



# **ODEBRECHT**

PARTICIPAÇÕES E INVESTIMENTOS

VII Encuentro Empresarial Iberoamericano

Felipe Jens - CEO



October 2011

# Summary

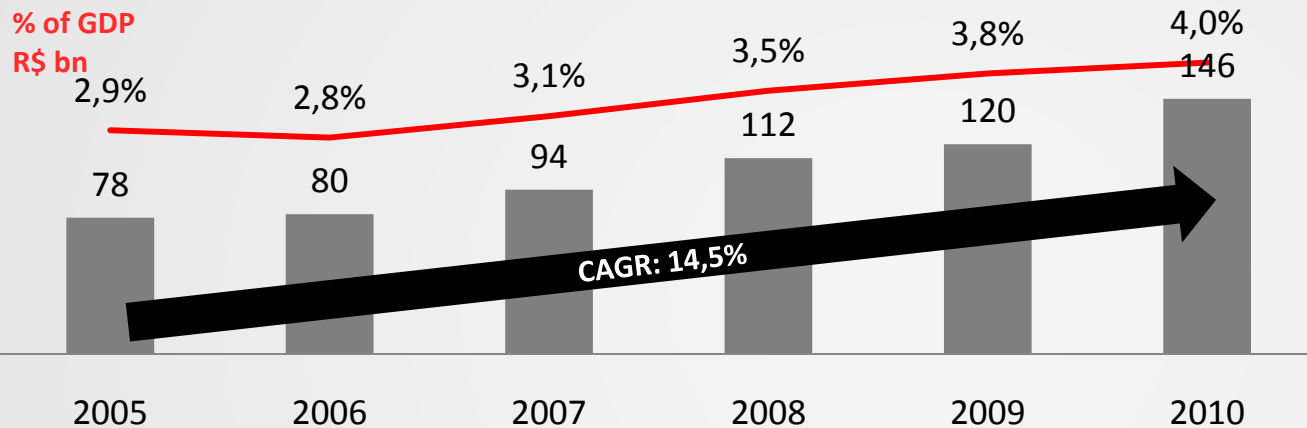
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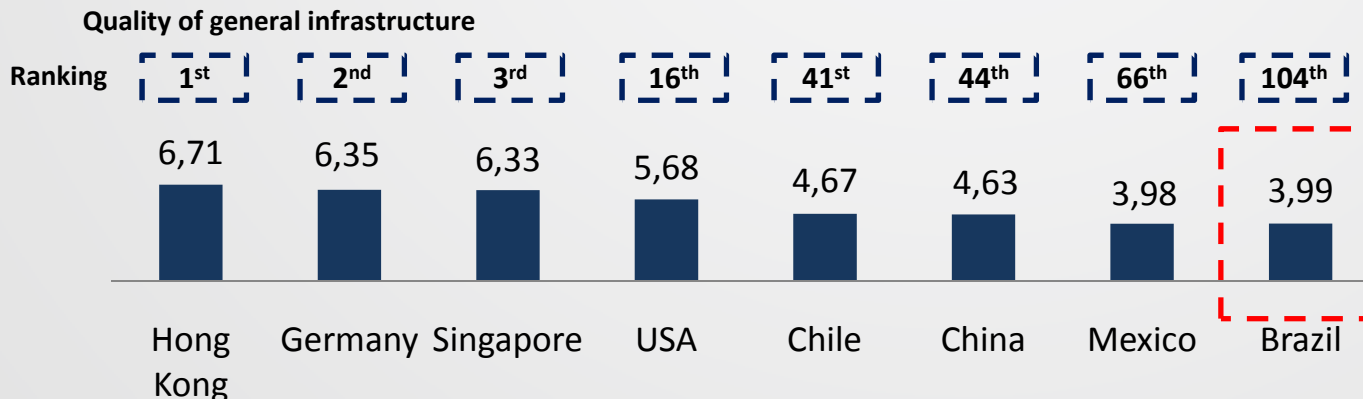
# Although increasingly investing in infrastructure, Brazil is still behind its peers and other countries.

Investments in infrastructure in Brazil have been growing consistently throughout the last few years...



According to the World Bank, developing countries should invest between 7% to 9% of their GDP in infrastructure in order to reach global competitive levels.

...however, they are not yet at the same level as developed countries.

