



Emerging Markets
Investing in the new reality...



CONFERENCE

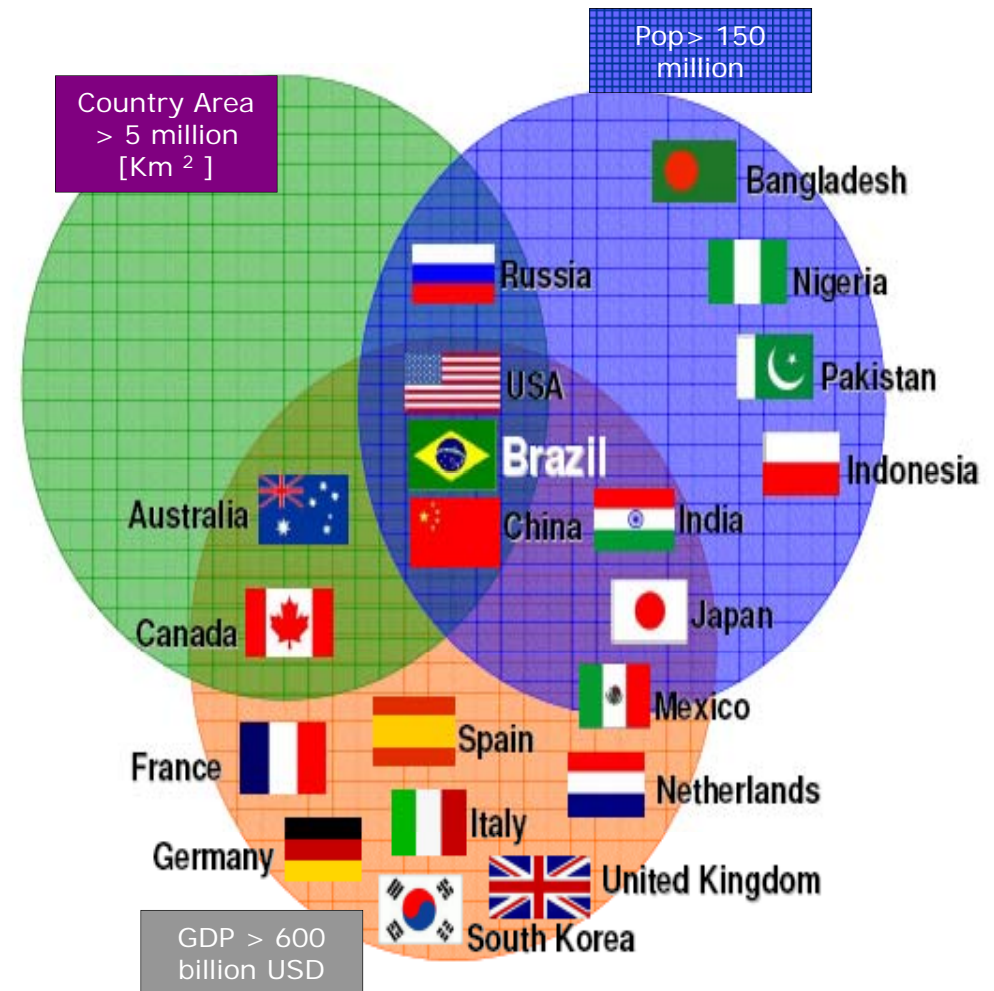
BRAZIL: ECONOMIC DATA

Country Numbers

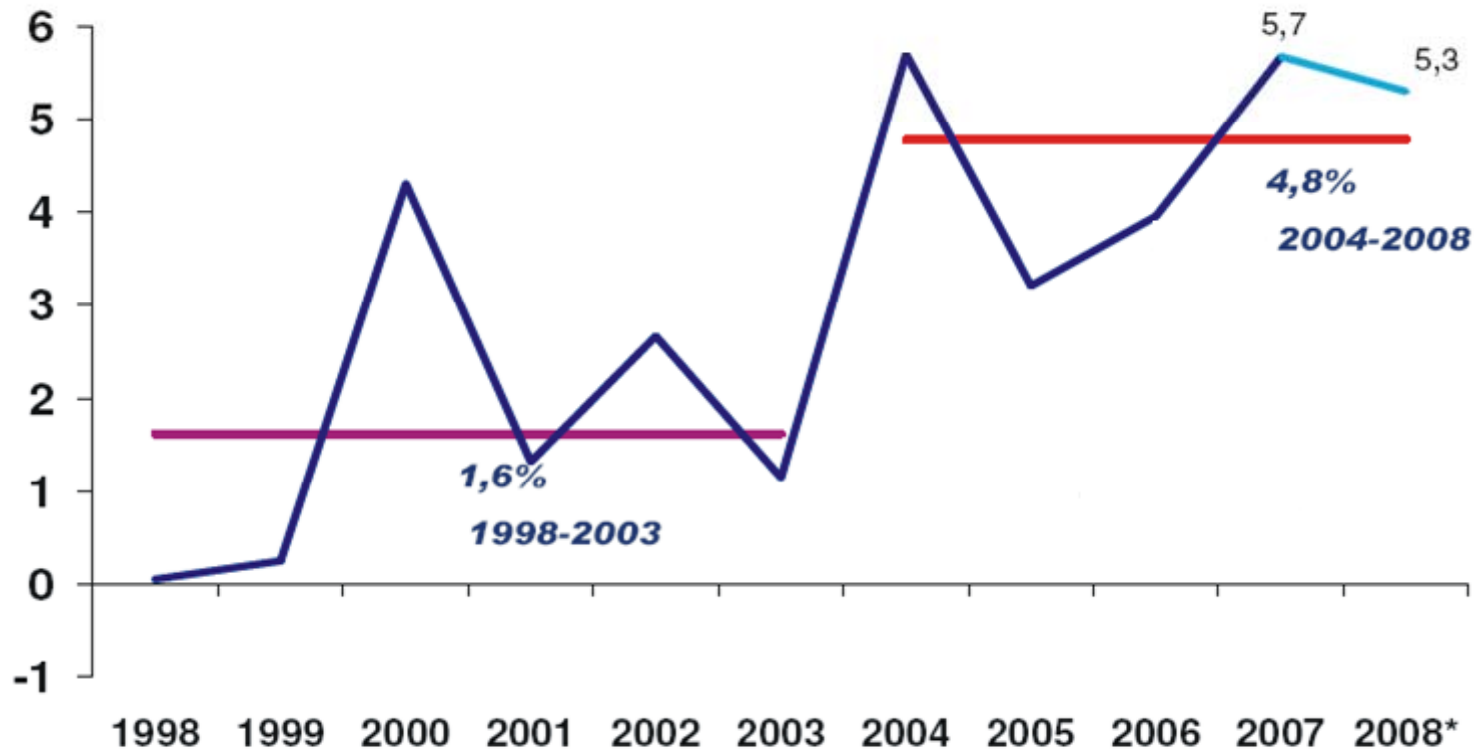
- Population
 - 191 million (2008)
- Area [km²]
 - 8.5 million
- GDP
 - GDP PPP US\$2.03 trillion (est. 2008)
 - GDP Real US\$ 1.66 trillion (est. 2008)
 - ↑ 4.8% - 2008¹
- Investments
 - 18.6% of GDP – 2008 ↑
 - US\$45 billion FDI – 2008 (Foreign Direct Investment)
 - Qualified as *BBB* – 2008 *Standard & Poors (Investment Grade)*
- Commercial Superavit
 - US\$25 billion – 2008

