

Infrastructure Brazil: Sports-Driven Infrastructure Business & Financing Opportunities

22-24 June 2010 | Sheraton Rio Hotel & Resort | Rio de Janeiro

Projects, Timelines, Bidding Process, Contracting Models

Summit Agenda

DAY 1, June 22, 2010

7:30 – 8:30 REGISTRATION & BREAKFAST

8:30 – 8:45 WELCOME & INTRODUCTION BY THE SUMMIT CO-CHAIRS

Paulo Rogerio Brandao Couto, *Partner, Rio de Janeiro*, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS

Antonio Correa Meyer, *Founding Partner*, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS

8:45 – 9:30 **Keynote Address:**

PLANNING AND DELIVERING THE INFRASTRUCTURE FOR THE WORLD CUP 2014

The 2014 World Cup is already in the active planning stage with hundreds of infrastructure projects being developed to support the games to be hosted by 12 Brazilian cities. President Luiz Inácio Lula da Silva, the governors of the applicable States and the mayors of the 12 host cities have signed an agreement that pledges R\$20.1 billion in investment and sets the responsibilities for implementing the planned infrastructure. Private investment will also be required in the hotel, catering, transportation, leisure and consumer industries. The opening keynote address will provide an overview of and status report on the planning and preparations for providing the infrastructure projects to support the games.

Orlando Silva, *Minister*, MINISTRY OF SPORTS*

9:30 – 10:15 **Keynote Address:**

PLANNING AND DELIVERING THE INFRASTRUCTURE FOR THE 2016 OLYMPICS

As the site of 2016 Olympics, Rio is estimated to receive US\$14.4 billion in investments for infrastructure improvements. The games' organizers are beginning to develop their plans for delivering this infrastructure. This keynote presentation will review the planning and preparations for providing the infrastructure projects for Olympics, including the specific challenges of having the games in Rio encompasses, such as the paucity of land, removal of shanty towns and potential security threats.

Eduardo Paes, *Mayor*, CITY OF RIO DE JANEIRO *

10:15– 10:45 *Morning Networking Break*

10:45 – 11:15 **URBAN REDEVELOPMENT & RENEWAL**

The port region of Rio including the neighborhoods of Saude, Gamboa and Santo Cristo will require development and will be seeking investment for office & residential buildings and complexes, restaurants, cinemas/ theatres, museums, and shopping centers.

- »» Vision and overview of urban redevelopment needs of the Port Region
- »» How the planning process will work
- »» The prospective sources of capital sought
- »» Opportunities available to the Private Sector

Felipe de Faria Góes, Secretary of Development, CITY OF RIO DE JANEIRO

	Track One	Track Two
11:30 – 12:45	<p>URBAN MOBILITY: ROADS AND BUS RAPID TRANSIT (BRT)</p> <p>Providing infrastructure to support urban mobility is a high priority in the PAC Cup and Olympic plans. This session will explore the opportunities in urban mobility relating to roads and bus rapid transit.</p> <ul style="list-style-type: none"> »» The roads and BRT planned for the games »» The bidding processes for these projects »» The bidding timelines »» The contracting models to be used <p>Moderator: Paulo Rogerio Brandao Couto, Partner, Rio de Janeiro, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS</p> <p>Panelists: Antonio Roberto Cortes, CEO & President of Volkswagen Buses & Trucks, MAN LATIN AMERICA Bernardo Figueiredo, Director-General, NATIONAL LAND TRANSPORT (ANTT) Ailton Brasiliense Pires, President, NATIONAL ASSOCIATION OF PUBLIC TRANSPORTATION (ANTP)</p>	<p>AIRPORTS</p> <p>Moving thousands of athletes and spectators between host cities is a major challenge of hosting the games. To accommodate this traffic, R\$8.5 billion is planned to refurbish and upgrade 14 Brazilian airports. This session will take a look at the opportunities related to the expansion of the nations’ airports.</p> <ul style="list-style-type: none"> »» The plans, processes and timelines for expanding and upgrading airports »» What role does the government want the private sector to play in these new projects? »» Government efforts to attract foreign investment »» Contracting models to be used: government ownership vs. concessions and privatization »» Update on Congress’ plans to raise foreign capital investment <p>Moderator: Antonio Correa Meyer, Founding Partner, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS</p> <p>Panelists: Murilo Marques Barboza, President, INFRAERO Justin Powell, Director, JACOBS CONSULTANCY Juliano Norman, Superintendente de Regulação Econômica, NATIONAL CIVIL AVIATION AGENCY</p>

