

# 2013

## investor day

Rio de Janeiro / 9 - 10 September

abertis

# PRESENTATIONS

## DAY II

1. Arteris	1-40
2. Chile	41-57
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# Arteris – Company Presentation

**abertis** Investor Day

September 10, 2013

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1. Arteris overview
2. Investments
3. The brazilian toll road sector
4. Strategic priorities
5. Appendix

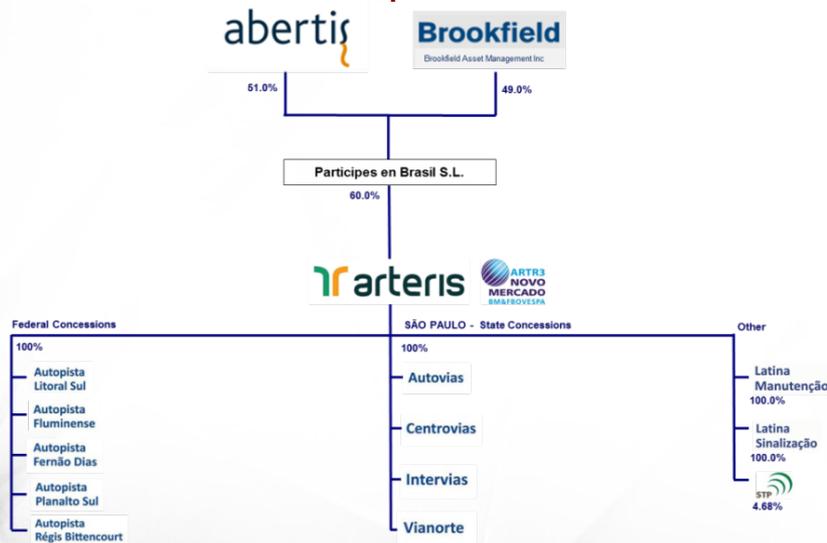
# Arteris overview (1/6)

## Geographic Presence



- **Largest company in Brazil's toll-road industry** in kilometers managed: **3,250 km in operation**
- Presence in **5 states** that concentrate:
  - 65% of the country's GDP
  - 43% of the country's population
  - 2/3 of the country's vehicle fleet
- **21% market share** of total kilometers of highway operated under concession
- **16% market share** of total toll plazas revenues of highway operated under concession
- Traffic: **696.7 million vehicles equivalents** in 2012
- Average remaining term of the contracts of 15 years
- Total employees: 6,636 (June 2013)
- 36.5% of heavy vehicles (ADT) – 2012
- 55.4% of the collection through electronic toll

## Ownership Structure



## Evolution in a nutshell



### 1997

- Launch of Operations in Brazil
- Regulatory framework being developed, higher execution and country risk

### 1998 - 2007

- Acquisitions of 4 State Concessions (1998-2005)
- 2<sup>nd</sup> Round of the Federal Concession Program (2007) – winning of 5 roads
- Arteris breaks the paradigm of high toll tariffs
- Political and economic stability

### 2007 - 2012

- State concessions became cash cows
- Federal roads in full operation and capex delivery
- Regulatory framework well consolidated
- Brazil reaches investment grade
- Strong competition for new projects

### 2012 - Today

- Abertis and Brookfield as new controlling shareholders (2012)
- Capex delivery, best practices and synergies plan
- Brazilian government releases a large concessions package on highways and railways

## Financial/Operational Highlights

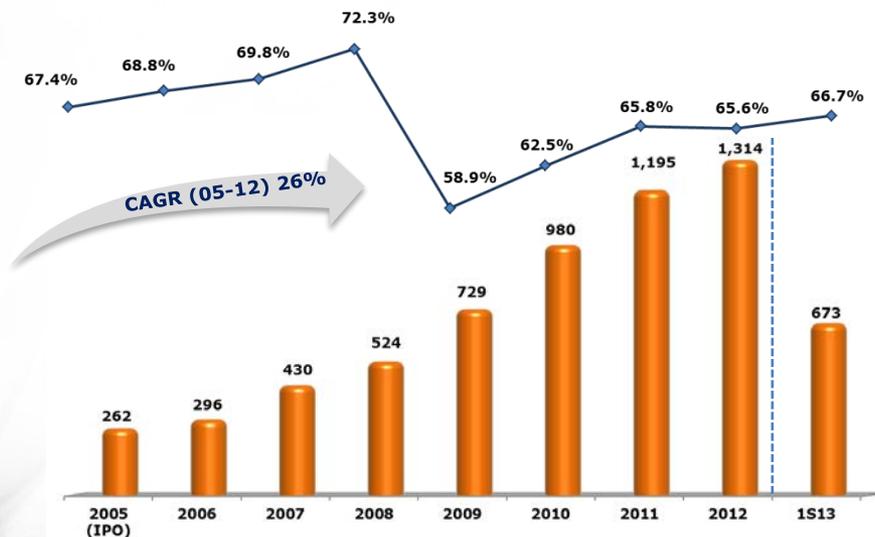
Traffic – MM vehicle equivalent units

Net Revenue (ex. construction) – R\$ MM



Adjusted EBITDA\* and Margin\*\* – R\$ MM / %

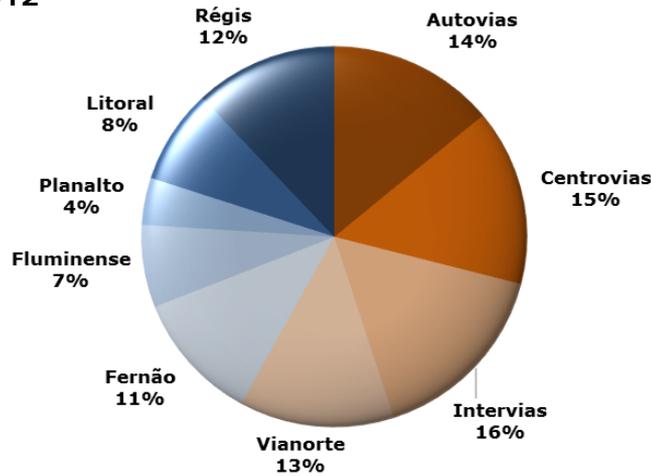
Net Income – R\$ MM



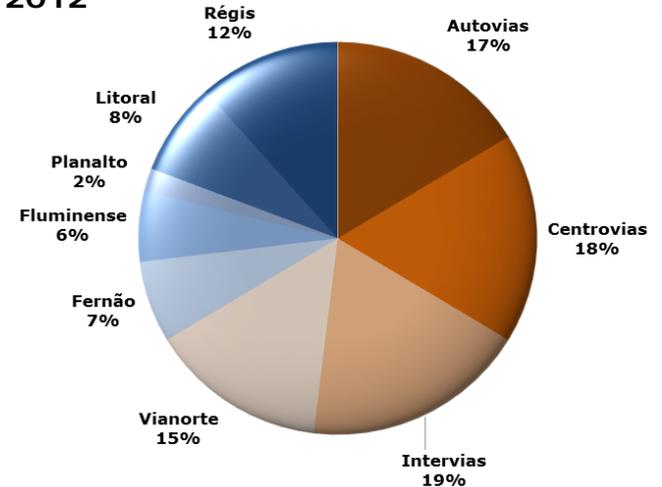
\* The Adjusted EBITDA excludes the provision for highway maintenance since it has no cash effect. \*\* Excludes revenue from construction

## Current Portfolio

Toll Plaza Revenue 2012

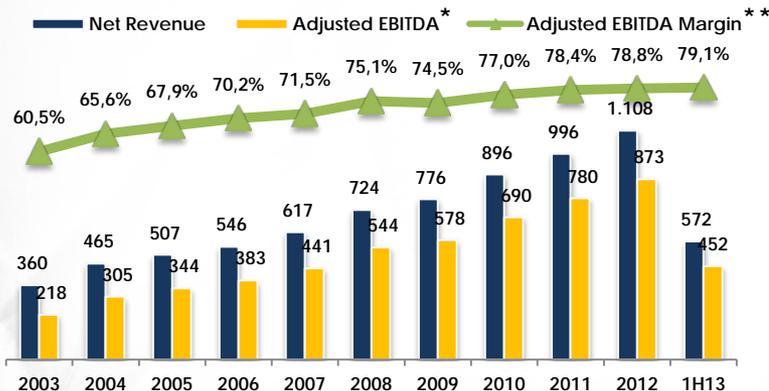


EBITDA 2012

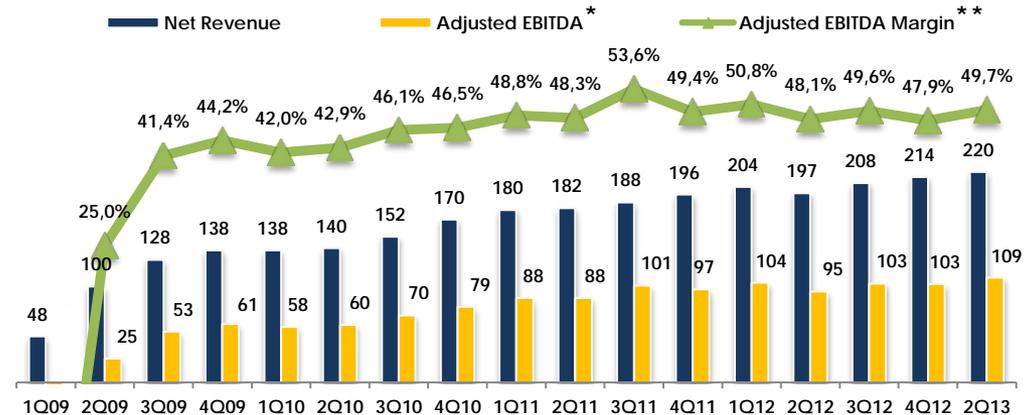


### Key financial data for concessions – R\$ MM

#### State



#### Federal



\* The Adjusted EBITDA excludes the provision for highway maintenance since it has no cash effect. \*\* Excludes revenue from construction

# Arteris Overview (5/6)

## Financial Highlights



### Balance Sheet Highlights

R\$ thousand	06/30/13
<b>Total Assets</b>	6.1 billion
<b>Cash Position</b>	435.2 million
<b>Intangible Assets</b>	5.3 billion
<b>Current Liabilities</b>	1.0 billion
<b>Non Current Liabilities</b>	3.4 billion
<b>Total Equity</b>	1.7 billion

**Strong balance sheet**



Recurrent dividend policy: 50% payout in the past two years with a dividend yield of 4,61% (2011) and 3,09% (2012)

**Dividends**



Market cap of R\$ 7.1 billion (09/02/13)

# Arteris Overview (6/6)

## Operation and user's evaluation

	Federal*	State*	Total
Pre-hospital care	56,517	9,393	65,910
Winch / mechanical	382,473	99,399	481,872
Traffic Inspection	337,770	103,272	441,042
Seizure of animals	8,785	212	8,997
Other	97,269	11,962	109,231
Ombudsman	20,428	7,346	27,774
Toll Free (0800)	874,195	146,315	1,020,510
<b>Total</b>	<b>1,777,437</b>	<b>377,899</b>	<b>2,155,336</b>