¹ Estimated values

Sources: World Bank, IBGE, Ipeadata, BC



Brazil – GDP Growth

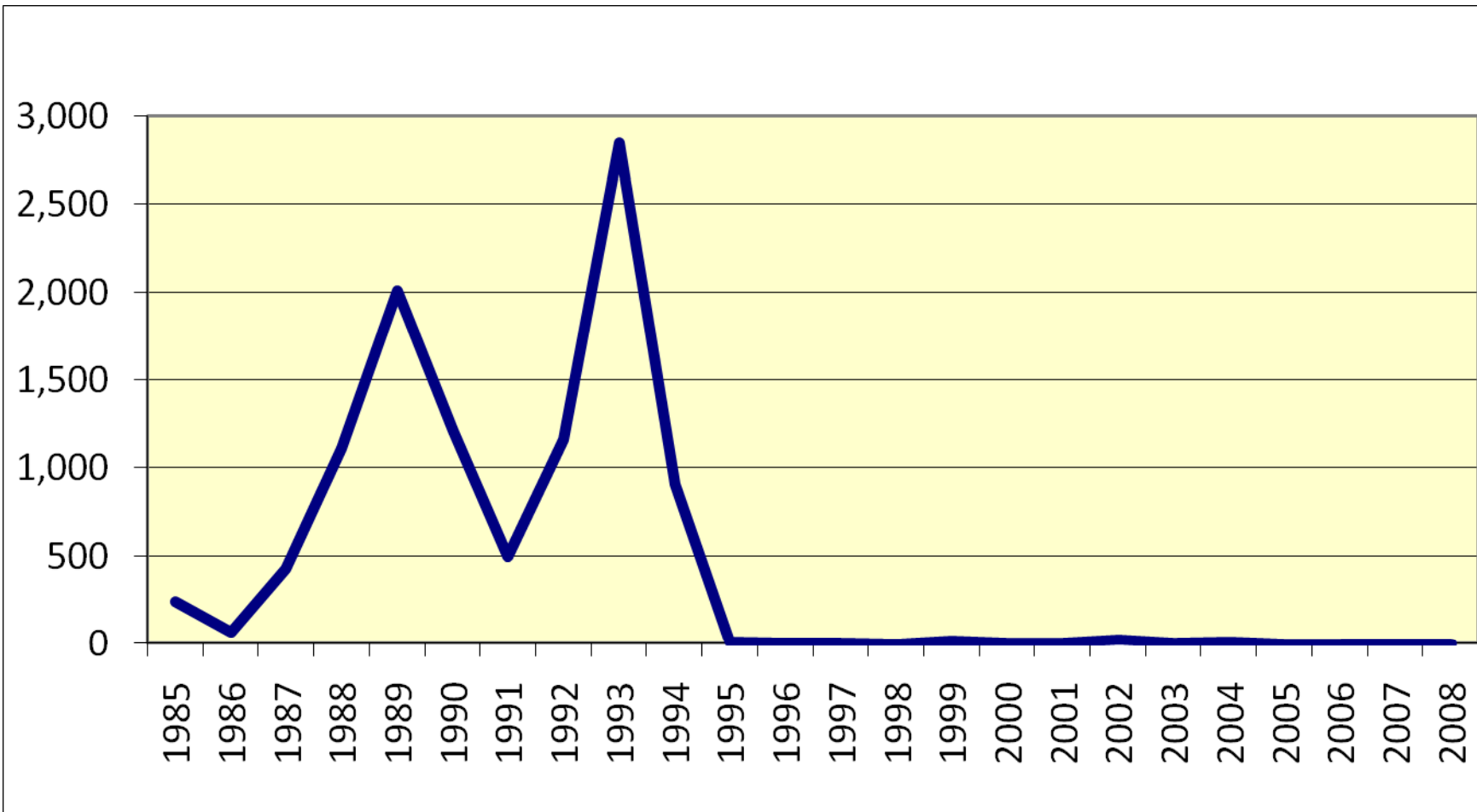