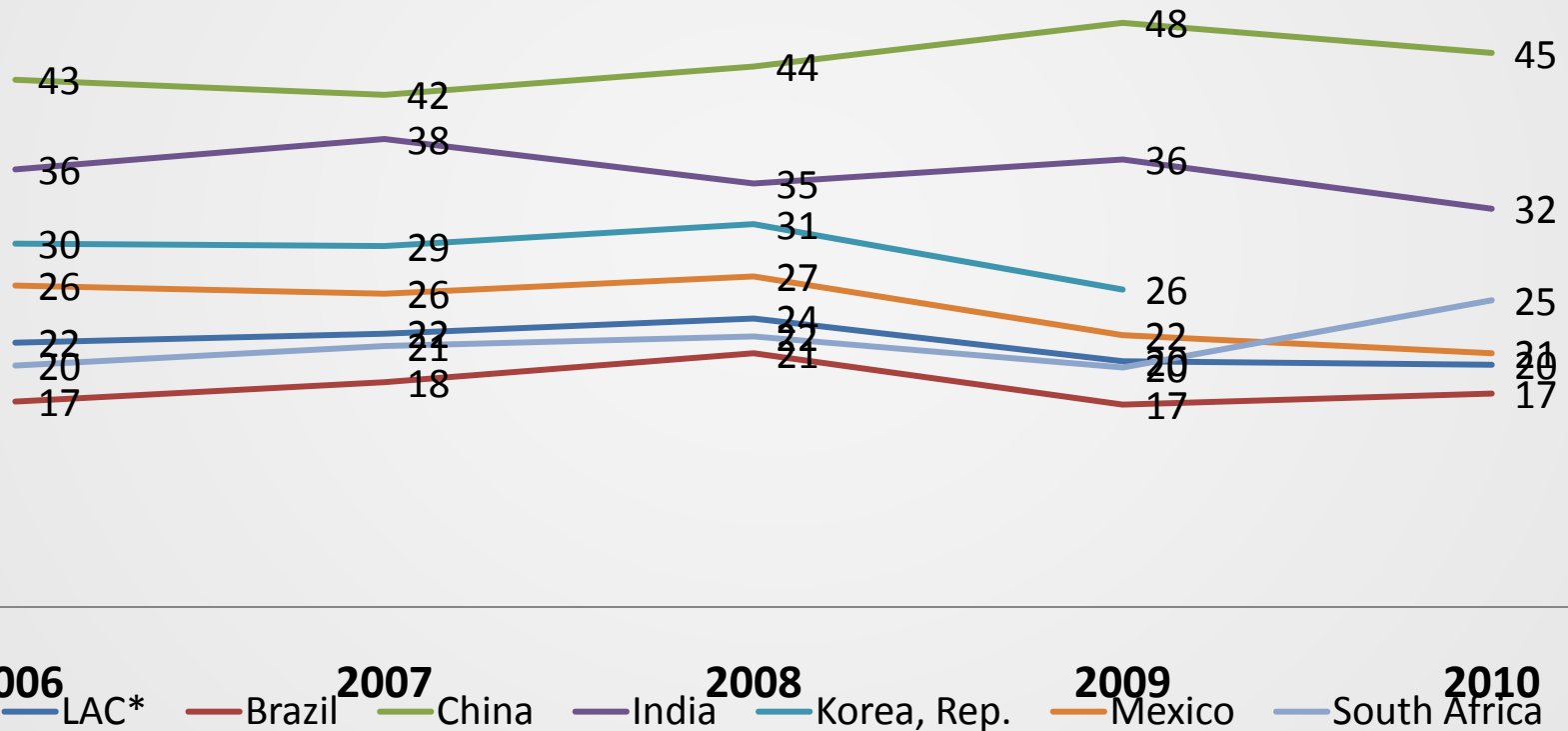


- Roads: 118<sup>th</sup>
- Railroads: 91<sup>st</sup>
- Ports: 130<sup>th</sup>
- Airports: 122<sup>nd</sup>

