% in the 4Q 2012 and the EBITDA reached 830 million with a margin of 49.8% margin. We are also highlighting that as of the disclosure of the result for 1Q 2013, CCR will being to apply the rules established by IFRS and regarding consolidated financial statements and those of IFRS 11

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about joint ventures. Therefore in the content, even CCR does not have a confirming state as well as (inaudible). The equity accounting method shall be used instead of the proportionality method for each items. Further details are available and are attached to the earnings release for the 4Q 2012 and 2012 on our IR website.

Now speaking about the highlights of our results, consolidated traffic at our concessionaires increased 3.1% in the 4Q 2012 compared to the same period of 2011. This result was mainly due to the gradual recovery of the economic activity observed during the quarter and the calendar effect, which positively impacted the light vehicle traffic while negatively impacting the commercial vehicle traffic when compared to the same quarter of last year. Therefore, during the fourth quarter of 2012, the sales of light vehicles rose 3.9% when compared to 2011 and in the case of commercial vehicles there was an increase of 2.4%.

We highlight the fact that the preliminary data from March shows recovery in traffic and that supports our expectation of the growth of traffic of 1.5 times of GDP for the year. You will find more information regarding the evolution of traffic at our concessionaires in our press release.

As I just mentioned, the EBITDA and the EBITDA margin for the fourth quarter of 2012 were calculated in accordance to CVM Instruction 527 taking into consideration our non-cash cost. CCR also disclosed the adjusted EBITDA, in this case besides tax incurring on profit and depreciation and amortization are included in the calculation, the other non-cash expense, maintenance provision and prepared concession fee. The adjusted EBITDA margin take into account net revenue without construction revenue in the year of calculation.

According to the 4Q 2012 the adjusted EBITDA reached 882 million, an increase by 12% over 4Q '11. The adjusted EBITDA margin was 62.5%. In 2012, the company added several new businesses to its portfolio which still have not reached full maturity. Therefore, CCR disclosed its EBITDA and its adjusted margin on the same base where it is excluding the numbers of the discounted [ph] assets. In this case, besides the adjustment just mentioned, numbers found in the International Airports of Quito, Transolimpica, Barcas, San Jose and Curacao were also excluded.

In the 4Q 2012 the same basis adjusted EBITDA was 808 million representing an increase around 11% over 4Q '11 which has 65.1 margins, 0.8 percentage points higher than 4Q '11. This resulted in (inaudible). Consolidated net income in 4Q 2011 was 347 million, an increase of 17 over 4Q '11. This improvement in performance reflects the better operational performance and better financial results.

With regard to our debt, the company's leveraging measured by net debt/EBITDA ratio was 2.2 times which is slightly higher than the previous quarter of 1.9 times mainly due to the addition of the airports, which are not yet fully reflected in the EBITDA as well as Barcas. We believe that the current level is a very comfortable situation for the company, allowing it to continue with the strategy of qualified growth with capital discipline.

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CCR's management is proposing the distribution of supplemental dividend to its shareholders referring to the fiscal year of 2012 in the amount around R\$100 million, represent approximately six cents per share worth of this amount should be submitted for approval to the General Shareholders' Meeting scheduled for April 18 of this year. Taking into account the intermediate dividend paid -- 2012 in the amount of around \$950 million representing approximately 54 cents per share, will result in a payout ratio of 89% referring to the fiscal year of 2012 following our commitment to save a minimum of 50 of net income in the form of dividend.

With this, we are now concluding our comments regarding for 2012 results and we are at your disposal to answer any questions that you may have. Operator, please proceed.

## Questions And Answers

### Operator

(Operator Instructions) And our first question comes from Mr. Stephen Trent with Citi.

#### Q - Stephen Trent {BIO 5581382 <GO>}

Hi. Good morning, everybody and thanks for taking my question. I had a question about the airports. How should I think about the cost to repair and (inaudible) over the long-term. You seem to highlight in your release that some of these installations are sort of not at a full run rate in terms of their maturity and where do you see those businesses in terms of where they are in the long-term, are those in a high growth phase or more of a stable phase in terms of underlying traffic growth?

#### A - Flavia Godoy

Hi, Stephen. This is Flavia. In our website we have the evaluation model of the three airports but regarding our expectation we should reach -- these airports should reach its metric by the end of this year, by the end of 2013. But all this information, all the functions are in our website.

#### Q - Stephen Trent {BIO 5581382 <GO>}

Okay, great. And just one other question if I may. How are you thinking about investments or new investments in overseas projects that have no connectivity to your Southeastern Brazilian operating footprint? It seems like you are going after the airport in Portugal, we've heard you mention potential projects in Mexico. And I'm wondering how you're expecting about these projects now and where they fall in terms of your priorities from a capital deployment perspective?

#### A - Marcus Macedo {BIO 15022391 <GO>}

Hi, Stephen. This is Marcus. Well, we always analyze projects outside the view, but we are very selective about these opportunities. I think that we are not moving out any possibility out of Brazil, but I think that our focus going forward, especially this year, should be in Brazil. As you mentioned we have many opportunities here not only in the higher sector,

but also in the air mobility factor, airport factor, so I think we have plenty to do here in Brazil. But obviously if there an opportunity that is very attractive and fit in our portfolio, we will look into that.

**Q - Stephen Trent** {BIO 5581382 <GO>}

Okay. (inaudible) Thanks Marcus.

**A - Marcus Macedo** {BIO 15022391 <GO>}

Thank you.

**Operator**

Our next question comes from Mr. Michael Hintze with CQS.

**Q - Michael Hintze** {BIO 2198475 <GO>}

Good morning guys. The question I had is if you could just give us what the new auctions will probably be over next three months, such as VLT and VL and others, just appreciate that. Thank you.

**A - Marcus Macedo** {BIO 15022391 <GO>}

Hi, Michael. We expect the VLT to happen by the end of this month, March. Regarding the highway auctions, we are waiting the government to launch the bidding documents. According to what we see in the press, this bidding document should be released in April or May and then we have some little time to get -- to have the action of the auctions, okay. So we expect everything to happen for VLT and the others until second half of this year.

**Q - Michael Hintze** {BIO 2198475 <GO>}

And on the subways?

**A - Marcus Macedo** {BIO 15022391 <GO>}

The subways we have -- expectation to have an auction in May of the line six of subways here in Sao Paulo city. So this is the project that will happen first.

**Q - Michael Hintze** {BIO 2198475 <GO>}

Okay. Perfect. Thank you.

**A - Marcus Macedo** {BIO 15022391 <GO>}

Thank you.

**Operator**

This concludes today's question and answer session. I would like to invite Ms. Flavia Godoy to proceed with her closing statements. Please go ahead.

## A - Flavia Godoy

Once again together with all of the members of CCR, I would like to thank you for your time and interest in the company. Please do not hesitate in contacting any of us later if you have additional doubts. Our contact information is available on our release and in our website [www.grupoccr.com.br/investidores](http://www.grupoccr.com.br/investidores). There you will find additional information regarding our company. Thank you.

## Operator

That does conclude the CCR's audio conference for today. Thank you very much for your participation and have a good day.

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