Source: IBGE

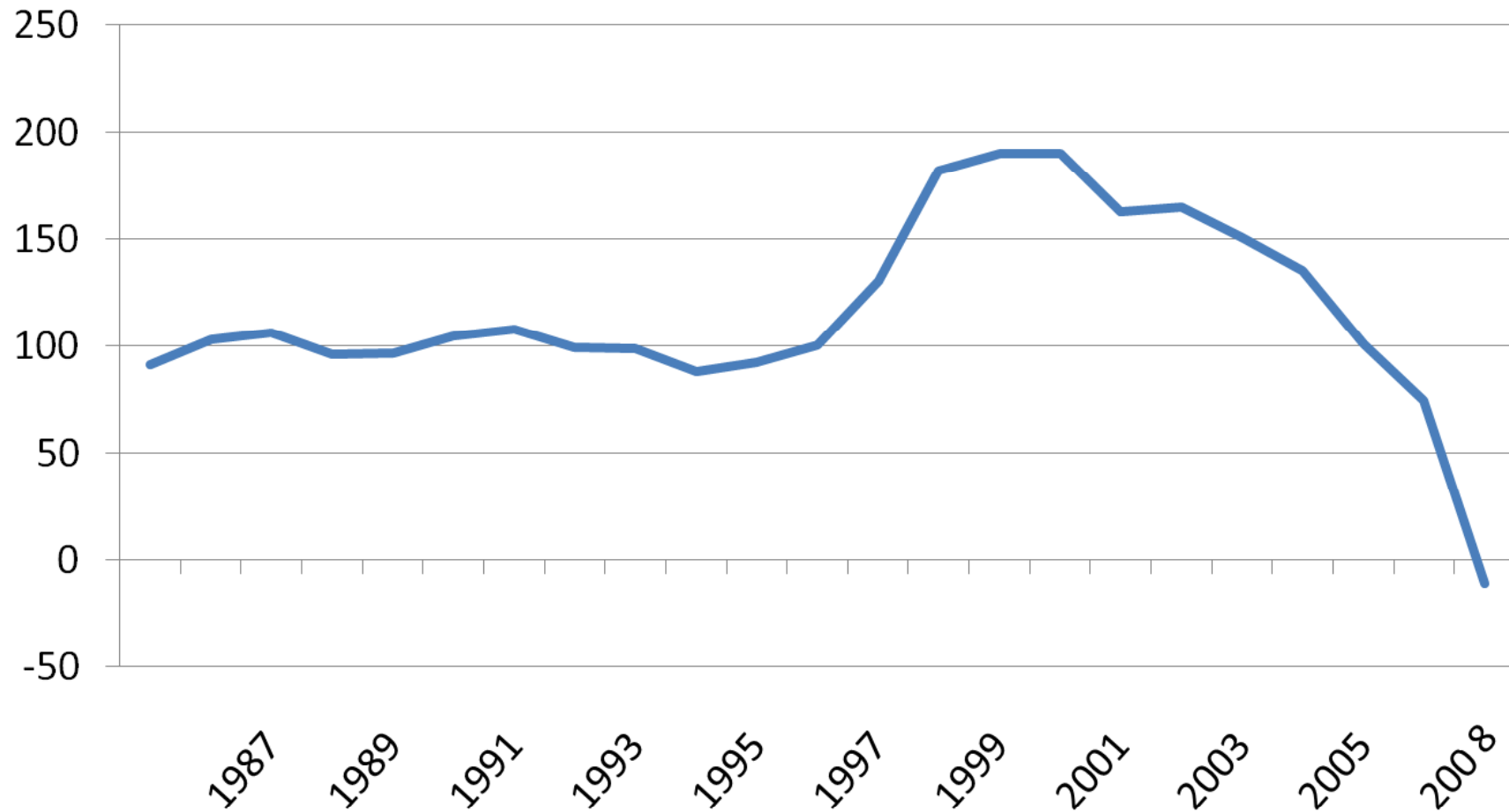
Brazil: Inflation

1985-2008

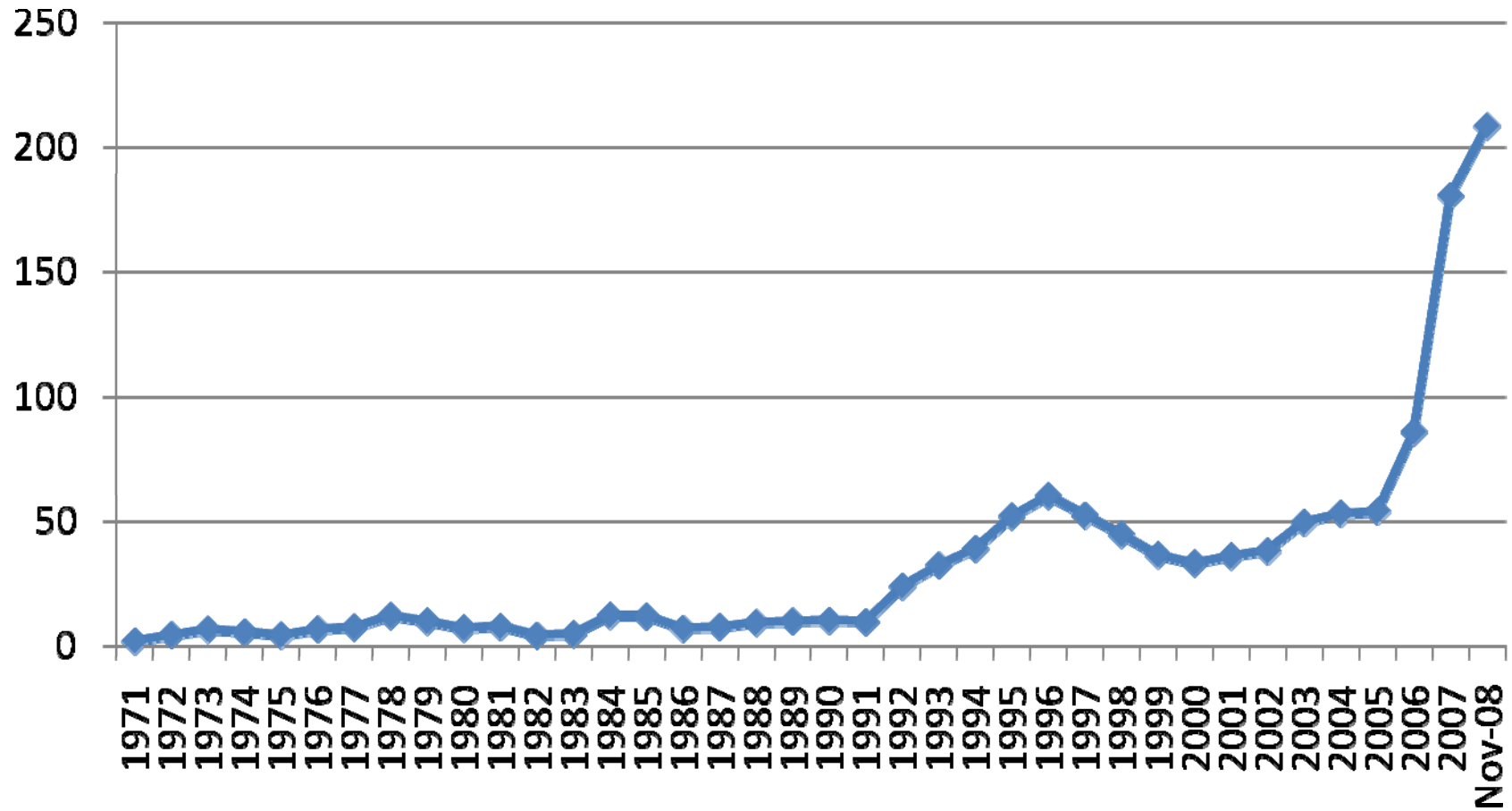
(%)