The users of our roads counts with **medical and mechanic assistance** and have **toll free numbers** for questions or complaints

\* 2012 consolidated figures

Evaluation	Evaluation of Highways								
	2.011	2.012	2.013	2.011	2.012	2.013	2.011	2.012	2.013
Concessionaire	Excellent/Good			Regular			Poor/ Very Poor		
Fernão Dias	70%	78%	75%	24%	16%	21%	6%	6%	3%
Régis Bittencourt	42%	40%	44%	36%	41%	38%	21%	19%	17%
Planalto Sul	N/A	63%	57%	N/A	25%	29%	N/A	11%	13%
Fluminense	N/A	46%	52%	N/A	37%	39%	N/A	16%	9%
Litoral Sul	N/A	66%	58%	N/A	26%	27%	N/A	8%	15%



Our **federal roads** are constantly **evaluated by** our **users** through independent research



Autopista **Régis Bittencourt** and **Fluminense** to develop main **improvements** investments in the next 3 years

Source: Datafolha Survey with road users (2011; 2012; 2013)

**During 2012 more than 2 million users supported through our road services and toll free numbers**

# Investments – main works (1/8)

**Consolidated Capex – Arteris highways (R\$ million)**



**Main construction works:**

- Recovery works at federal concessions
- Serra do Cafezal duplication (Autopista Régis Bittencourt)
- Contorno Avenue (Autopista Fluminense)
- BR-101 highway duplication (Autopista Fluminense)
- BR-116 highway duplication (Autopista Planalto Sul)
- Betim beltway (Autopista Fernão Dias)

**Since 2008 Arteris invested more than R\$ 4.1 billion in its federal highways**

## Recovery works at federal concessions

### Repaving

Before



After



### Grass cutting



### Signage



## Recovery works at federal concessions

Before

After

### Drainage



### Recovery of guardrails



### Embankment



# Investments – main works (4/8)

## Serra do Cafezal – Autopista Régis Bittencourt

Logistics bottleneck with retention of large volumes of heavy vehicles



Duplication requires care to preserve important environmental protection areas



Serra do Cafezal comprises the stretch of 30.5 kilometers between the cities of Jujutiba (SP) and Miracatu (SP)

- Only single lane stretch of the entire highway
- Mountain range with challenging geographic characteristics
- Concentration of slow traffic. One of the major bottlenecks in the connection that links the South and Southeast of Brazil

The construction works were divided into three stages:

- 1 Initial stretch: (7.3 km)
  - 2 Intermediate stretch: (19 km)
  - 3 Final stretch: (4.2 km)
- 30.5 km



Start of construction in 2013. Complete job to be delivery in the next 3-4 years

34 bridges and 4 tunnels



## Contorno Avenue and walkways – Autopista Fluminense

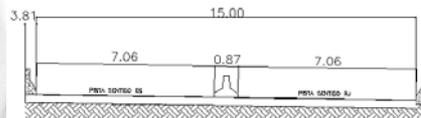
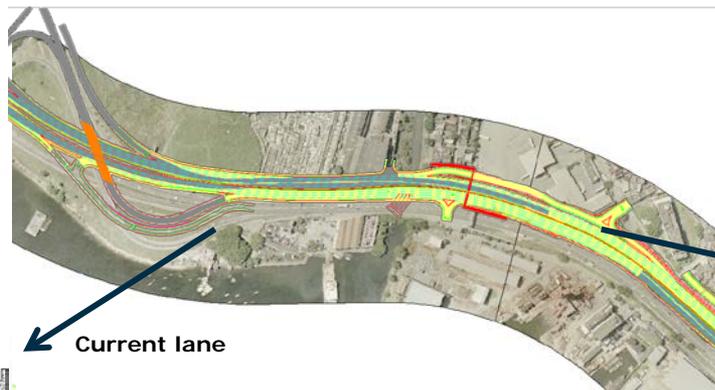


Construction of walkways between Niterói and Rio Bonito

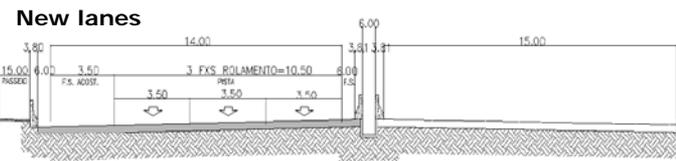


Since October 2012, the Company has been performing the **works of improvement and extension** of Contorno Avenue in Niterói, which will bring significant improvements to this stretch of highway with the expansion of road capacity.

### Project to increase the traffic capacity – Contorno Avenue



Current lane



New lanes

## Duplication of BR-101– Autopista Fluminense



The project is one of the major works to be executed by Autopista Fluminense and will duplicate 176.6 km of highway.

- 1<sup>st</sup> stretch (59 km) between the cities of Macaé and Campos dos Goytacazes. Construction began in late 2011
- Environmental license issued in April 2013 for the 2<sup>nd</sup> stretch (71 km). Construction began in May 2013
- Environmental license pending for the 3<sup>rd</sup> stretch

### Duplication of the 1st stretch



### Duplication of BR 116 stretch– Autopista Planalto Sul

Duplication of 25 kilometers of BR-116 between Curitiba (PR) and Mandirituba (PR)



- Under construction 8 kilometers from the 1st stage, that started just after obtaining the environmental license
- In June 2013, started the 2nd stage (17 kilometers) between Fazenda Rio Grande (PR) and Mandirituba (PR).

## Betim Beltway– Autopista Fernão Dias

The main work in progress at Autopista Fernão Dias is the implementation of the Betim (MG) beltway, enabling the creation of an alternative route to long-distance traffic that currently runs through the city.

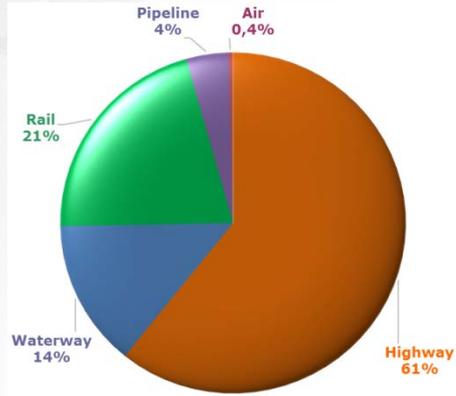


**1st stage of the Betim beltway – 2.7 km**

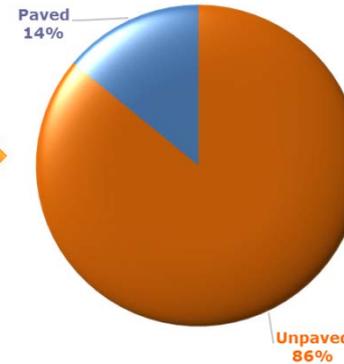


- In 2012 were completed 2.7 kilometers of the first stage of the project, including the construction of a clover
- Ongoing works of 5.4 kilometers of the second stage, in progress since 1Q13, with completion scheduled for September/13

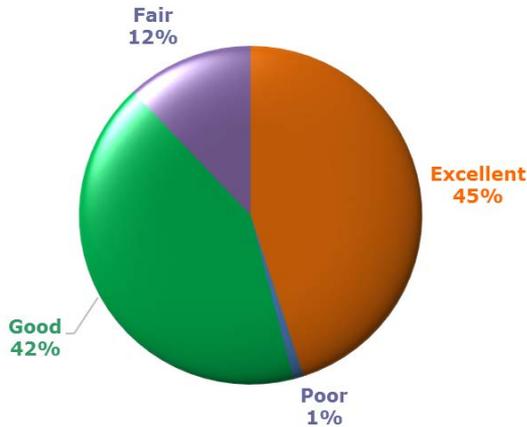
# The Brazilian toll road sector (1/3)



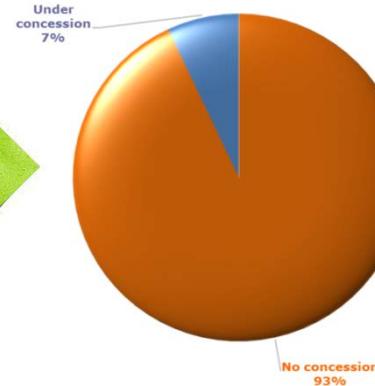
The Brazilian logistics infrastructure is based on roads with a total of 1.6 million kilometers of networks...



... but only 14% of all roads are paved



The few public paved roads are in bad conditions...



... and only 7% of the existing paved roads (15.5 thousand kilometers) are under concession

## Key figures in the private sector (2008-2012)



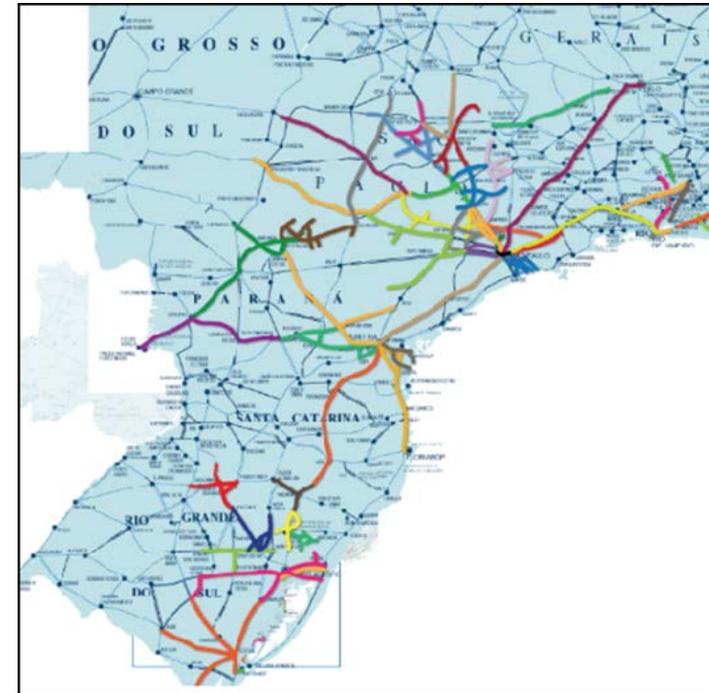
## The Brazilian toll road sector (2/3)



The **market** is very **concentrated** in the south and southeast of Brazil with a total of **55 concessionaires**

- With a **huge infrastructure gap** (more than R\$ 500 billion to reach minimum competitive conditions among other developed nations) and **budget restrictions**, the **government recognized the need of more private investments** in the Brazilian roads
- Also the triad **consumption, credit** and **commodities** seems to have lost the strength to sustain Brazil's growth.