12:45 – 2:15 **Group Luncheon**
Sponsored by Softplan/Polygraph

	Track One	Track Two
2:15 – 3:30	<p>URBAN MOBILITY: METRO/LIGHT RAIL</p> <p>Metro and light rail is another component of the urban mobility projects planned for the games. This session will look at the opportunities for these projects.</p>	<p>HOTELS</p> <p>Providing hospitality services for the games will require a major expansion of hotel capacity in the 12 World Cup host cities, with Rio also having needs relating to 2016 Olympic Games. The private sector will be called on to develop and finance this</p>

*invited

	<p>»» The metro and light rail projects planned for the games »» The bidding processes for these projects »» The bidding timelines »» The contracting models to be used</p> <p>Moderator: Antonio Correa Meyer, Founding Partner, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS</p> <p>Panelists: Julio Lopes, Former State Transportation <i>Secretary, RIO DE JANEIRO</i> Marcus Quintella, Technical Director, BRAZILIAN COMPANY OF URBAN TRAINS (CBTU)</p>	<p>expansion. This session will look at the opportunities in the hotel sector. »» Opportunities in the World Cup host cities »» Opportunities for Rio: the goal is to provide 11,000 new hotel rooms within 20 to 25 new hotels »» Government plans to facilitate the expansion »» The Rio real estate market »» Financing alternatives »» BNDES R\$1 billion line of credit »» The role of project finance in financing hotel construction</p> <p>Moderator: Paulo Rogerio Brandao Couto, Partner, Rio de Janeiro, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS</p> <p>Panelists: Luiz Barreto, Minister, MINISTRY OF TOURISM* Álvaro Brito Bezerra de Mello, President, BRAZIL ASSOCIATION OF THE HOTEL INDUSTRY (ABIH) Rogério Miranda, Director, BRAZIL HOSPITALITY GROUP (BHG) S.A.</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

3:30 – 4:00 *Afternoon Networking Break*

	Track One	Track Two
4:00 – 5:15	<p>PORTS The Special Secretariat for Ports has announced R\$700 million will be invested to expand the ports of seven cities for the World Cup 2014. The port of Rio will also be expanded in anticipation of 2016 Olympics. What's more, this sector is expected to attract investments of about U.S. \$20 billion over the next five years. This session will look at the opportunities relating to the nations' ports. »» The plans, processes and timelines for expanding and upgrading the seven ports »» Contracting models to be used »» The role of foreign investment »» Update on new port regulations »» The bidding timelines</p> <p>Moderator: Ana Karina E. De Souza, Partner, Infrastructure Group, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS</p> <p>Panelists: João Borba Filho, Director Business <i>Development, ODEBRECHT</i> Pedro Brito, Chief Minister, Special Secretariat <i>of Ports, PRESIDENCY OF THE REPUBLIC</i> OF BRAZIL (SEP/PR)* Tiago Pereira Lima, Director, NATIONAL AGENCY OF WATERWAY TRANSPORTATION (ANTAQ) Herbert Drummond, Director of Waterway</p>	<p>STADIUMS AND ACCOMMODATIONS The plans, processes and experiences for building and modernizing stadiums and accommodations for the games. »»World Cup 2014 stadium modernization »»Nine new permanent installations for the Olympics »»Seven new temporary facilities for the Olympics »»Eight facilities requiring refurbishment</p> <p>Moderator: José Virgílio Enei, Partner, Infrastructure Group, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS</p> <p>Panelists: Gregory Hodkinson, Chairman, Americas, ARUP Christopher Lee, Senior Principal, POPULOUS Henk Markerink, CEO - Amsterdam Arena & Arena <i>do Brasil, AMSTERDAM ARENA ADVISORY</i> Richard Gregory Wallis, Consul General & Trade <i>Commissioner for Brazil, AUSTRALIAN TRADE</i> COMMISSION - AUSTRALIA</p>

