Brazilian Energy Supply

<table>
<thead>
<tr>
<th>Sources</th>
<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable</td>
<td>89%</td>
</tr>
<tr>
<td>Non-renewable</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Mines and Energy Ministry - 2012
Wind Farms Auction Evolution in Brazil (MW)

Today:
Under operation: 1.615 MW (75 projects) => 1.29% of the Brazilian installed capacity
Under construction: 1.467 MW (57 projects)

Total Brazilian wind potential: 250 GW

Energy price R$/MWh

Proinfa
2005 308

Auction
2009 167
2010 140
2011 103
2012 95

Today: Under operation: 1.615 MW (75 projects) => 1.29% of the Brazilian installed capacity
Under construction: 1.467 MW (57 projects)

Total Brazilian wind potential: 250 GW
<table>
<thead>
<tr>
<th>Segment</th>
<th>Installed capacity</th>
<th>Projects</th>
<th>BNDES Credit</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Generation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydro (&gt;30 MW)</td>
<td>47,038.87 MW</td>
<td>353</td>
<td>92,859,074</td>
<td>149,779,362</td>
</tr>
<tr>
<td>Thermal</td>
<td>32,955.42 MW</td>
<td>47</td>
<td>59,719,838</td>
<td>94,434,622</td>
</tr>
<tr>
<td>Hydro (&lt; 30 MW)</td>
<td>6,056.24 MW</td>
<td>16</td>
<td>12,736,763</td>
<td>24,236,769</td>
</tr>
<tr>
<td>Biomass &amp; Cogeneration</td>
<td>2,252.99 MW</td>
<td>116</td>
<td>7,423,760</td>
<td>11,309,835</td>
</tr>
<tr>
<td>Wind</td>
<td>1,958.90 MW</td>
<td>44</td>
<td>3,421,617</td>
<td>4,610,389</td>
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<tr>
<td>2. Transmission</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>26,922 km</td>
<td>86</td>
<td></td>
<td>14,857,936</td>
<td>29,845,004</td>
</tr>
<tr>
<td>3. Distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>77</td>
<td></td>
<td></td>
<td>13,951,838</td>
<td>24,028,407</td>
</tr>
<tr>
<td>4. Energy Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>19</td>
<td></td>
<td></td>
<td>101,018</td>
<td>133,231</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>535</td>
<td>121,769,866</td>
<td>203,786,004</td>
</tr>
</tbody>
</table>

*in R$ thousand*
Basic Assumptions

• Project finance

• Beneficiary must be a SPC

• Sufficient cash flow to repay the loan:
  - Debt Cover Ratio (DCR) greater or equal to 1.20

• All future revenues are pledged to the lenders

• Shareholders' capital must be compatible with the project risk

• Equity Support Agreement or parent company guarantee until financial completion
Objective of the Fund: ensure funds to support projects or studies aimed at promoting climate change mitigation and adaptation to its effects.

Examples of Supported Sectors:
- Renewable Energy
- Sustainable Production Activities: native wood production, fruit and fiber

Steering Committee:
- Environmental Ministry
- Grants
- Concessional Loans

Current Budget: BRL 560 million
In order to fulfill the guidelines established by the Steering Committee in its Resource Allocation Plan, the Climate Fund Program supports projects in nine sectors:
The joint effort will provide a more extensive coordination to government efforts:

- fostering innovation
- and a better integration of support instruments for R&D and innovation available to the energy sector.
Thank you!