**Brazil – Roads under concession**

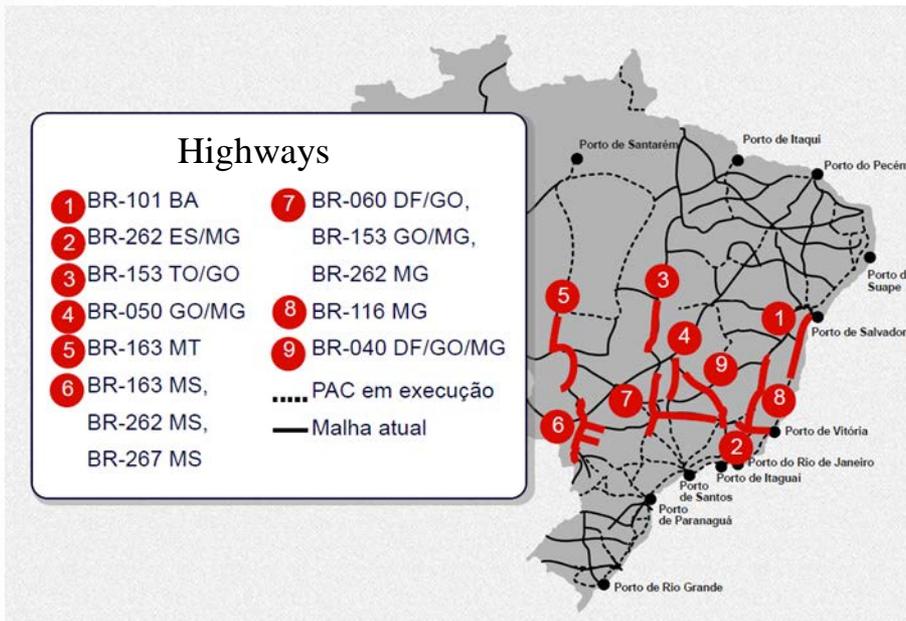


**Infrastructure became key to recover GDP growth**

# The Brazilian toll road sector (3/3)

## New Projects

### Programed Federal Concessions



- In November 2012 the government announced the bidding process of BR-116 and BR-040 (within the pipeline of toll roads released in August). The auction in January 2013 was postponed, since there wasn't enough bidders
- The failure of the first attempt was due to **unfavorable conditions**:
  - **Huge investments** to execute with aggressive deadlines (all the capex to be delivery in the first 5 years)
  - Start of toll collection only after 10% of the total investments is completed
  - Estimated toll tariff based on **low project IRR** (5.5% real unlevered) and **aggressive assumptions**
- The government took a step back** revised the feasibility studies, increased the cap tariff (using a 7.2% IRR), increased the concession terms, offered better financing conditions and stated that will mitigate environmental and execution risks
- With these new conditions the government divided the 9 lots in 5 different bidding rounds with the first two ones (**BR-050 and BR-262**) expected to be auctioned in **September**.

Third Round	Forecasted Auctions - Federal Highways	
BR 040	DF-MG	936.8 km
BR 116	MG	816.7 km
BR 101	BA	772.3 km
BR 262	ES-MG	376.9 km
BR 153	GO-TO	751.9 km
BR 050	GO-MG	425.8 km
BR 163	MT	821.6 km
BR 163/267/262	MS	1423.3 km
BR 060/153/262	DF-GO-MG	1176.5 km

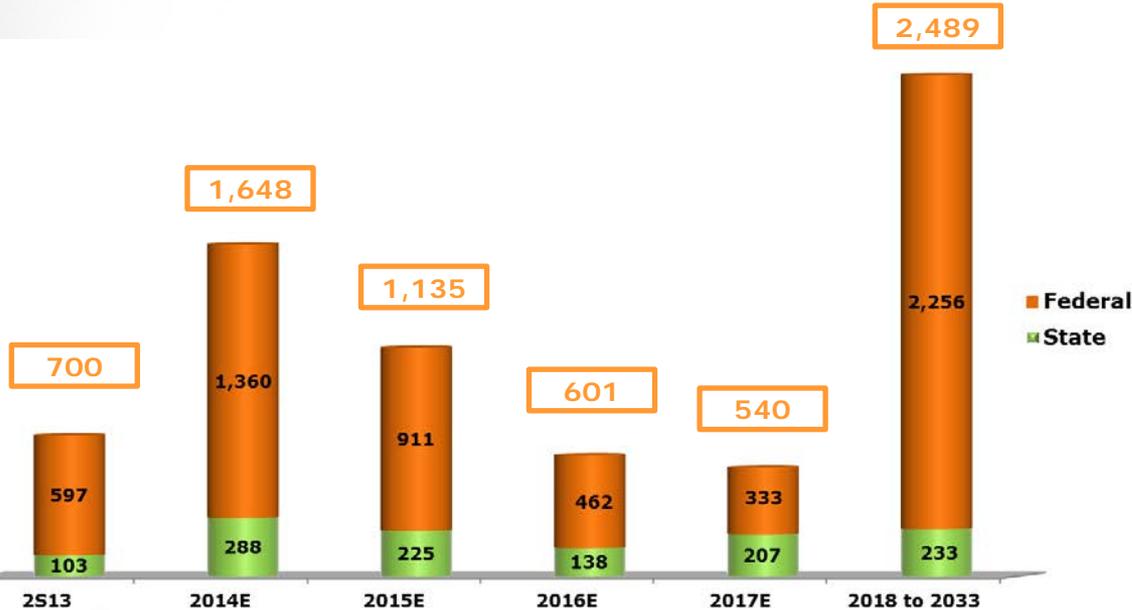
**The market will continue to generate new opportunities**

## Strategic Priorities

-  Capex delivery
-  Strengthening of corporate image
-  Contractual amendments
-  Best practices and efficiency gains
-  Maximize project finance capital structure
-  New projects
-  Recurrent and sustainable distribution of dividends

## Capex delivery (1/2)

Scheduled Total\* – R\$ '000



Capex until the end of all concessions terms (by 2033) are expected to reach around R\$ 7.1 billion\* including maintenance

- The difficulties in the last 5 years to meet the schedule of committed investments in the federal concession agreements resulted in a new action plan named – **TAC (Conduct Adjustment Term)**
- **The delays in investments are mainly the result of:**
  - Difficulties to obtain environmental licenses
  - Expropriations and project approvals deadlines
  - Remodeling of old projects to meet the new Brazilian reality
- **The main aspects of TAC are:**
  - To settle the backlog issues on the federal concession agreements through a new action plan: more realistic schedule
  - The inspection procedure to determine the non performance and penalties will be “on hold” during the new action plan
  - New penalties rules will have a direct impact on tariffs: reduction factors from 0,9% up to 1,5%
  - Possibility to recover deadlines within the plan

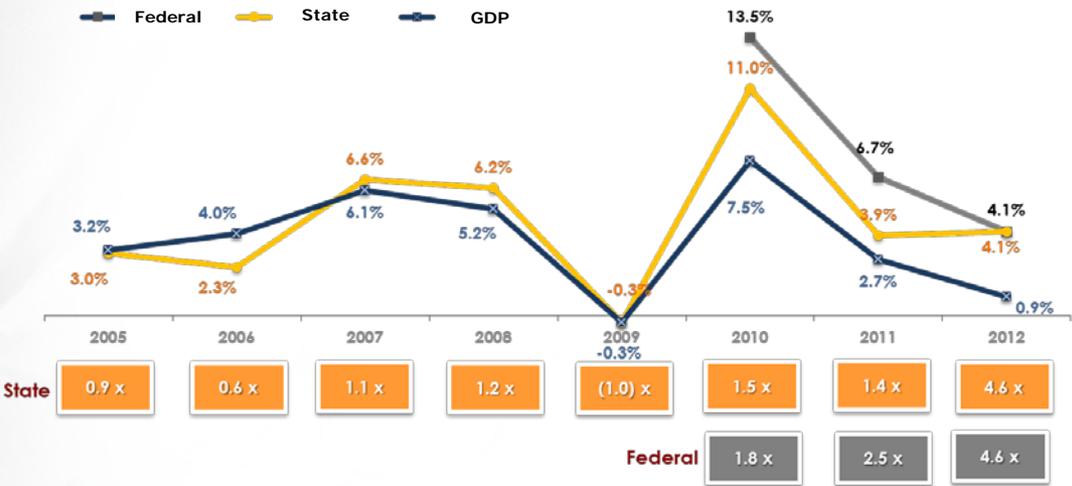
**Full commitment to accomplish the schedule of federal investments**

\* Not considering new contractual amendments

# Capex delivery (2/2)

## Traffic Upsides

### Traffic Elasticity x GDP



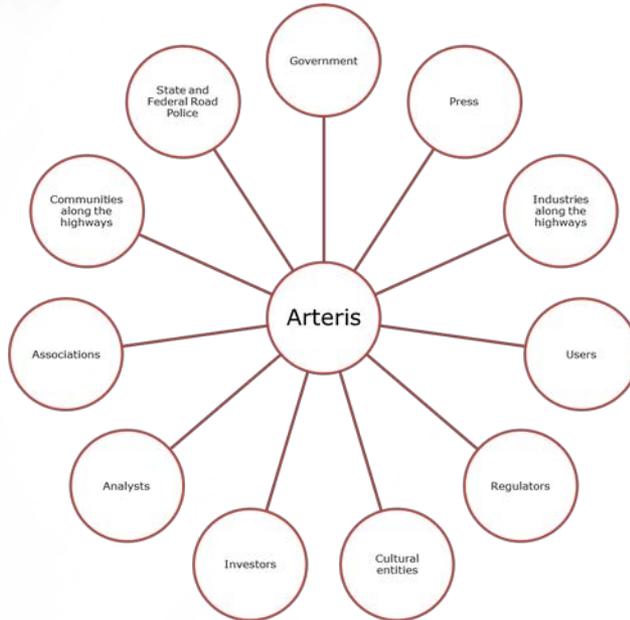
In previous years elasticity has been much higher than the market expectations

- In many of our roads, major construction works will **remove logistics bottlenecks** and **boost traffic**:
- **Autopista Régis Bittencourt**: The delivery of Serra do Cafezal duplication, after completed, should add an additional ramp-up growth related to GDP.
- **Autopista Litoral Sul** and **Autopista Planalto Sul**, as extensions of Autopista Régis Bittencourt, should also be indirectly benefited by Serra do Cafezal duplication.
- **Autopista Fluminense**: The delivery of the duplication of BR-101 should add an additional ramp-up growth related to GDP.
- In all roads, **improvements** contribute to addition of **new users**