*invited

	<i>Infrastructure</i> , NATIONAL DEPARTMENT OF TRANSPORT INFRASTRUCTURE (DNIT)	
5:15 – 6:00	<p>THE ENVIRONMENT</p> <p>The challenges and opportunities of hosting sustainable and environmental-friendly games in Brazil.</p> <p>»»The 2014 World Cup National Chamber for the Environment and Sustainability: challenges, plans and goals for the implementation of the World Cup infrastructure.</p> <p>»»Green, efficient and sustainable building: the opportunities of Green Games to the entrepreneurs and to the sustainable development of Brazil.</p> <p>»»World Cup, Olympic Games and the Environment: what are the major risks for the entrepreneur?</p> <p>Moderator: Roberta Danelon Leonhardt, <i>Partner</i>, <i>Environmental Department</i>, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS</p> <p>Panelists: Vicente de Castro Mello, <i>Partner</i>, CASTRO MELLO - ARQUITETURA ESPORTIVA</p>	<p>SMART CITY INFRASTRUCTURE</p> <p>Brazilian municipalities seek IT investments in infrastructure affecting transportation, tourism and healthcare.</p> <p>Moderator: Paulo Rogerio Brandao Couto, <i>Partner</i>, <i>Rio de Janeiro</i>, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS</p> <p>Panelists: Patricio Iturraspe, <i>Sales Director Latin America</i>, SIRIT CORPORATION Pedro Paulo Pereira de Almeida, <i>Director Smart Cities</i>, IBM BRAZIL</p>

6:00 – 7:30 *Summit Reception*

DAY 2, June 23, 2010

8:15 – 8:30 **WELCOME AND INTRODUCTION BY SUMMIT CO-CHAIRS**

José Ribeiro do Prado Junior, *Partner*, *Infrastructure and Finance Group*,
MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS

José Virgílio Enei, *Partner*, *Infrastructure Group*, MACHADO, MEYER, SENDACZ E
OPICE ADVOGADOS

8:30 – 9:00 **Keynote Address: THE ROLE OF GOVERNMENT IN FINANCING THE INFRASTRUCTURE FOR 2016 OLYMPICS AND 2014 WORLD CUP**

Defining the structure of financing:

»» Who will be the obligors?

»» How will the cities manage the post-games cash flow necessary to repay the investment?

»» Will the Federal Government make grants available?

»» Is the actual event projected to be profitable?

»» What role will the federal, state, and local government play in financing the games?

*invited

- »» What will be the roles of the Brazilian Development Bank, BNDES, and government bank Caixa Econômica Federal?
- »» What credit facilities are available and how will they work?
- »» What are the opportunities for the private sector to access government financing?

Senior Representative, BNDES*

Rogério Tavares, *National Superintendent of Sanitation*, CAIXA ECONÔMICA FEDERAL

9:00 – 9:30

Keynote Address: THE OPPORTUNITIES FOR THE PRIVATE SECTOR IN FINANCING THE INFRASTRUCTURE FOR 2016 OLYMPICS AND 2014 WORLD CUP

- »» What role does the government want the private sector to play in financing the games?
- »» How much funding from the private sector to ensure the adequate functioning of the games, does the government forecast as necessary?
- »» How will the investment opportunities and contracting models be structured?
- »» How can government and agency type funds be best used to optimize private sources of funding?
- »» For which sectors will private financing models be adopted?
- »» What investment structures are preferred?

Joaquim Levy, *Secretary of Finance*, STATE OF RIO DE JANEIRO

9:30 – 10:00

Morning Networking Break

10:00 – 11:00

THE ROLE OF MULTILATERAL DEVELOPMENT BANKS AND ECAs IN FINANCING THE INFRASTRUCTURE FOR 2016 OLYMPICS AND 2014 WORLD CUP

- »» Prospects for multilateral and ECA investment in 2016 Olympics and 2014 World Cup infrastructure
- »» Potential roles in financing infrastructure projects for 2016 Olympics and 2014 World Cup
- »» In what types of projects are multilaterals and ECAs looking to invest?
- »» What will make a project financeable by multilateral and ECA?
- »» Alternative structures--public, private and PPP strategies
- »» What financing terms might be possible?

Moderator:

Roberto Paolino, *Financial Institutions & Public Sector Head*, BANCO CITIBANK S.A.