Source: ABDIB / IPEADATA; World Economic Forum 2011/12

# Gross Capital Formation in Brazil (as % of GDP) remains low, but...

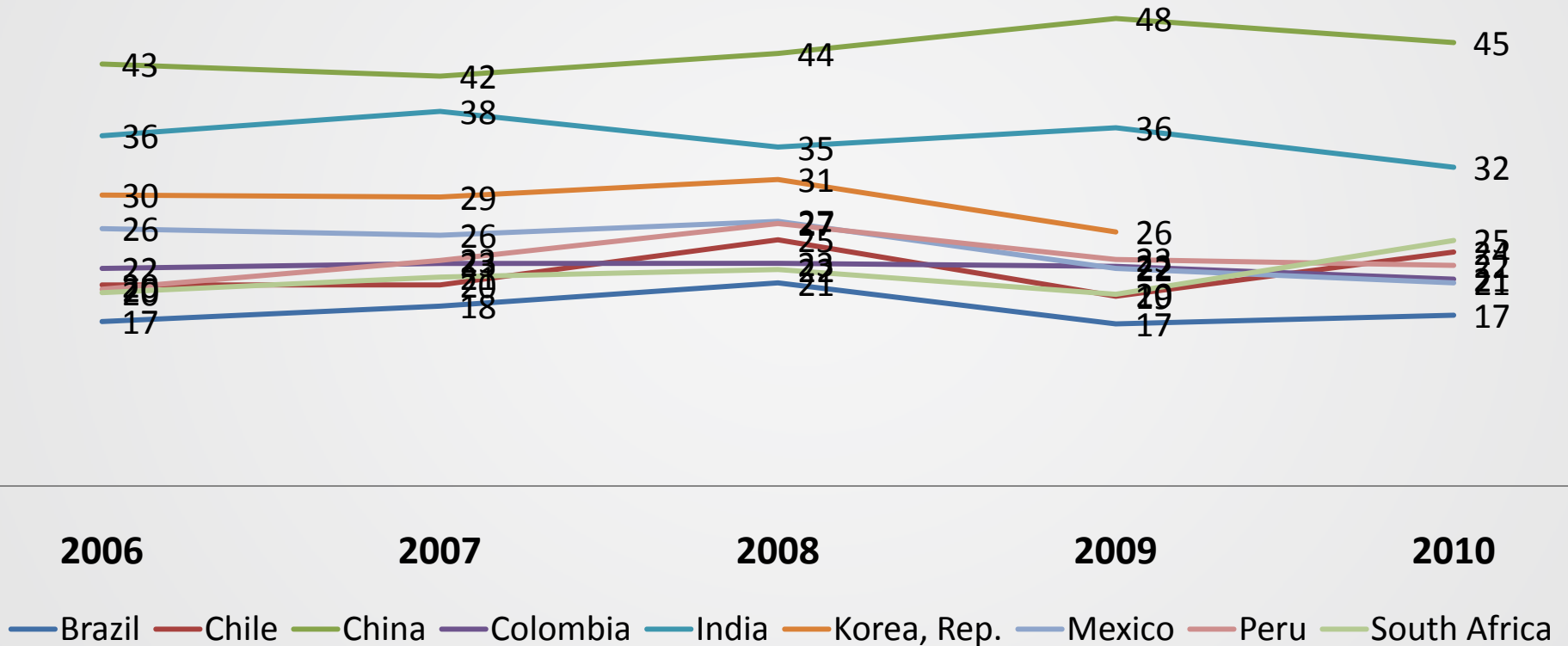
Gross capital formation (% of GDP)



Source: World Bank national accounts data, and OECD National Accounts data files./ Catalog Sources World Development Indicators  
 \* Latin American Countries - All income levels

# Gross Capital Formation in Brazil (as % of GDP) remains low, but...

Gross capital formation (% of GDP)