Consensus forecasts for traffic don't take into account ramp-ups



## Who are our stakeholders?

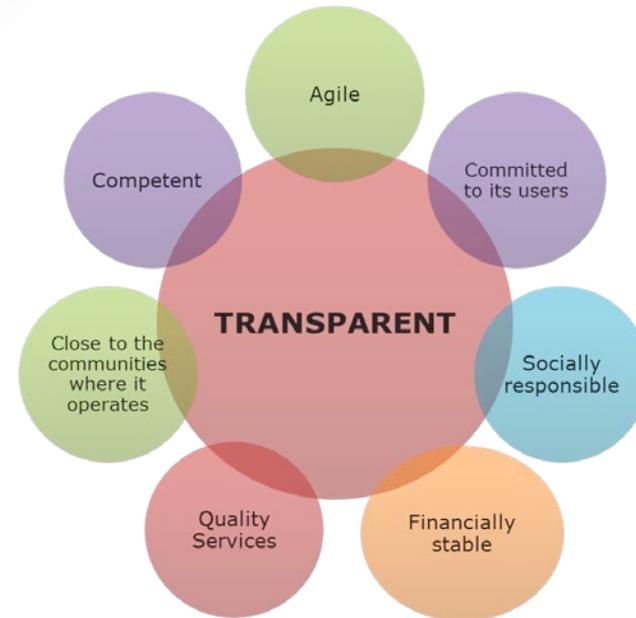


## Action plan

- Investments in marketing and advertising
- Frequent releases to the press
- Close relationship with journalists
- Intense relationship with highway users
- Active social responsibility
- Public and institutional relations
- Present in the virtual/internet environment



## What image we want for Arteris?



## Investor Relations - Action plan

- Increase the Company's visibility with the market
- Diversify the shareholder base and increase liquidity
- Increase the sell-side coverage
- Improve the disclosure and the quality of our market releases
- Improve corporate governance

## Best practices and efficiency gains

- **Abertis benchmark** as reference
- **Cost breakdown** focus: manageable costs
  - Implementation of **SAP**
  - **CAPEX** and **OPEX** control
- **New** administrative and operational **structure**
  - Implementation of **SAP**
  - **Toll collection** process improvement
  - **Centralized purchasing**
  - Administrative **shared services center**
- Redefinition of **corporate policies**
- **Remuneration** based on **performance**

**Potential cash costs  
reduction up to  
R\$ 60 million  
per year after full  
implementation of the  
efficiency plan**

# Contractual Amendments (1/6)

- Need for **new construction works** to solve current **bottlenecks** on the roads
- **New resolutions on marginal cash flow** to enable new investments in existing contracts
- Amendments open the opportunity for reinvestment in contracts with **attractive returns** and **lower risks**
- Opportunity for **contract extensions** in state concessions and **tariff increases** in federal concessions
- In the federal concessions the **revisions and improvements** in the mandatory **infrastructure projects** due to a new reality and demand will boost new amendments
- On February 2013 Arteris **signed the first amendment** with ANTT using the marginal IRR methodology for the additional investment of around R\$ 175.0 million at **Autopista Litoral Sul**

## New amendments resolutions



### ARTESP RESOLUTION (SP-STATE)

- Published on March 2013
- 8.2% real unleveraged IRR for 2013
- IRR will be revised annually
- No traffic risk
- Compensation through contract extensions



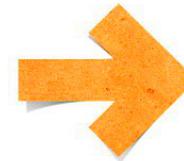
### ANTT RESOLUTION (FEDERAL)

- Published on April 2013
- 6.6% up to 8.0% real unleveraged IRR depending on concession maturity
- IRR will be revised every five years
- No traffic risk
- Compensation through tariff increases

## Contractual Amendments (2/6) Pipeline (up to now)

### Federal Concessions

- **Autopista Régis Bittencourt:** Duplication of 19 kilometers of Serra do Cafezal mountain range
- **Autopista Fluminense:** Campos dos Goytacazes ring road
- **Autopista Litoral Sul:** Florianópolis ring road
- **Autopista Planalto Sul:** Duplication of 25 kilometers of Highway BR-116 between Curitiba and Mandirituba
- **Autopista Fernão Dias:** Betim beltway



Up to **R\$ 1.2 billion\***

### State Concessions

- **Autovias and Vianorte:** Ribeirão Preto road intersection and beltway



**R\$ 120 million\***

**More than R\$ 1.3 billion on potential amendments  
based on marginal cash flow resolution**

# Contractual Amendments (3/6)

## Serra do Cafezal – Autopista Régis Bittencourt

Logistics bottleneck with retention of large volumes of heavy vehicles



Duplication requires care to preserve important environmental protection areas



Serra do Cafezal comprises the stretch of 30.5 kilometers between the cities of Jujutiba (SP) and Miracatu (SP)

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The construction works were divided into three stages:

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- 30.5 km



Work completed in March 2012

Environmental license issued in January 2013

Start of construction in 2013. Complete job to be delivery in the next 3-4 years

Work completed in December 2012

34 bridges and 4 tunnels



# Contractual Amendments (4/6)

## Campos Beltway– Autopista Fluminense

Contractual obligation for diverting the long distance traffic out of the urban perimeter of the City of Campos dos Goytacazes

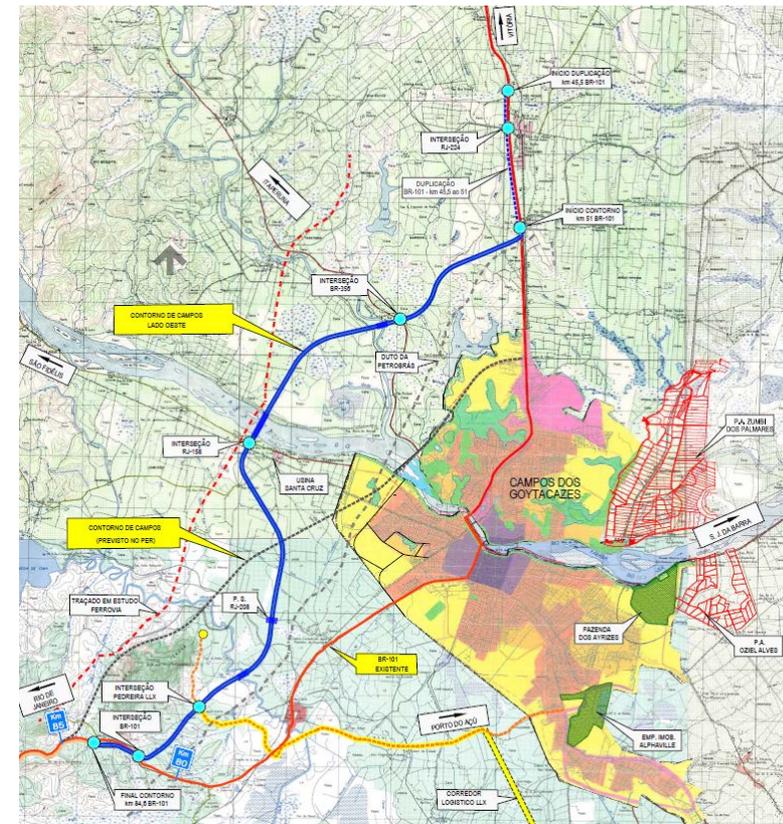


As requested by ANTT and the municipality, two projects were studied east and west side.

It was taken into account:

- Environmental impacts
- Execution deadlines
- Social impacts
- Connection with logistics corridors (Port of Açú)
- Single or double lanes
- After the studies, the project for the west side was approved

Project for the west side



### Characteristics of the work:

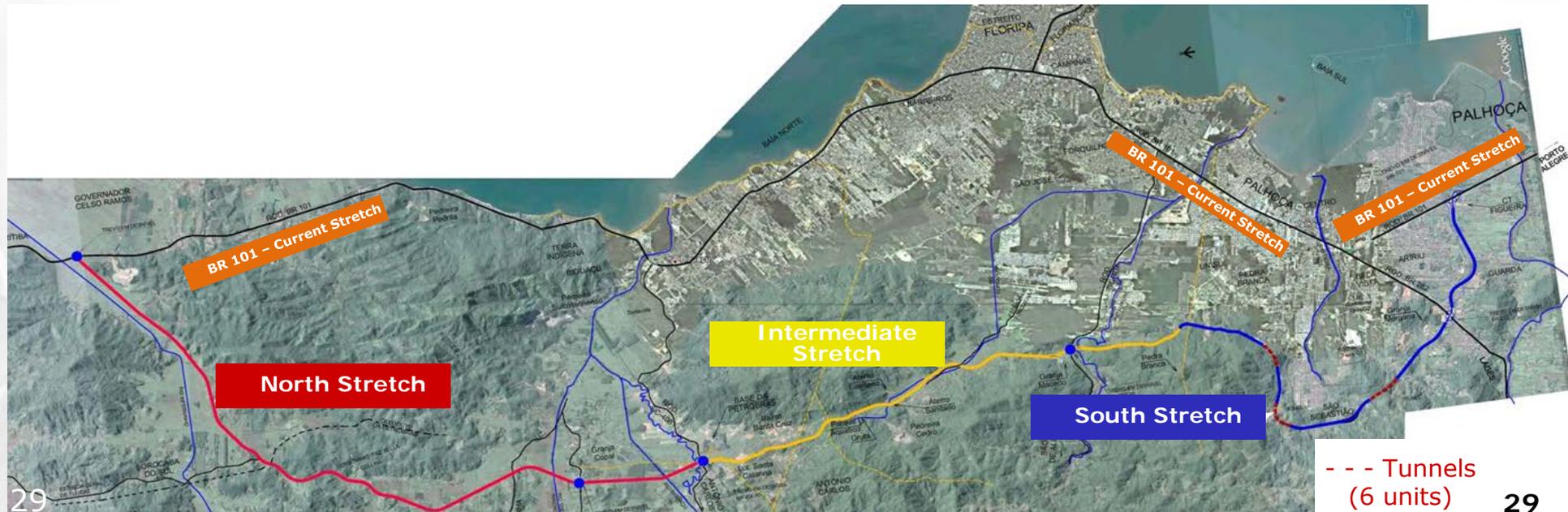
- Long-distance traffic as priority
- Benefits for the local community and regional traffic
- Improvement of traffic in the urban perimeter
- Highway with controlled access, not allowing local access

# Contractual Amendments (5/6)

## Florianópolis Beltway– Autopista Litoral Sul

Divided into three stretches: North, Intermediate and South

- **North** - Km 177 + 500 (Rio Inferninho) to SC 408 **Project:** Executive project in development. **Environment:** Ongoing development of environmental studies. **Expropriation:** Public Utility Decree delivered to ANTT
- **Intermediate** - SC 408 to SC 407 **Project:** Executive project approved by ANTT. **Environment:** Ongoing development of environmental studies. **Expropriation:** Public Utility Decree delivered to ANTT, ongoing negotiations. **Work:** Process of selecting the contractor for the construction in progress
- **South** - SC 407 to km 220 **Project:** Functional project approved on April 29,2013. Executive project under development. Received the consent of the municipalities of Palhoça, São José, Biguaçu, Florianópolis and from the Government, for the new layout on March, 7, 2013. **Environment:** Ongoing development of environmental studies. **Expropriation:** Public Utility Decree being prepared.