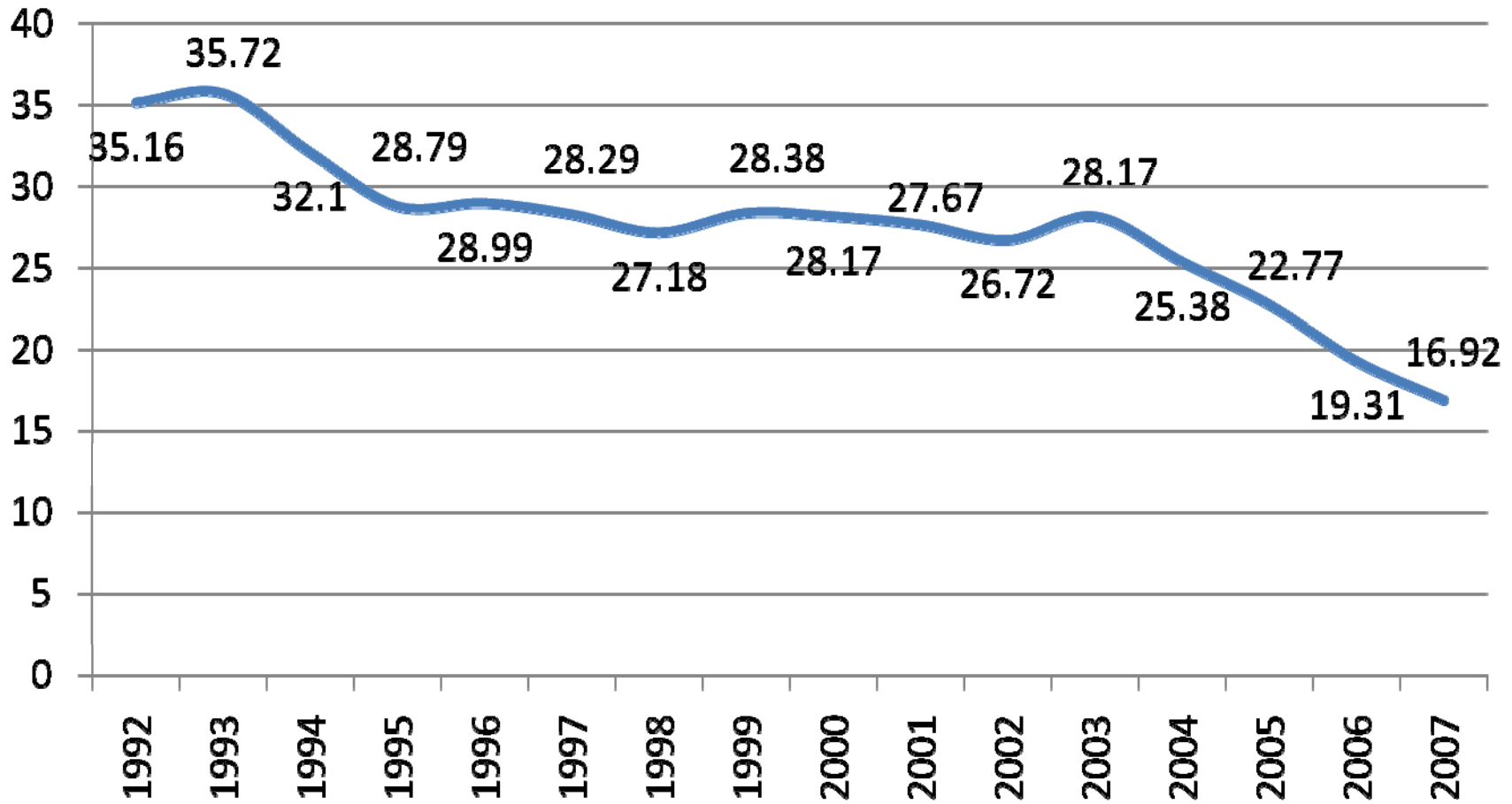
Net foreign debt (million US\$)



International Reserves (1971-2008) (billion US\$)