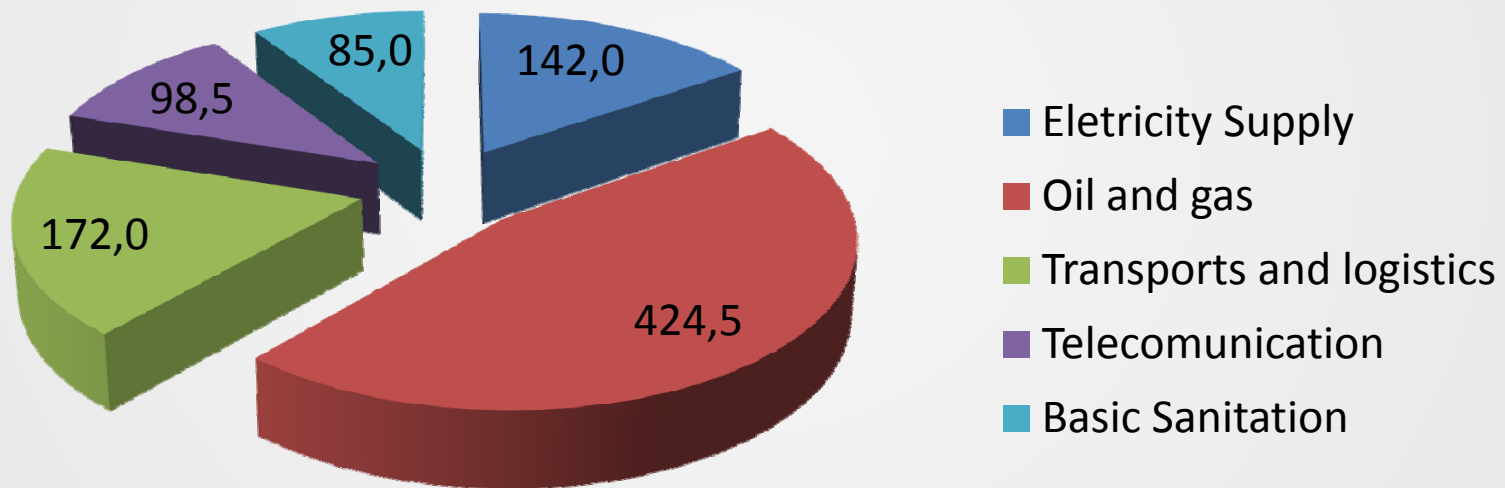


Source: World Bank national accounts data, and OECD National Accounts data files./ Catalog Sources World Development Indicators

... forecasted investments are intense for the next years.

## Forecasted infrastructure investments in Brazil – 2011 to 2015

*In billions of R\$*

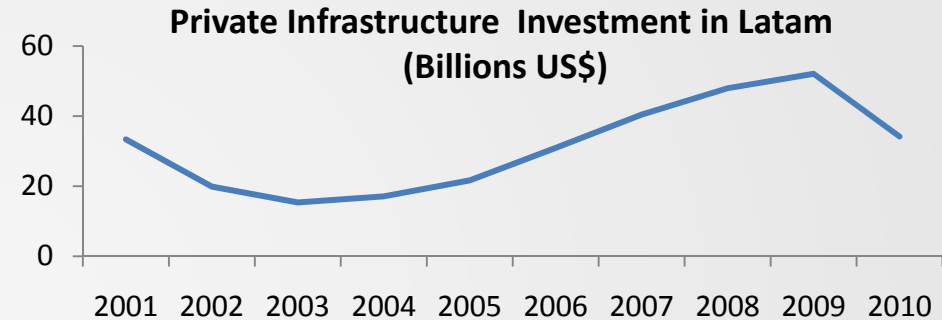


**TOTAL OF R\$ 922 BILLION  
(R\$ 185 BILLION / YEAR)**

Source: Revista Setorial Valor – August 2011

# Other Latin America opportunities ...

- ✓ According to the IDB, the estimated Infrastructure deficit in Latin American countries is around US\$700 Billion.
- ✓ The World Bank estimates that the region needs to double or even triple its investments in order to raise its infrastructure to acceptable levels.
- ✓ Current infrastructure investments in the region is approximately 2% GDP per year, while a more healthy goal is to raise such levels to 10% in the areas of:
  - Electricity: Must be expanded in the next 10 years by 50%, demanding investments of US\$ 50 billion by 2030;
  - Water and Sewage: Services not available yet to 58 million and 137 million people in Brazil and Latin America, respectively;
  - Highways: Need to be improved/built so that the intercontinental integration is completed.
- ✓ Worsened market conditions have reduced the pace of investments, mainly due to lack of long term financing.
- ✓ Nonetheless, for Latin America to grow continuously at higher rates, investments are mandatory.



In the last 10 years, after the last economic down cycle, Latin American investments in Energy, Transportation, Telecommunications and Water & Sewage have been steadily growing, interrupted only by the current crisis.

Source: World Bank

... in many sectors such as transportation...



### Ports

Logistics systems that improve connection of the many producing regions of the country to the export gates;  
Access to markets and cost competitiveness.



### Roads and railroads

Increase of port capacity and efficiency – Private sector investing and managing the assets



### Airports

Investment in capacity increase to absorb the robust demand organic growth , in addition to the big events of near future – World Cup and Olympic Games.



### Urban Transportation

Improvement of Transportation System in the growing centers, reducing costs, increasing competitiveness and increasing population mobility.

... as well as in other infrastructure areas.



### Electricity supply

Hydroelectric plants and other energy sources such as eolic and solar, with competitive costs for economic growth



### Water & Sewage and Waste Management

Expansion of basic sanitation, with a wide range of positive impacts to the population.



### Irrigation









Irrigation systems to facilitate the expansion of agriculture into land previously considered unsuitable for cultivation.