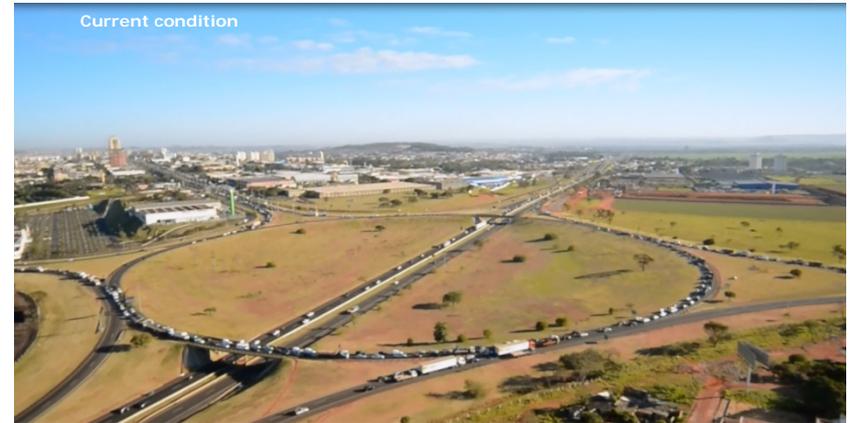
--- Tunnels  
(6 units)

## Main acces to Ribeirão Preto– Autovias and Vianorte



The remodeling of the main access to the city of Ribeirão Preto will bring the following benefits:

- Driver´s safety
- Organization of heavy and light traffic
- Pedestrian safety



**Total population benefited: 1.5 million people**



**Start of construction: May 2013  
To be delivered in 36 months**

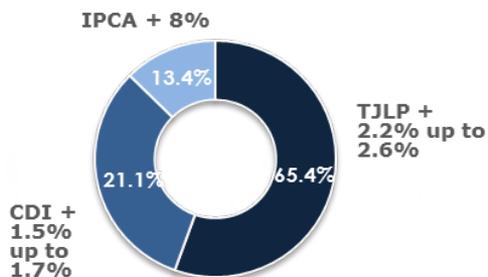


- 8 viaducts - 630 m
- 20 new access – 11,8 km
- Pedestrian walkway - 440 m
- Ramps for walkways - 213 m
- Total remodeling of the device

# Capital Structure

- **Strong expertise in project finance** globally
- Access to credit
- **BNDES** as main partner
- Debt in **local currency**
- Long term and low cost
- **Low cost of debt** due to BNDES financing for the federal concessions

## Debt Composition (2Q13)



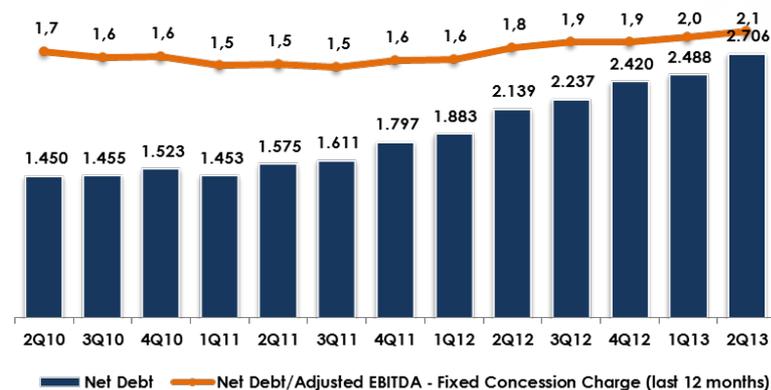
- **Good ratings** at the **state** concessions
- Very **low leverage** level considering the nature of long-term projects
- **Releverage** the capital needs not financed by BNDES
- **Project finance**'s guarantees
- Advent of Law 12.431 (**Infrastructure debentures** – with tax exemptions for foreigners and individual investors)

## Ratings

### Moody's

- **Autovias:** Aa1.br (National); Baa3 (Global)
- **Centrovias:** Aa1.br (National); Ba1 (Global)
- **Intervias:** Aa1.br (National); Baa3 (Global)
- **Vianorte:** Aa2.br (National); Ba1 (Global)

## Leverage Ratio and Net Debt – R\$ MM



## New projects (1/2)

### Exclusive focus on toll roads

A long-term investor with a selective, sustainable and defined growth strategy



#### New auctions

- The federal government announced in August 2012 a **new round of toll roads** concessions to take place during 2013
- The State of São Paulo also plans to launch a new package of road concessions
- Other states lacking infrastructure as opportunities
- **Successful track record** in bidding processes



#### Secondary market

- **55 toll road concessions** (15,500 kilometers) under private administration in Brazil
- Abertis and Brookfield support with a **world-class M&A team** – analysis and execution
- **Successful track record** in M&A (Arteris acquired 4 concessions in the state of São Paulo)

## New projects (2/2)

### The internal rate of return



- Definition of **hurdle rate** according with the project risk
- **Capital discipline** with standard **9% - 11% real** shareholders **IRR range**
- **IRR on base case** (project IRR and shareholders IRR) considering **downside scenarios**
- **Modeling** and **valuation** expertise and track record
- **Analysis** of assumptions (traffic, opex, capex) and financing conditions to create proprietary feasibility studies

**Value creation to shareholders is the main driver**

# Value Creation

**New projects**



**Efficiency Gains and capital structure**



# Value Creation

**Traffic Upsides**



**Amendments**



**Assumptions not yet considered in the market's models**

# APPENDIX

1. Arteris and the toll road industry evolution
2. Arteris Overview – Current Portfolio
3. Traffic evolution: Vehicle equivalent and IMD

# Arteris and the toll road industry evolution

## OHL/Arteris

- OHL Spain starts its expansion plans aiming Brazilian market
- Brazilian infrastructure concessions market planning and study
- OHL Spain decides to start operations in Brazil
- OHL Brasil concludes the purchase of 100% of Autovias (São Paulo state concession)
- OHL Brasil concludes the acquisition of 100% of Centrovias and Intervias (São Paulo State Concessions)
- OHL Brasil launches its IPO, becoming a member of Novo Mercado (highest level of BM&Fbovespa corporate governance tier)

## Sector

- Passing of Law 8.666 establishing concession contracts and bidding processes
- Launch of federal highway concession program
- States of São Paulo, Paraná and Rio Grande do Sul conduct their own highway concession programs
- Launch of restructuring process in the transportation sector by the federal government, creating CONIT, ANTT and DNIT
- Creation of São Paulo State Public Transportation Services Regulatory Agency (ARTESP)
- Dissolution of DNER; DNIT and ANTT assume respectively highway construction / maintenance projects and the regulation, granting and supervision of concessions

## Macro

- SELIC Interest Rate: **24,02%** p.a. average\*
- IPCA Inflation Index: **169,81%** p.a. average
- Country Risk Index average: **915 pts.**
- Average Estimated IRRs for Infra Concessions: **20-30%\*\***
- SELIC Interest Rate: **23,18%** p.a. average
- IPCA Inflation Index: **5,72%** p.a. average
- Country Risk Index average: **780 pts.**
- Average Estimated IRRs for Infra Concessions: **20-30%\*\***
- SELIC Interest Rate: **19,46%** p.a. average
- IPCA Inflation Index: **8,44%** p.a. average
- Country Risk Index average: **787 pts.**
- Average Estimated IRRs for Infra Concessions: **10-20%\*\***

1993

1996

2001

2005

\* The index started on 1996  
 \*\* Real unleveraged

# Arteris and the toll road industry evolution

## OHL/Arteris

- OHL Brasil concludes the purchase of Vianorte (São Paulo state Concession)
- OHL Brasil wins 5 out of 7 lots on the Federal Concessions Auction
- Autopistas Fluminense, Litoral Sul, Fernão Dias, Planalto Sul and Régis Bittencourt start its operations
- Toll plazas start to operate at the Federal highways
- **Abertis** and Brookfield to conclude operation acquiring respectively 51% and 49% of Participes stake (60%) in OHL Brasil, changing it's name to **Arteris**.

## Sector

- Biggest Federal Auction ever made. Federal Government released 7 lots of concessions
- First auction ever made changing the rational of proposals: the lowest tarriffs by kilometer offered, would win the auction
- Brazilian government releases the intention of granting a large concessions package, totalling R\$ 133 billion in investments on highways and railways
- Braziliand government creates EPL (Logistics Planning Company), aiming the integration, organization and planning of brazilian infrastrcuture projects.

## Macro

- SELIC Interest Rate: **16,43%** p.a. average
- IPCA Inflation Index: **3,74%** p.a. average
- Country Risk Index average: **208 pts.**
- Average Estimated IRRs for Infra Concessions: **8-10%\***
- SELIC Interest Rate: **10,44%** p.a. average
- IPCA Inflation Index: **5,55%** p.a. average
- Country Risk Index average: **238 pts.**
- Average Estimated IRRs for Infra Concessions: **Less than 8%\***

2006

2007

2012

\* Real unleveraged

# Arteris: Current Portfolio



## Vehicle Equivalents and ADT

### Vehicle Equivalents

	1H13	1H12	Var. 1H13/1H12	2Q13	2Q12	Var. 2Q13/2Q12
<b>State</b>	<b>95.839</b>	<b>89.558</b>	<b>7,0%</b>	<b>49.402</b>	<b>45.513</b>	<b>8,5%</b>
Autovias	22.151	20.973	5,6%	11.442	10.743	6,5%
Centrovias	25.957	23.743	9,3%	13.189	11.877	11,0%
Intervias	30.306	28.617	5,9%	15.705	14.570	7,8%
Vianorte	17.424	16.225	7,4%	9.065	8.323	8,9%
<b>Federal</b>	<b>253.711</b>	<b>247.592</b>	<b>2,5%</b>	<b>126.417</b>	<b>120.992</b>	<b>4,5%</b>
Planalto	14.049	13.809	1,7%	7.143	6.886	3,7%
Fluminense	23.621	24.314	-2,8%	11.576	11.588	-0,1%
Fernaõ	80.301	77.807	3,2%	40.823	38.703	5,5%
Regis	73.022	71.447	2,2%	36.946	35.431	4,3%
Litoral	62.717	60.215	4,2%	29.928	28.384	5,4%
<b>Total</b>	<b>349.550</b>	<b>337.150</b>	<b>3,7%</b>	<b>175.819</b>	<b>166.505</b>	<b>5,6%</b>

### Average Daily Traffic (ADT)

ADT	1H13	1H12	Var%	2Q13	2Q12	Var%
<b>State Concessions</b>	<b>12,183</b>	<b>11,570</b>	<b>5.3%</b>	<b>12,234</b>	<b>11,639</b>	<b>5.1%</b>
Autovias	11,597	11,128	4.2%	11,691	11,228	4.1%
Centrovias	14,258	13,395	6.4%	14,014	13,304	5.3%
Intervias	10,080	9,628	4.7%	10,189	9,717	4.9%
Vianorte	14,396	13,568	6.1%	14,568	13,708	6.3%
<b>Federal Concessions</b>	<b>21,337</b>	<b>20,477</b>	<b>4.2%</b>	<b>20,256</b>	<b>19,368</b>	<b>4.6%</b>
Planalto Sul	6,746	6,561	2.8%	6,751	6,471	4.3%
Fluminense	15,644	15,495	1.0%	15,043	14,676	2.5%
Fernaõ Dias	24,590	23,483	4.7%	24,213	23,137	4.7%
Régis Bittencourt	22,081	21,556	2.4%	21,382	20,751	3.0%
Litoral Sul	35,417	34,119	3.8%	31,502	30,224	4.2%
<b>Total</b>	<b>18,104</b>	<b>17,310</b>	<b>4.6%</b>	<b>17,424</b>	<b>16,619</b>	<b>4.8%</b>

ADT (Average Daily Traffic Intensity), a concept normally used by Abertis to measure traffic performance. ADT represents the concessionaires' average daily traffic volume in absolute vehicle terms and is calculated by taking the daily average number of vehicles in each toll plaza, weighted by the extension of the highway in kilometers.