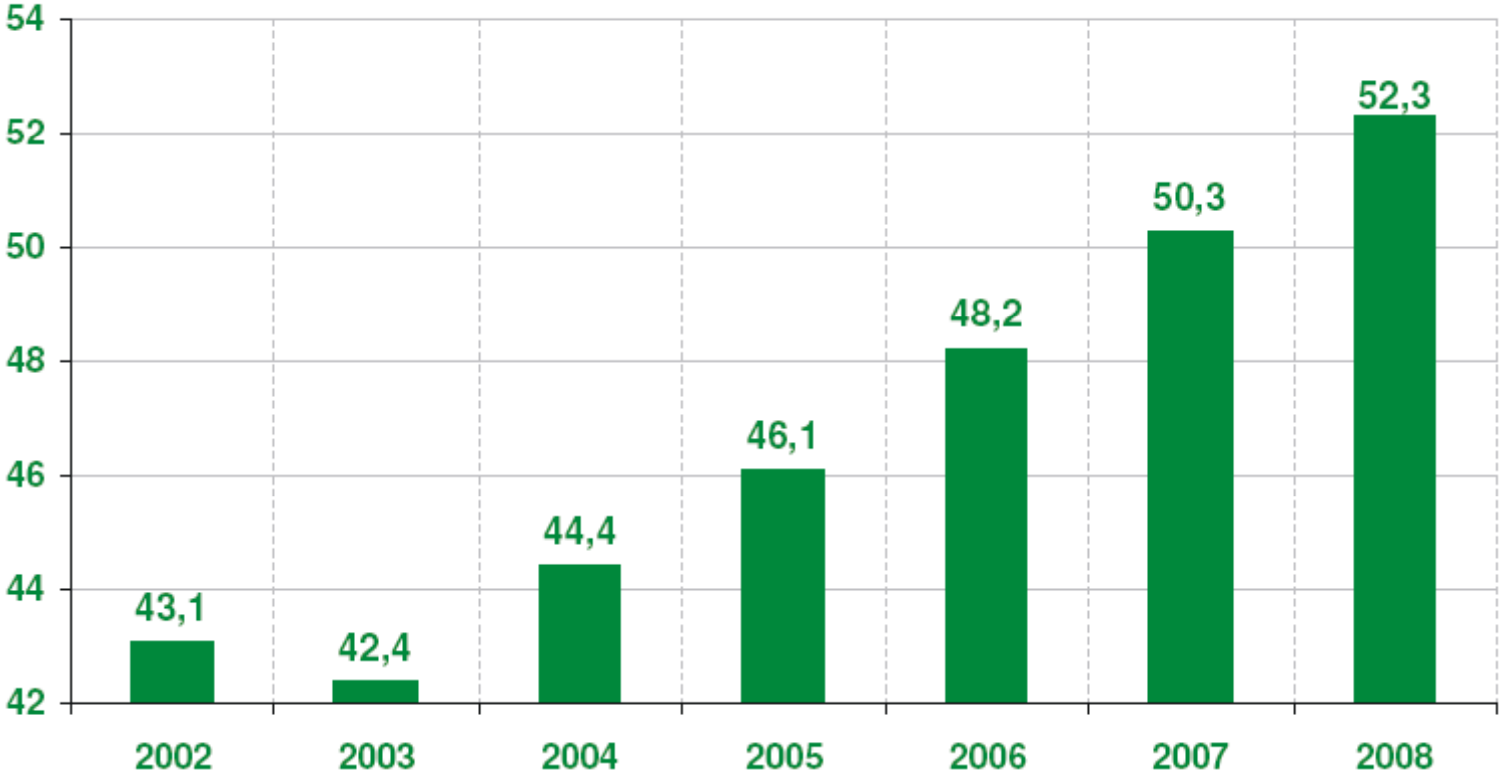


Poverty reduction: 1992-2007 (%)



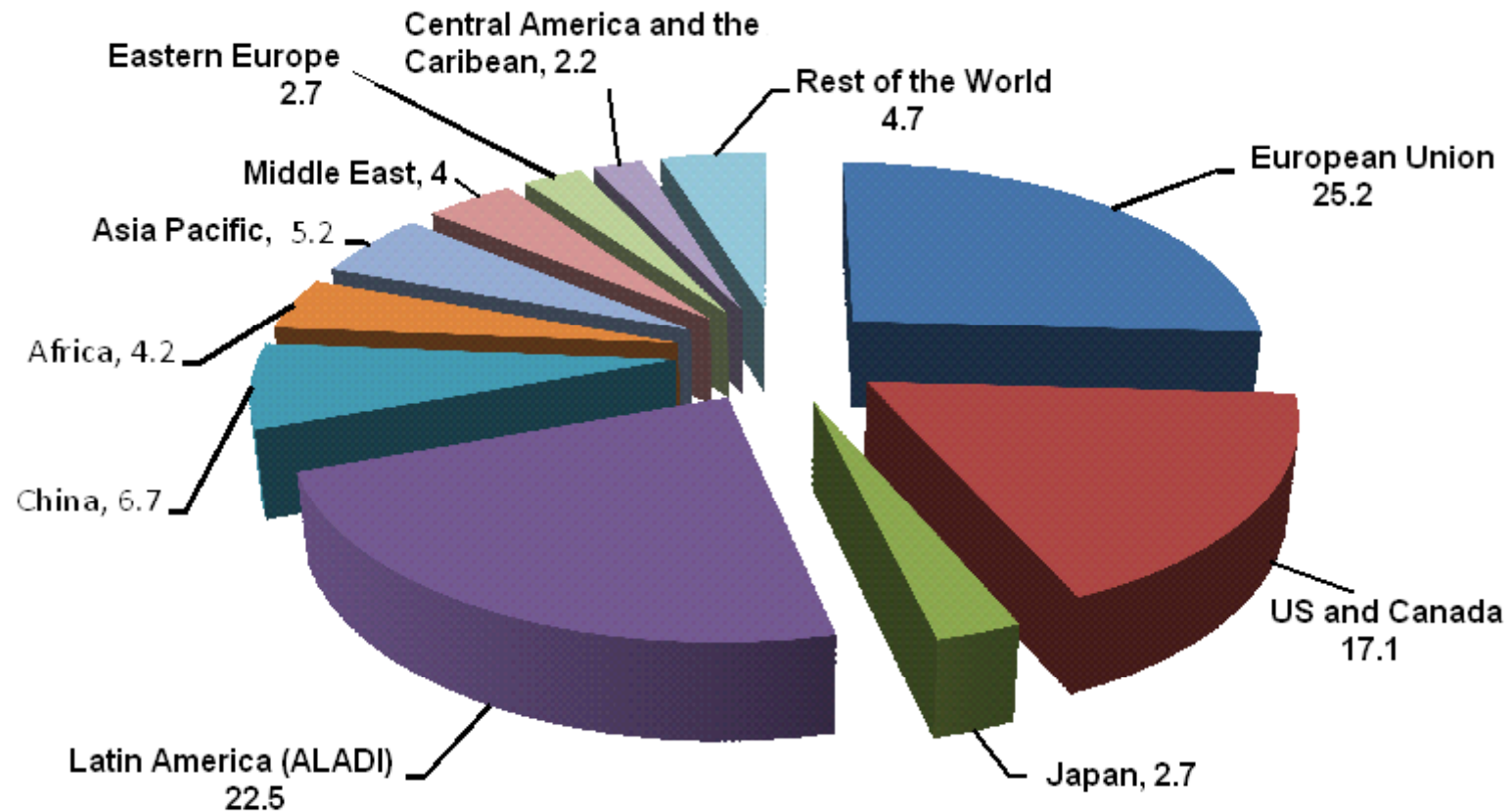
Brazil's Middle Class - % of total population