Panelists:

Flavio Bertolossi, *Head of SACE SpA Latin America*, INSURANCE SERVICES OF EXTERNAL TRADE (SACE S.P.A.)

Thadeu Abicalil, *Senior Water and Sanitation Specialist*, WORLD BANK

Nancy Rivera, *Managing Director, Structured Finance*, OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)

11:00 – 12:30 **INFRASTRUCTURE FUNDS' PERSPECTIVES ON INVESTING IN THE ECONOMIC & SOCIAL INFRASTRUCTURE OF THE SPORTING EVENTS**

- »» What makes a project attractive (or unattractive) to them? What criteria must be met to obtain their participation?
- »» What role is private equity willing to play in financing the games' infrastructure?
- »» What financial, operating and strategic factors determine the types of deals investors are willing to make?
- »» What deal structures and/or financial models do investors prefer and why? How critical are these in investors' decision-making?
- »» What types of relationships are they seeking to establish with other project partners?

Moderator:

Richard Aldrich, *Partner*, SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Panelists:

Declan Sherman, *Senior Vice President*, MACQUARIE CAPITAL ADVISORS

Sidney Chameh, *President*, ABVCAP (ASSOCIATION OF BRAZILIAN PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION)

Senior Representative, CAIXA ECONÔMICA FEDERAL (FI-FGTS)

12:30 – 2:00 ***Group Luncheon***

2:00 – 3:30 **INFRASTRUCTURE DEVELOPERS & CONCESSIONAIRES**

Infrastructure developers and concessionaires will share their experiences in delivering Brazilian infrastructure projects and their perspectives on the games' infrastructure development.

- »» What are the major business concerns for developers and concessionaires in delivering Brazilian infrastructure projects?
- »» Working with the government: what are their experiences with the tender and bid process?
- »» How do they evaluate the opportunities created by 2016 Olympics and 2014 World Cup
- »» What type of relationships are they trying to establish with other project partners?
- »» What deal structures and/or financial models do they prefer and why? How critical are these in investors' decision-making?

Moderator:

André Pina, *Business Manager Agency and Trust Brazil*, BANCO CITIBANK S.A

Panelists:

Lúcio Otávio Ferreira, *Financial Director*, ANDRADE GUTIERREZ

Felippe Montoro Jens, *Chief Executive Officer*, ODEBRECHT INVESTMENTS IN INFRASTRUCTURE (OII)

3:30 – 4:00 *Afternoon Networking Break*

4:00 – 5:45 **COMMERCIAL LENDERS**

- »» What is the current state of the financing market and how will that impact lender appetites for financing sports infrastructure projects?
- »» What are the opportunities for BNDES, international ECAs and development finance institutions, international banks, and Brazilian lenders to work together in financing?
- »» What deal structures and/or financial models will be required to make projects financeable?
- »» What criteria will lenders use to evaluate projects?
- »» What project characteristics are they looking for?
- »» What tenors, terms and conditions will they be seeking?

Moderator:

Lance Brasher, *Partner*, SKADDEN, ARPS, SLATE, MEAGHER & FLOM
LLP

Panelists:

Diogo Castro e Silva, *Executive Director*, BANCO CAIXA GERAL – BRASIL
S.A.

Fuensanta Diaz Cobacho, *Managing Director, Head of Infrastructure for the Americas*, WESTLB AG

Nadia Scharen, *Head of Natural Resources, Infrastructure and Power*, BANCO
CRÉDIT AGRICOLE BRASIL S.A.

Cassio Schmitt, *Head of Project and Acquisition Finance*, BANCO
SANTANDER (BRASIL)

Qi Xiao, *Vice Chief Executive Officer*, BANK OF CHINA, SAO PAULO

DAY 3, June 24, 2010

DESIGNING BIDS: ADVANCED CONTRACTING MECHANISMS

Hear the latest insights into successfully developing and financing infrastructure projects for 2016 Olympics and 2014 World Cup. Assess the infrastructure development environment, examine the government's approach to bidding and contracting, review alternative project financing structures and explore potential investment strategies and vehicles. A number of case studies will demonstrate the latest business models and financing structures in use in the market.