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Visit our website:

[www.arteris.com.br/ir](http://www.arteris.com.br/ir)

# Thank you!!!

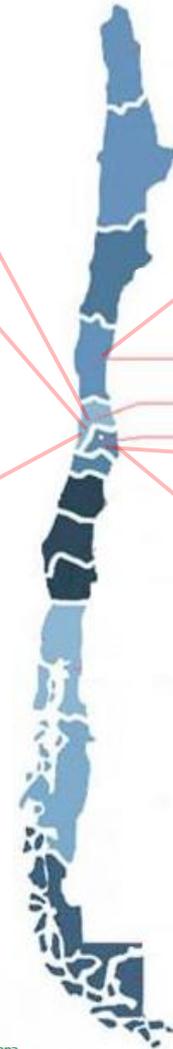
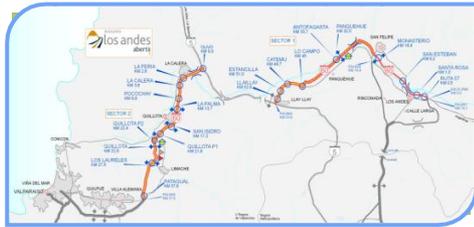




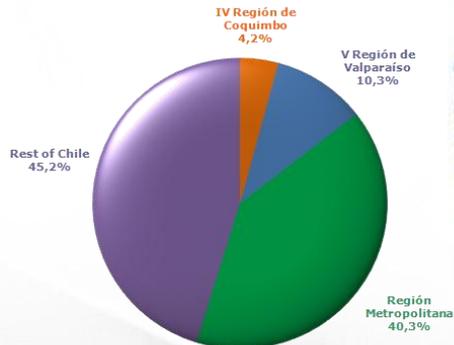
## Chile

Luis Miguel de Pablo, MD Toll Roads Chile

**abertis** Investor Day



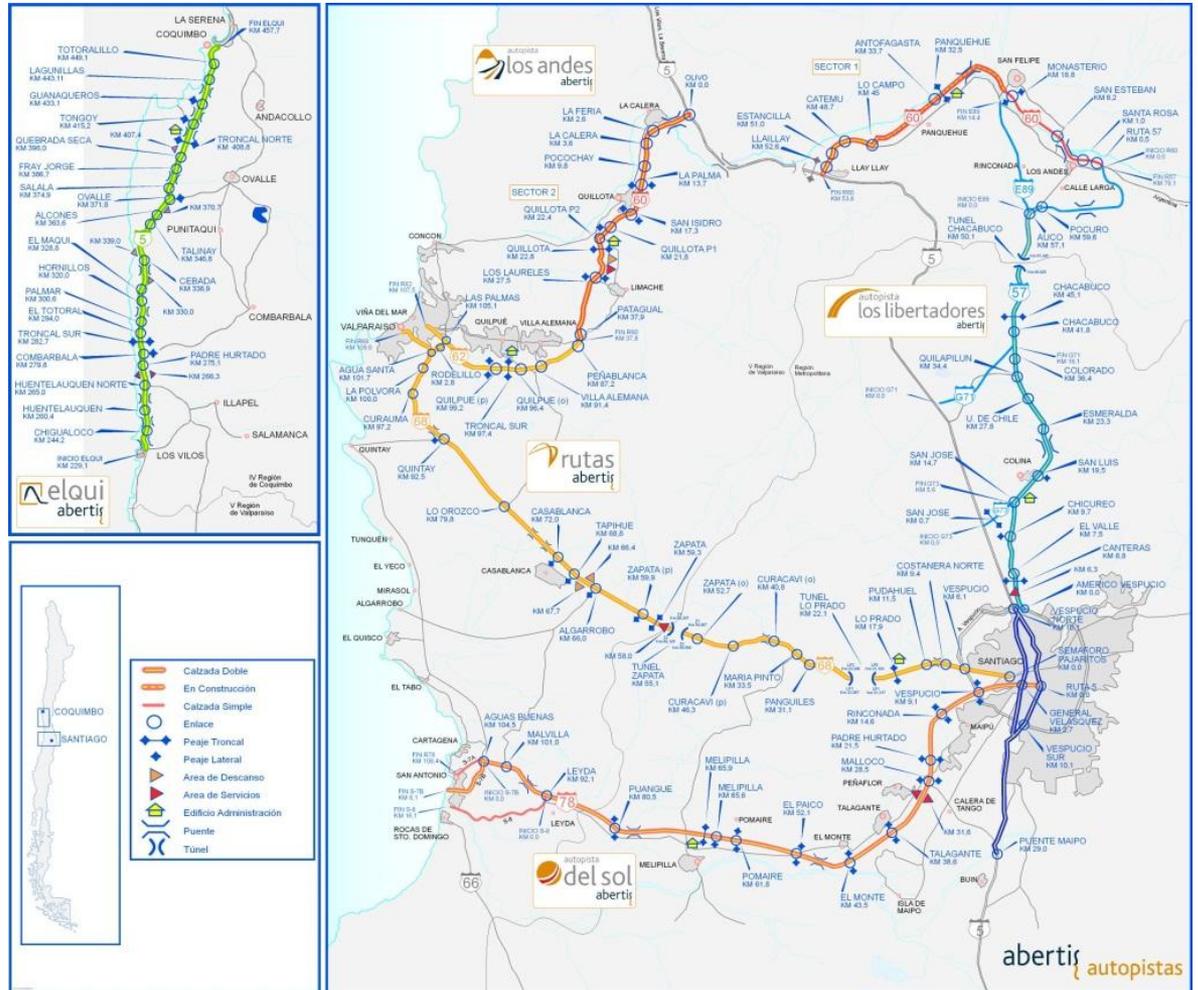
Coquimbo  
Valparaíso  
Región Metropolitana



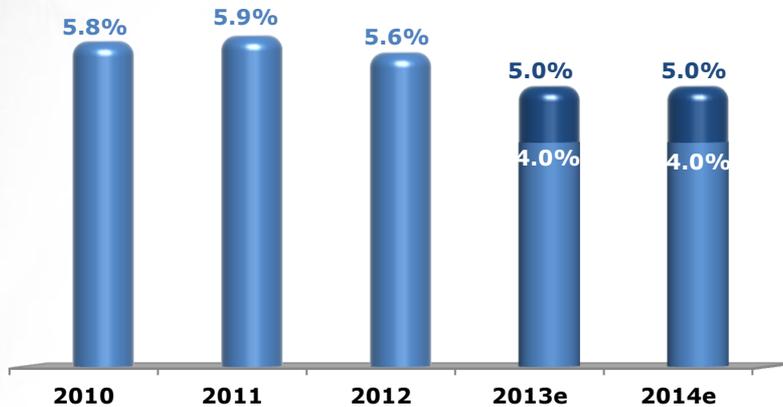
Key 2012 highlights

**Revenues** €372m  
**EBITDA** €272m  
**Employees** 1,811  
**Km** 771  
**Traffic** ~207k/day

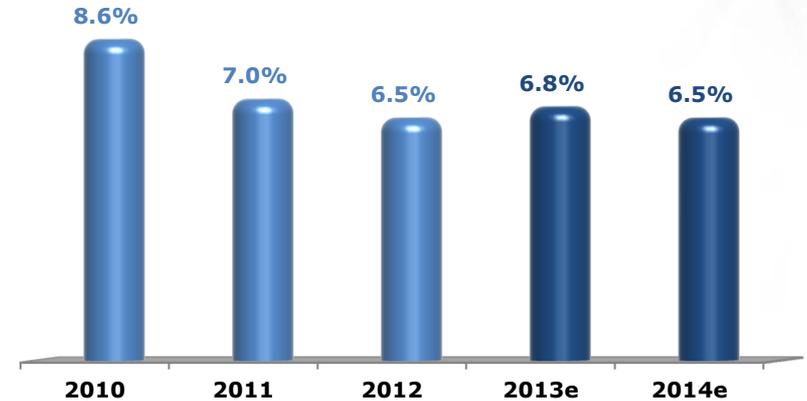
- Incorporation in 2012 of OHL's chilean assets (toll revenues of 101 MM€)
- Urban and interurban
- Passengers and load
- National and international
- Free flow and manual collection



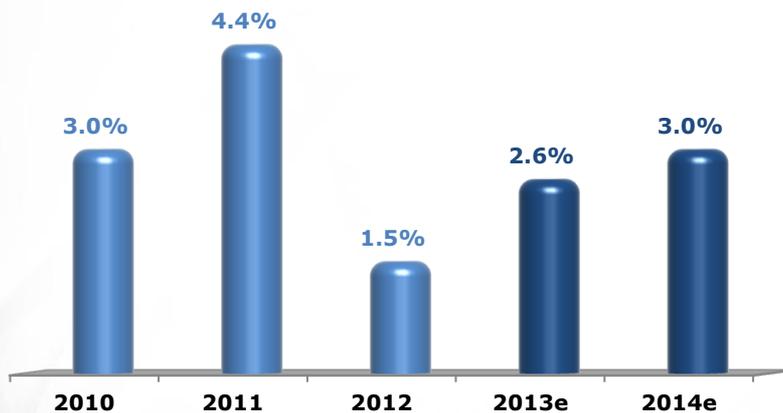
GDP



Unemployment



CPI



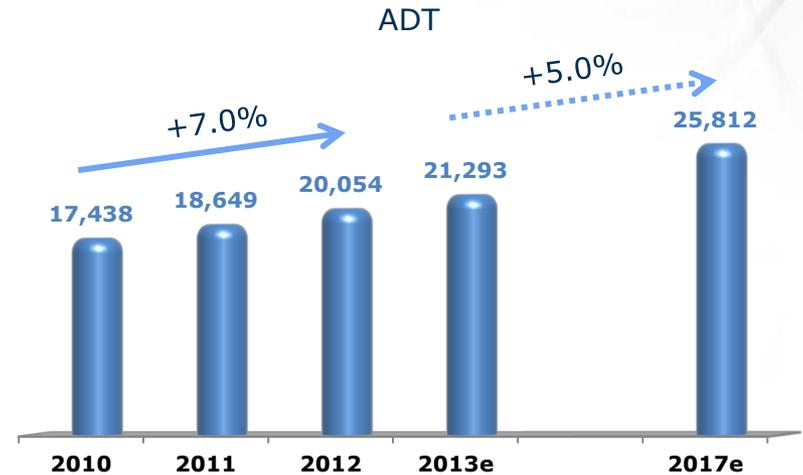
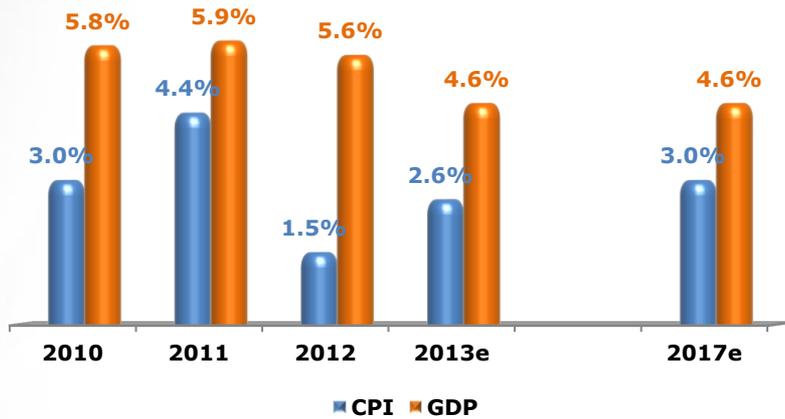
- **Stable political environment**
  - **Democracy since 1990**
    - 5 Periods:
    - 4 center-left wing
    - 1 right wing (present)
- **Independent Central Bank**
- **Highest GDP/capita in the region**
  - (US\$22,300 – 2012 World Bank)