# Such investment efforts need to overcome some challenges



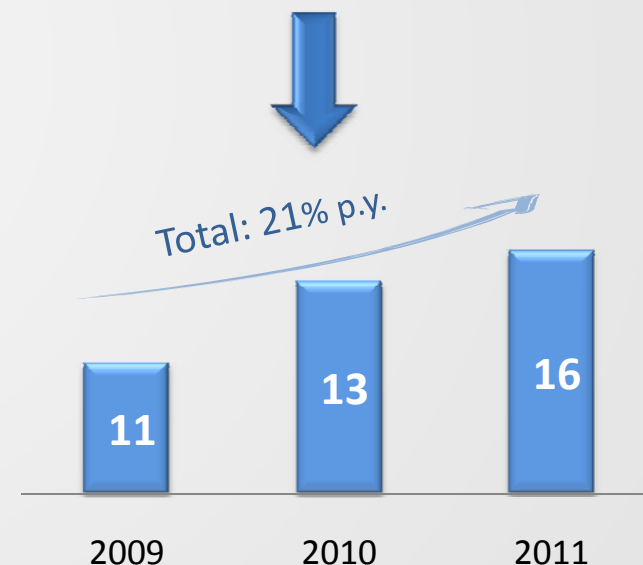
# Odebrecht seeking opportunities ...

## Odebrecht's overall planned investments

   	<i>Infrastructure Investments</i>	2010	2011-13
		US\$ 3,5 <i>billions</i>	US\$ 12,8 <i>billions</i>
	<b>ODEBRECHT</b> <b>Óleo &amp; Gás</b>	US\$ 1,2 <i>billion</i>	US\$ 6,4 <i>billions</i>
	<i>Ethanol production</i>	2010 24,7 <i>Million of ft<sup>3</sup></i>	2013 105,9 <i>Million of ft<sup>3</sup></i>
	<i>Planted area</i>	345,9 <i>Mil Acres</i>	1.077,4 <i>Mil Acres</i>
	<i>Industry investments</i>	2010	2011-13
		US\$ 1,0 <i>billion</i>	US\$ 12,0 <i>billions</i>
	<i>Popular Housing (units)</i>	Until 2010 13.279	2011-13 42.133
	<i>VGV (US\$ Billions)</i>	2010 1,2	2011-13 8,5

## BackLog Latin America (US\$ Billions)

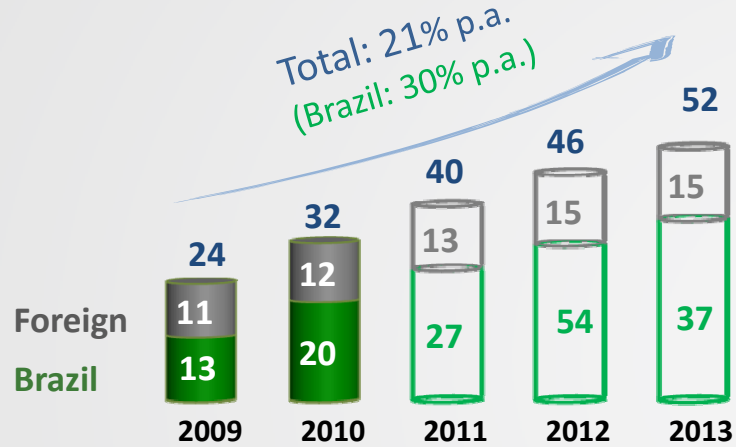
**ODEBRECHT**  
Engineering & Construction



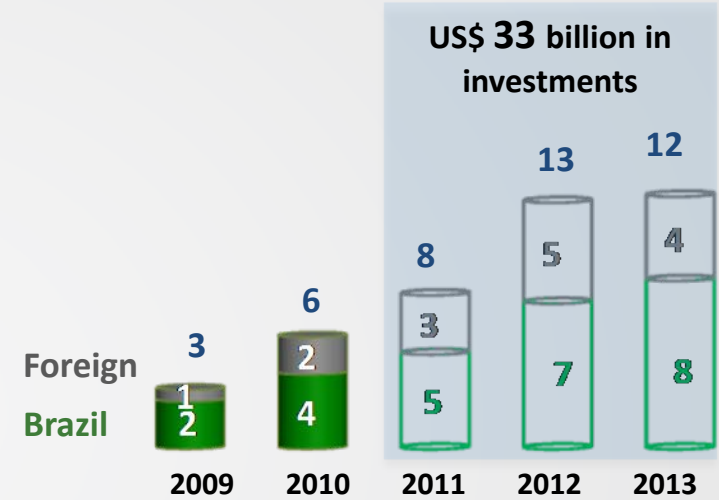
\* Backlog until Jun/2011.

... on a growing basis.

### Gross Revenues (US\$ billion)



### Investments (US\$ billion)



### Number of members (thousand)