7:00 – 8:00 **REGISTRATION & BREAKFAST**

8:00 – 8:15 **WELCOME AND INTRODUCTION BY THE SUMMIT CO-CHAIRS**

*invited

José Virgílio Enei, *Partner, Infrastructure Group*, MACHADO, MEYER, SENDACZ E
OPICE ADVOGADOS
Ana Karina E. De Souza, *Partner, Infrastructure Group*, MACHADO, MEYER,
SENDACZ E OPICE ADVOGADOS

8:15 – 9:15 **GENERAL VIEW OF INFRASTRUCTURE DEVELOPMENT IN HOST CITIES**

- »» Examples of infrastructure projects being developed
- »» Public-Private Partnership Projects – Can we expect more?
- »» Risk Analysis

Daniel Ferreira Leite Aquino, *Vice President Project Finance*, BANCO ITAÚ BBA
José Roberto Bernasconi, *President*, SINAENCO-SP

9:15 – 10:15 **PUBLIC-PRIVATE PARTNERSHIPS (PPPs) AND OTHER PROJECT BUSINESS
MODELS USED TO IMPLEMENT INFRASTRUCTURE PROJECTS**

- »» What business models are in use and what are the prospects for innovation?
- »» What approaches to risk allocation do these models take?
- »» What is the real potential of the use of PPPs?
- »» What financing structures are being employed in the market?
- »» What is the potential for innovation?

Ana Karina E. De Souza, *Partner, Infrastructure Group*, MACHADO, MEYER,
SENDACZ E OPICE ADVOGADOS

José Virgílio Enei, *Partner, Infrastructure Group*, MACHADO, MEYER, SENDACZ E
OPICE ADVOGADOS

José Ribeiro do Prado Junior, *Partner, Infrastructure and Finance Group*,
MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS

10:15 – 10:45 *Morning Networking Break*

10:45 – 11:30 Case Study: **THE PPP NEGOTIATED FOR THE FONTE NOVA STADIUM,
IN THE STATE OF BAHIA**

An analysis of Fonte Nova Stadium project structure

Felippe Montoro Jens, *Chief Executive Officer*, ODEBRECHT INVESTMENTS IN
INFRASTRUCTURE

11:30 – 12:15 Case Study: **THE PROJECT FINANCING OF LINE 4 OF THE
SÃO PAULO SUBWAY SYSTEM**

An analysis of São Paulo's Subway System Line 4 financing

Regio Marcelo Nóbrega Fernandes, *Assessor da Diretoria Financeira*,
COMPANHIA DE CONCESSÕES RODOVIÁRIAS (CCR)

12:15 – 1:45 *Group Luncheon*

*invited

- 1:45 – 2:30 *Case Study: THE MODEL FOR THE IMPLEMENTATION OF THE SÃO PAULO-RIO DE JANEIRO HIGH-SPEED TRAIN*
An analysis of the model for the São Paulo-Rio de Janeiro High-Speed Train
Marcos Verissimo, *Chefe do Gabinete da Presidencia*, BNDES*
- 2:30 – 3:15 *Case Study: THE PROJECT FINANCING OF ROADRING SYSTEM IN SÃO PAULO STATE*
An analysis of the São Paulo State Roadring System financing
Renato Mazzola, *Team Leader and Investment Officer*, INTER-AMERICAN DEVELOPMENT BANK (IADB)
- 3:15 – 3:45 Afternoon Networking Break
- 3:45 – 5:30 **EXPERIENCES IN PROJECT DEVELOPMENT AND FINANCING IN COUNTRIES THAT HAVE HOSTED THE OLYMPIC GAMES IN THE PAST**
Series of Presentations: Experiences and lessons learned with developing and financing infrastructure projects from past host cities.
Moderator:
José Virgílio Enei, *Partner, Infrastructure Group*, MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS
»» Contractual structures adopted to deliver the London infrastructure (eg. the delivery partner concept) and the procurement methods employed for the London 2012 Games
Tim Jones, *London Managing Partner*, FRESHFIELDS BRUCKHAUS DERINGER
»»Building the Olympic Yacht Center in Qingdao, the main stadium and facilities and project development of the Beijing Olympic Games in 2008
Yunbo Chang, *Deputy General Manager*, CHINA COMMUNICATIONS CONSTRUCTION COMPANY
Changjiang Miu, *Director of the Department of International Cooperation*, CHINA CONSTRUCTION METAL STRUCTURE ASSOCIATION