## Basic principles

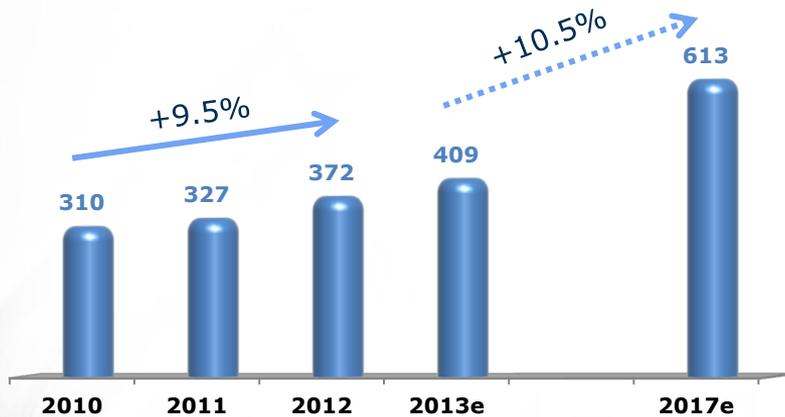
- **Clear and stable legal framework**
  - Public Works Concessions Law (1991)
  - Regulations of the Public Works Concessions Law
  - Tender Deed
  
- **Adequate risks allocation** between the State, Concessionary and financing entities
  - IMG
  - Construction and operation subsidies
  - Insurances, etc...
  
- **Economic-Financial Equilibrium** concept is recognized for rebalancing variations to the concession contract
  - Additional or new works
  - Unforeseeable events

## Clear contractual protections

- **Bilateral approach to contract amendments**
  - The State has limits to order additional works and restrictions to impose high amount fines.
- **Efficient Dispute Resolution Mechanism**
  - Private arbitration based on the principles of equality
- **Protections in favor of financing entities**
  - Steps in rights
  - Public Pledge of the concession
  - Consent for early termination of the contract by mutual agreement between the state and the concessionaire, etc...
- **Chile is one of the world's most developed concessions market**
  - 68 Concessions (13 under construction, 50 in operation and 5 ended)



Revenues (€m)



- **Inflation adjusted tolls**

- **Growth drivers**

- Chile 2012 Motorization index=218 Veh/1.000Hab vs. 463 in OECD

- Cars sales growth: 14% last year.

- **Santiago and Central Region**

- 4 out of 5 exits to/from Santiago and 2 out of 2 exits to/from coast

- Access to main ports: 61% of chilean load (Sn.Antonio and Valparaiso)

- Population: 50,6% in Metropolitan Region + V Region

## Potential sources of additional upside

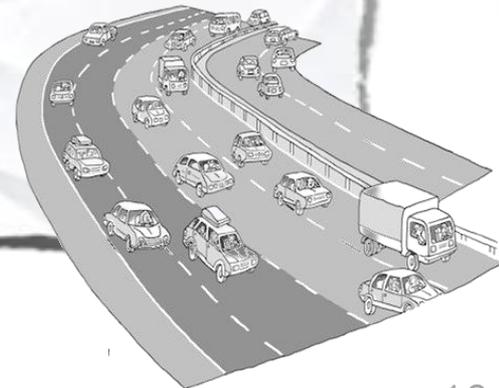
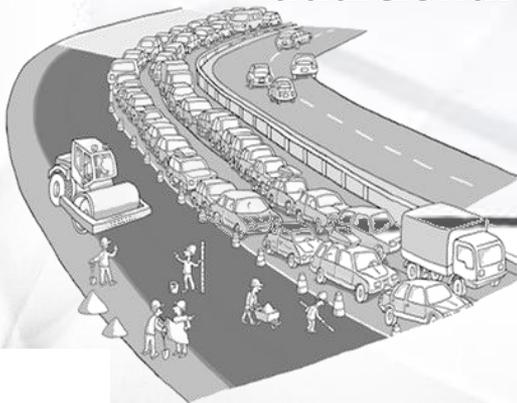
- **Consolidation of new assets (A. del Sol, A. Los Libertadores and A. Los Andes)**
  - Complementary experience
  - Economies of scale in buying power
- **abertis efficiency program**
  - Importing best-practices from abertis and its subsidiaries
- **Increased influence in Chile**
- **Automatic toll collection system**
  - Operational efficiency
  - Toll plazas' capacity increases
- **Optimize capital structure**

## Business opportunities

- **Improvements in present concessions (570 Mn€)**
  - Limited capacity
  - New collection technologies. Take advantage of **abertis** experience
  - Improvement of service
  - Agreements with the Ministry of Public Works to undertake new works to be compensated with the extension of concession's life, toll increases or direct payment
  
- **Secondary market of brownfield concessions**

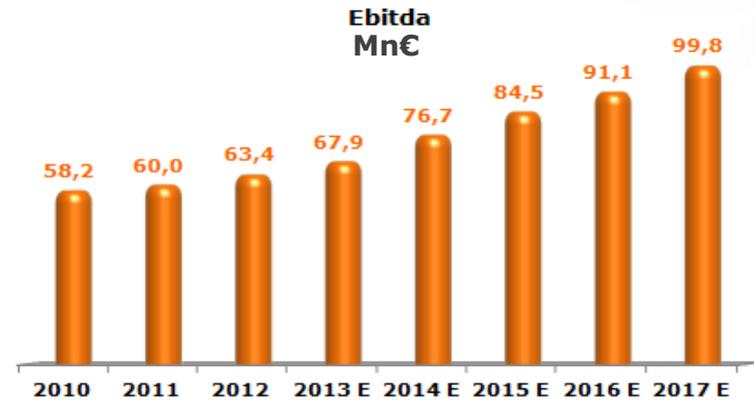
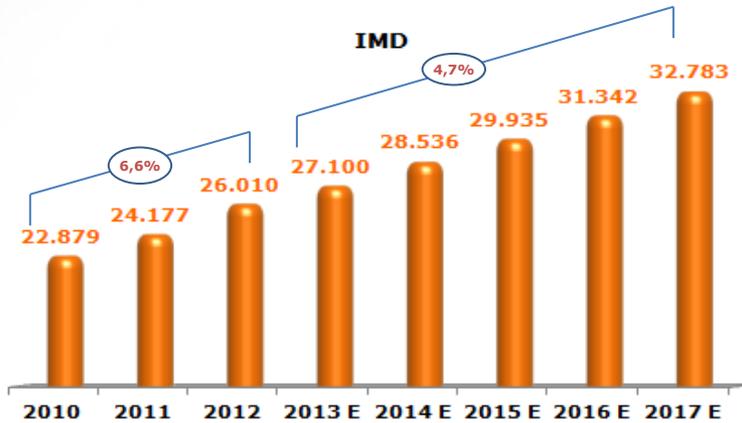
## Conclusion

- **An attractive country with solid fundamentals ensuring future growth**
- **A proven and consolidated regulatory framework**
- **An asset base, and management know-how that offers additional potential for upside**
- **Potential business opportunities that could lead to additional value creation for shareholders**



# APPENDIX

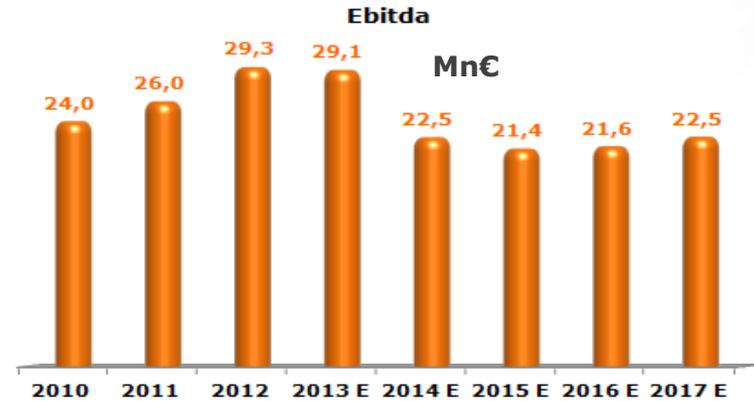
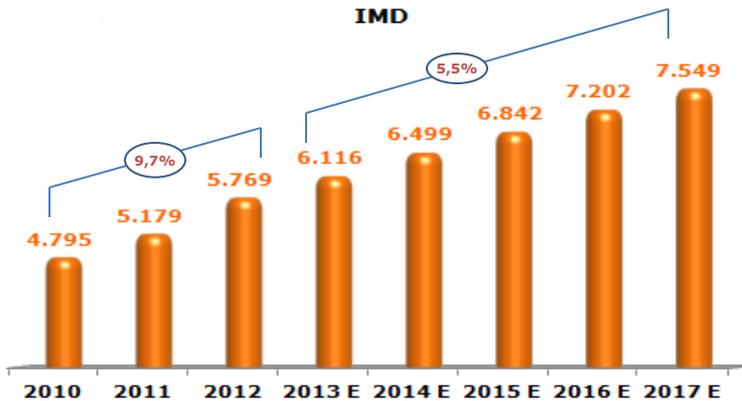
1. Ruta 68
2. Elqui
3. Autopista Central
4. Autopista del Sol
5. Autopista Los Libertadores
6. Autopista Los Andes



**Essential Facts:**

- **abertis** stake: 78.9%
- Toll road with 141 km. Connect Santiago with Valparaíso and Viña del Mar.
- Tolls adjustment: CPI
- Year end of concession: Estimated 2024, depending on actual revenues.
- Potential of third lanes, 2 tunnels, automatic collection and others (280 Mn€)