Increased Social Mobility and Expansion of the Internal Market



Source: FGV

DESTINATION OF BRAZILIAN EXPORTS 2007



Investment grade

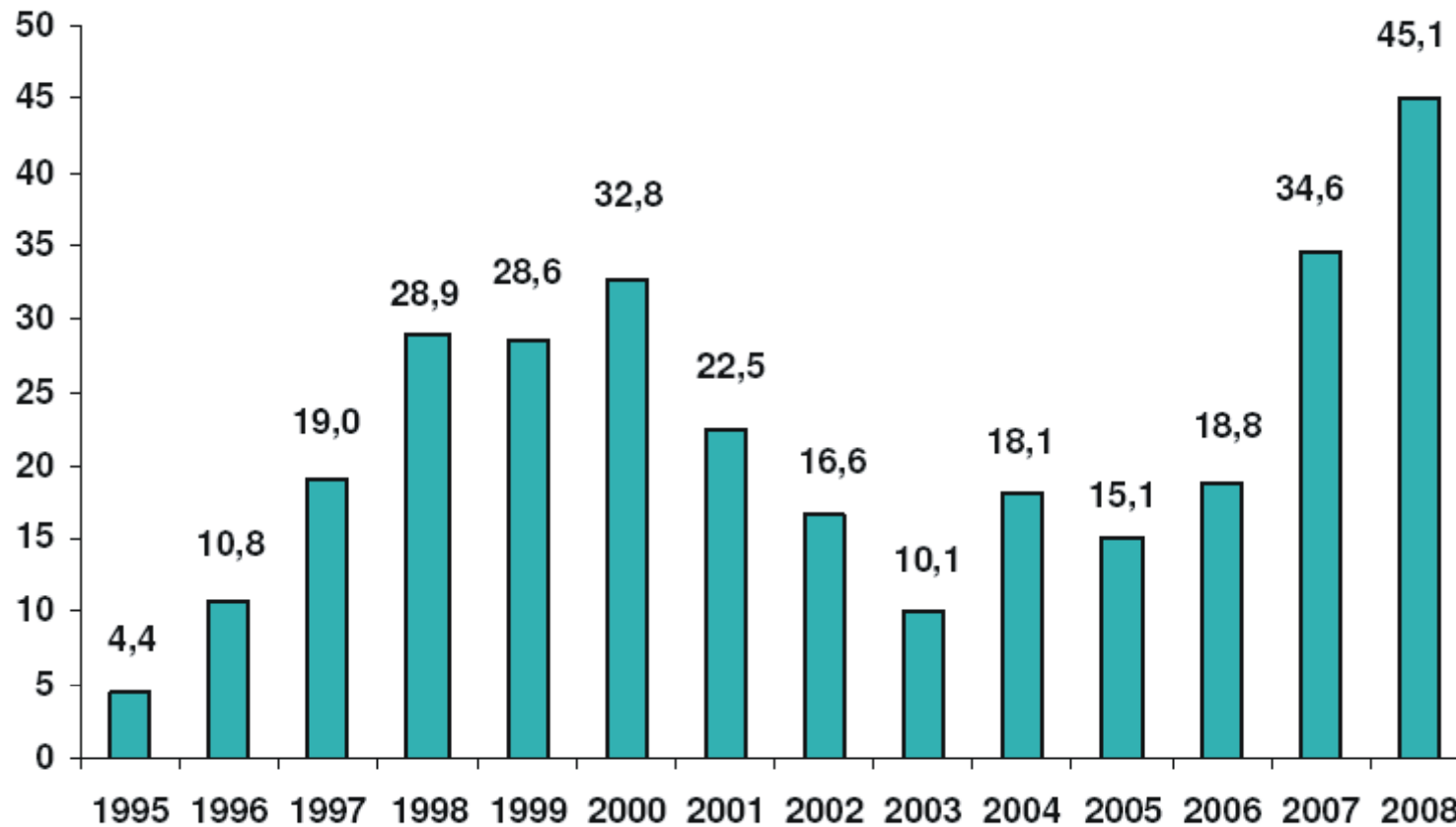
In April 2008, Standard&Poor's increased Brazil's:

- overall rating to BBB- (investment grade);
- debt/foreign currency rating to BBB-;
- long term debt in national currency rating BBB+;

Forecast for long term ratings: stable

Foreign Direct Investment in Brazil

US\$ billions



Source: Banco Central do Brasil

Brazilian Stock Market – Feb 2006 to Feb 2009 (Ibovespa index – daily points)

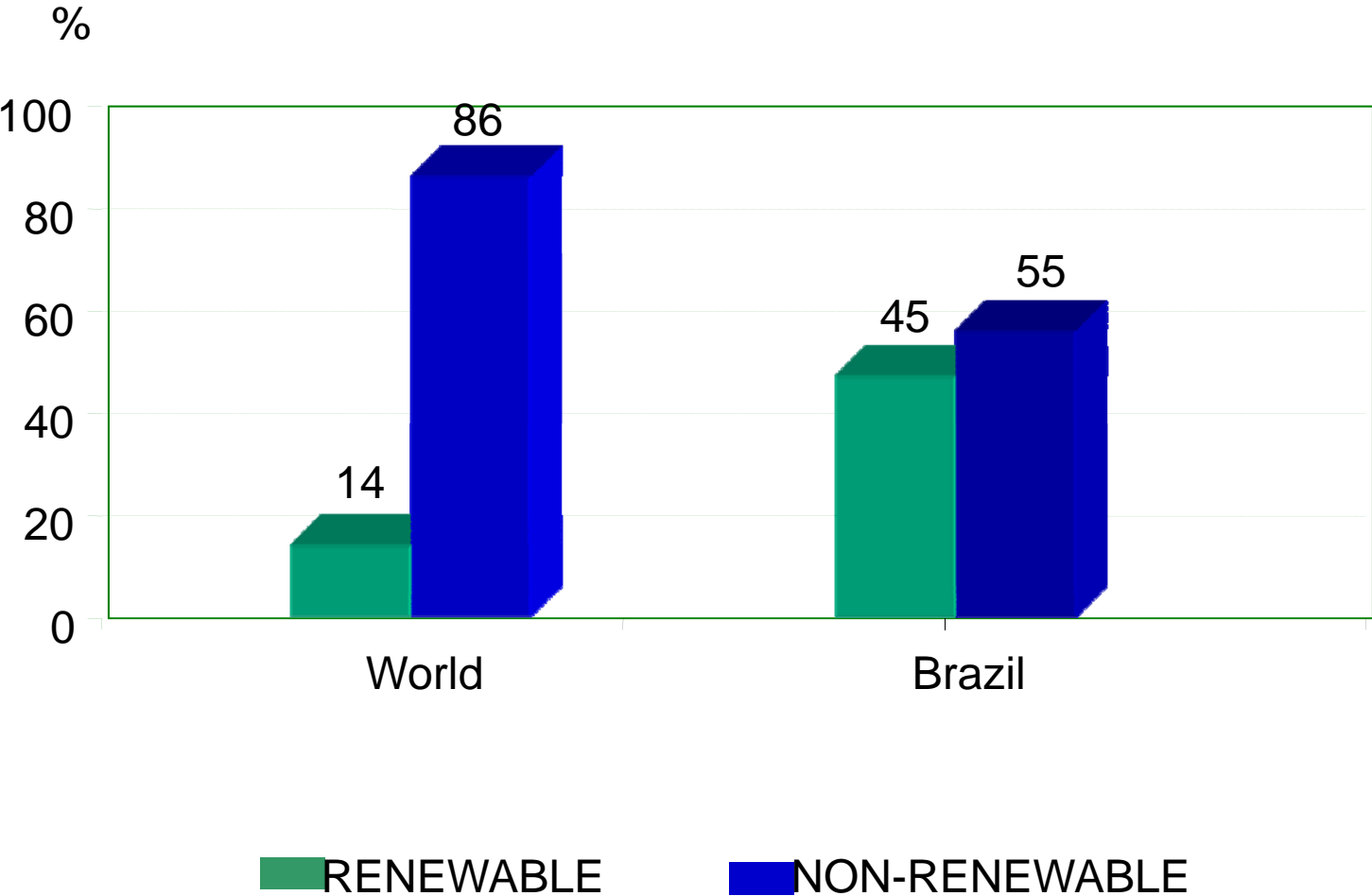


In short

- Brazil has a large and fast-growing domestic market (**poverty** reduction)
- Diversified Exports
- Exports - only 14 per cent of GDP
- US\$ 208 billion in foreign reserves by the end of 2008
- OECD: Brazil among very few that may avoid recession in 2009

Ethanol: The Brazilian Experience

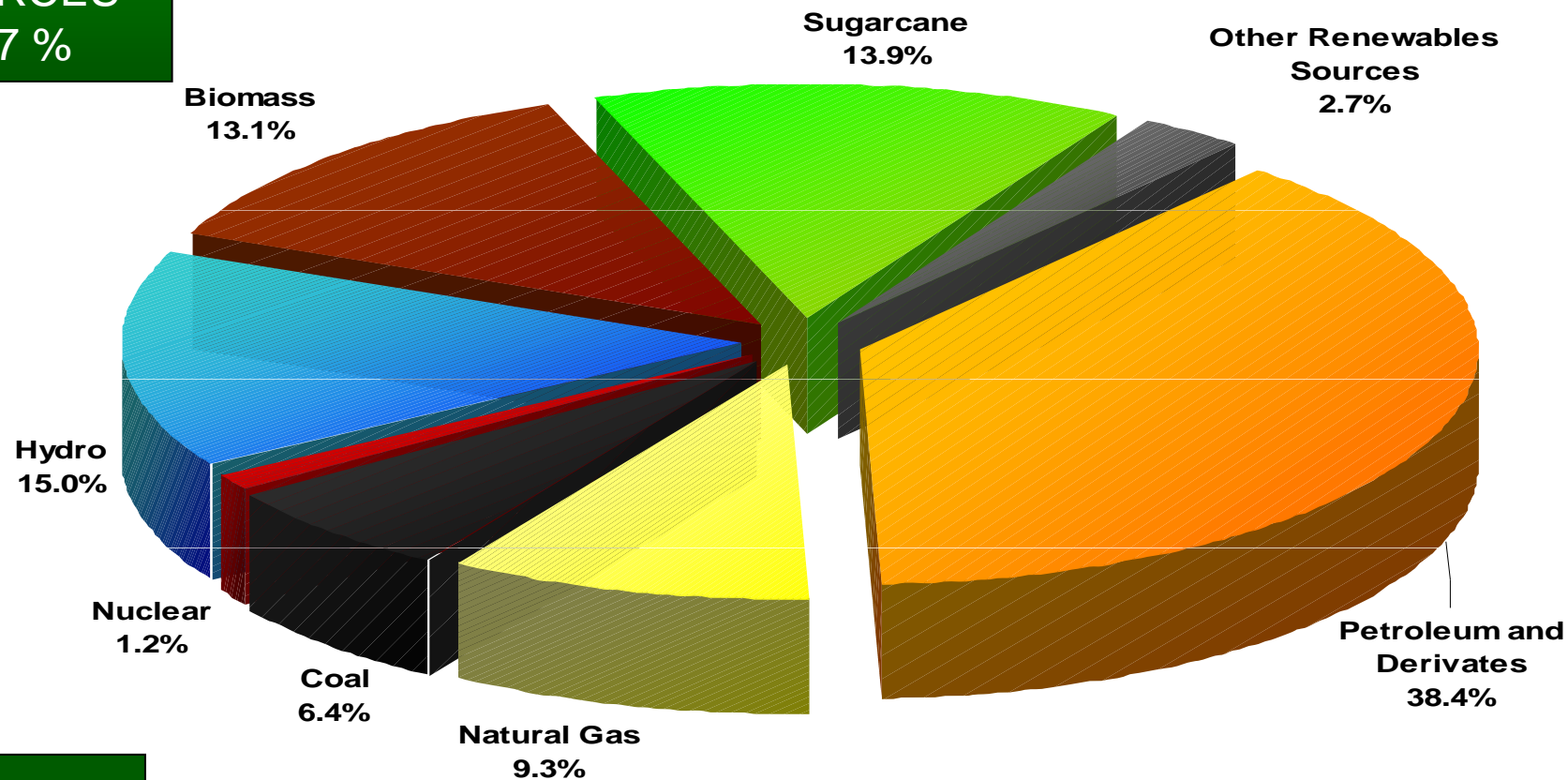
RENEWABLE ENERGY: BRAZIL AND THE WORLD



Source: MME, 2006

BRAZILIAN ENERGY MATRIX - 2005

**RENEWABLE
SOURCES
44.7 %**

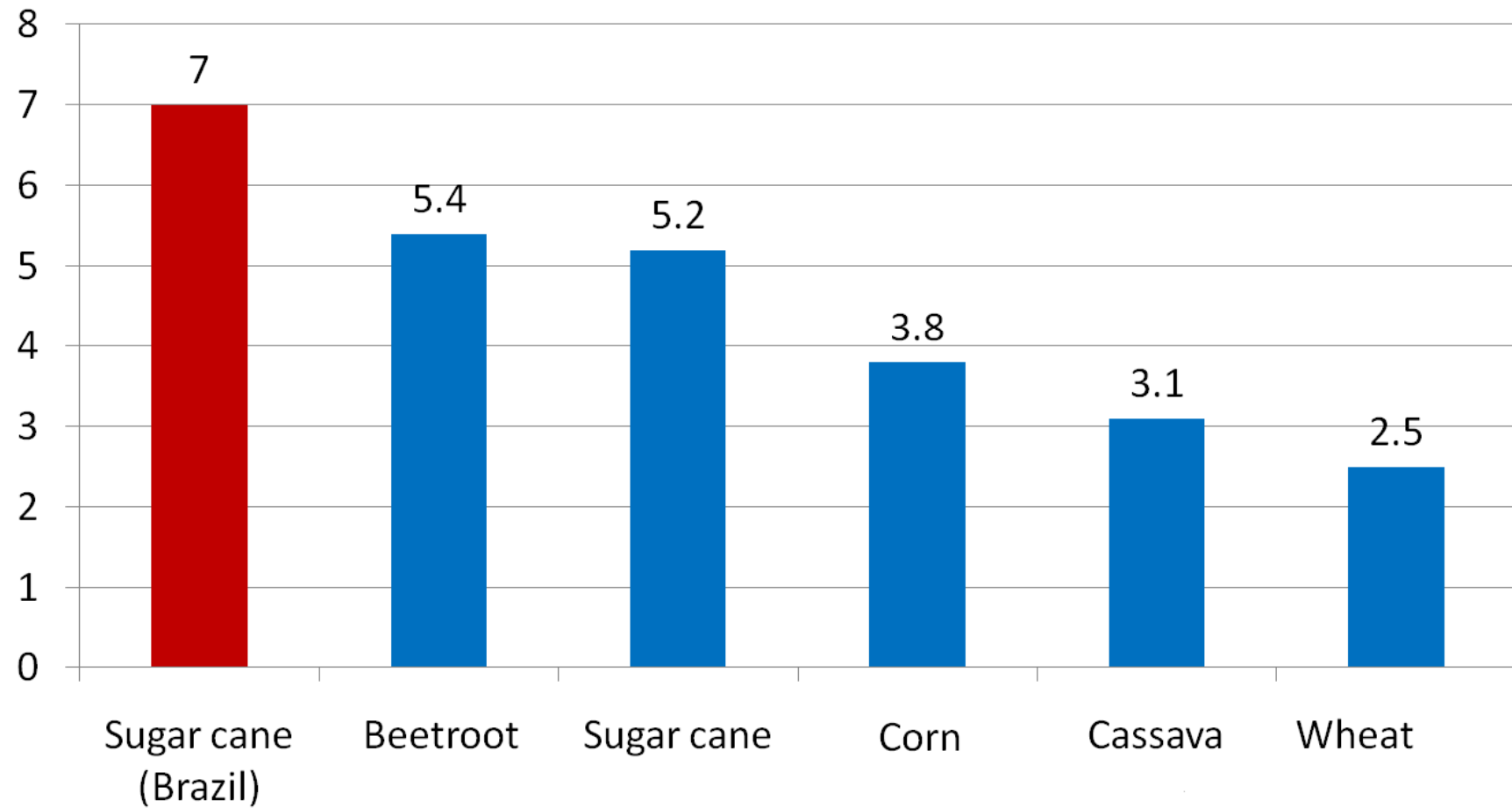


**218.6
MILLION
TEP**

Source: Brazilian Energy Balance (2005)

Ministry of Mines and Energy

Ethanol productivity (thousand liters per hectare)



AGRI-ENERGY - ETHANOL

FLEX-FUEL Technology

- Any mixture of gasoline and alcohol can be used, from 0 to 100% ;
- In March/2006: The domestic flex-fuel vehicle sales represented 76% of all light vehicles (including imported) sold in the same period;
- Total domestic flex-fuel vehicle sales (2003-2006): 1,554,016 units. (*)

(*) until March/2006.

7 multinational automotive manufacturers in Brazil are producing 89 different models of FFV vehicles

Source: Ministry of Development, Industry and Foreign Trade;
Brazilian Association of Automotive Vehicle Manufacturers - 2006

SUGARCANE AGRO-INDUSTRY

- Number of Sugarmills/Distilleries: 313
- Production: 16 million m³
- Production Capacity: 18 million m³
- Cropped Area for ethanol Production: 2.7 million hectare

As of 2010:

- Investments that will amount US\$ 10.0 billion in 89 plants
- Increase in the ethanol production (in comparison with 2005): 8 million m³
- Expansion in the sugarcane cropped area: 2 million hectare



BRAZIL (Territorial Extension):	851
Total Agriculture Area:	383
of which:	
Fertile and free areas for agriculture:	91
Present cropped area for ethanol:	3

(in million of hectares)

Source: Ministry of Mines and Energy;
Ministry of Agriculture, Livestock and Food Supply -

2005



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