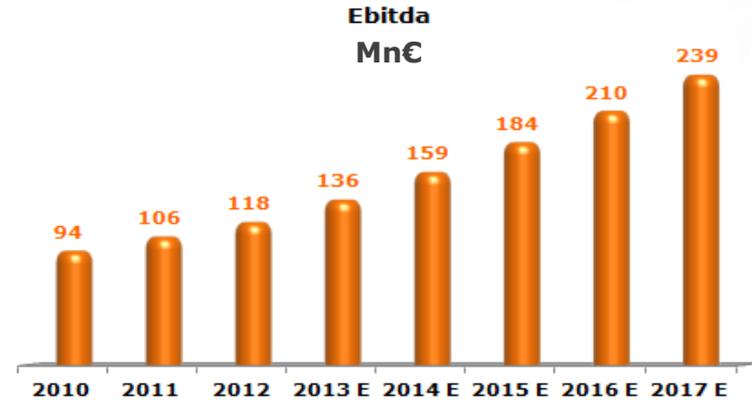
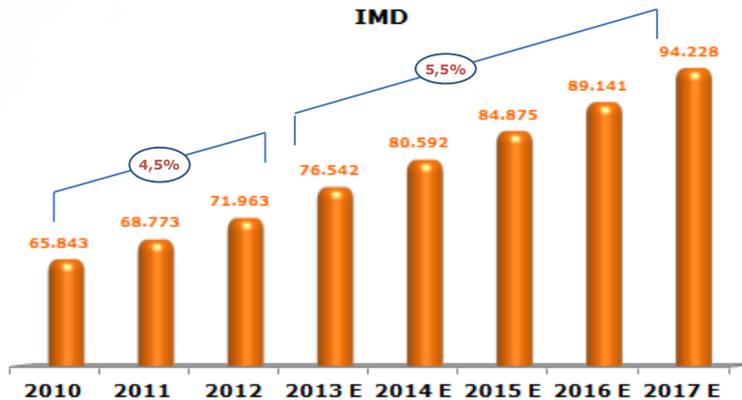




**Essential Facts:**

- **abertis** stake: 100%
- Toll road of 229 km. Conect Los Vilos to La Serena
- Year end of concession : 2022
- Tolls adjustment: CPI



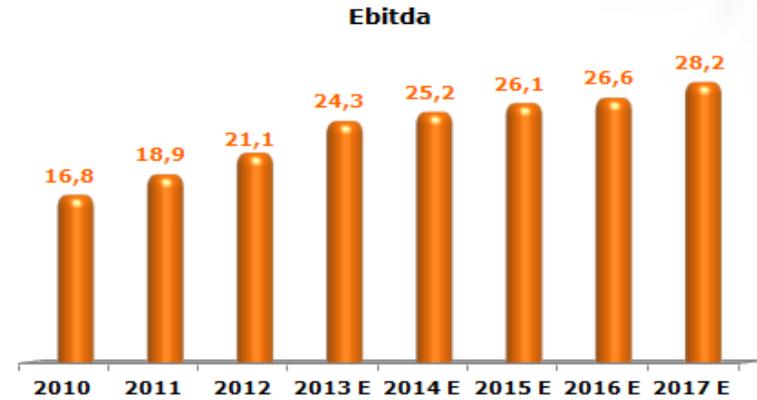
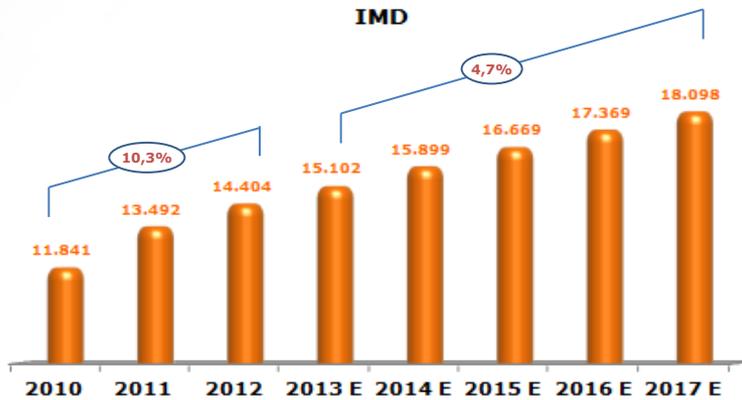


### Essential Facts:

- **abertis** stake: 50% (through Invin)
- This Highway is part of north-south axis (urban Highway of Santiago) (60km)
- Year end of concession: 2031
- Tolls adjustment: CPI + 3,5%
- Free flow collection
- Potential of 1 bridge and 1 urban interchange (60 Mn€)



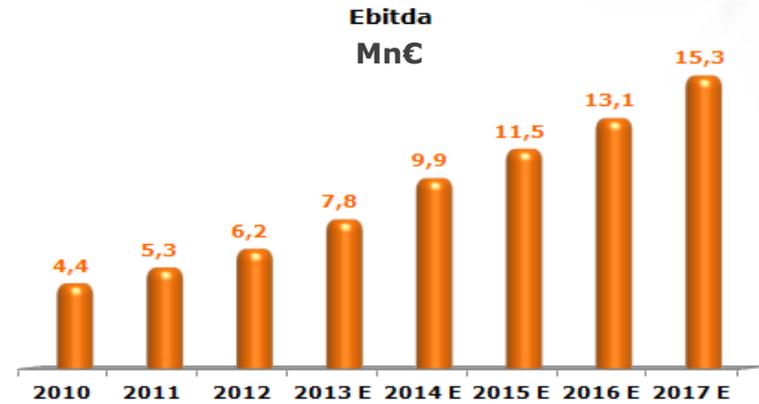
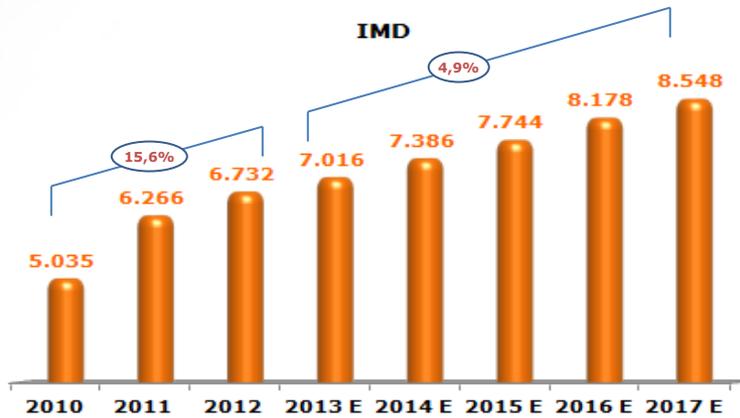




### Essential Facts:

- **abertis** stake: 41.4% (fully consolidated)
- Toll road of 119 kms. Connect Santiago with Colina city, Los Andes city and San Felipe city, located to the northeast of metropolitan region.
- Year end of concession : 2026
- Potential of automatic collection and 1 tunnel (60 Mn€)
- Tolls adjustment: CPI





**Essential Facts:**

- **abertis** stake: 100%
- Toll road of 92 km
- Sector 2: 38 Kms. Between Route 5 North and Troncal South that directly accesses to Viña del Mar and Valparaíso.
- Tolls adjustment: CPI + 3,5%
- Year end of concession : 2036





## **Puerto Rico**

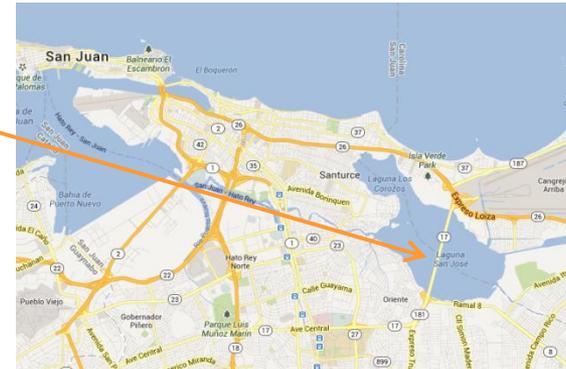
Carlos Del Rio, MD RoW  
Gonzalo Alcalde, CEO Metropistas

**abertis** Investor Day

# CONTENTS

1. Asset description
2. Transaction rationale
3. Transaction snapshot
4. Bid highlights
5. Current performance
6. Refinancing
7. Future performance

Asset description - Teodoro Moscoso



**Teodoro Moscoso Bridge**

- 2,3 Kilometers
- Maturity in 2044
- Abertis stake: 100%



**2012 Figures**

**12/11**

ADT	17.867	5,3%
<small>(MnUSD, IFRS)</small>		
Revenues	20	2,9%
EBITDA	15	11,9%
Profit for the year	4	75,7%

Asset description - Metropistas

**This traffic represents c. 43% traffic of the island Busiest corridor in PR**



**PR-22 (in Blue)**

- PR-22 spans 52 miles from East (San Juan) to West (Hatillo) in northern Puerto Rico (first toll plaza opened in 1971)
  - Seven toll plazas of which six are unidirectional; plazas comprised of ETC and cash collection lanes
  - 4 lanes (2x2) for most of the road length; expands up to 10 lanes in parts of the San Juan metropolitan area, with two reversible lanes
  - End to end toll: westbound \$3.25 (6¢/mile); eastbound: \$3.75 (7¢/mile)

**PR-5 (in Red)**

- Opened in February 2006, PR-5 is a 4 mile highway that connects San Juan to the business district in Bayamón
  - One toll plaza with ETC & cash collection (4 cash lanes / 2 ETC lanes)
  - Tolls only for northbound traffic: \$0.50 (13¢/mile)

**PR-22 Dynamic Toll Lanes**

- Comprised of two reversible lanes in PR-22’s median between Toa Baja and Buchanan, to be used as a DTL and for the Authority’s Bus Rapid Transit Program (BRT)
- Running since August 15<sup>th</sup> 2013.
- 50% DTL revenue share between Metropistas and PRHTA

- Average Daily Traffic 2012: 242,174 transactions (PR-22) & 27,098 (PR-5).
- Number of transactions 2012: ≈ 98.6MM.

# Metropistas – PR-22 Dynamic Toll Lanes

Control centre



DTL westbound



DTL eastbound



DTL eastbound



## Transaction rationale

**Geographical diversification**

- First step into US toll roads market
- Exposure to US dollars

**Concession life**

- 40 years of concession
- Increases remaining average concession life of abertis

**Value creation**

- Attractive rate of return
- Base Case does not include several upsides

**Strong economic link with USA**

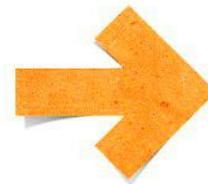
- Puerto Rico benefits from its strong economic ties with the United States
- Stable legal and regulatory regime

**Economic upside**

- Puerto Rico's economy is projected to grow over the next five years and beyond
- Both tourism and an improved US outlook will likely serve as drivers of recovery in the short/medium term

## Financial Summary

- Total Investment/Concession fee: USD1,181M
  - US\$750M debt
  - US\$431M equity
- **abertis** stake: 45%
- Equity IRR: 15%



## Asset Summary

- Concession term: 40 years
- Tariffs: US CPI + 150 bps
- Limited CAPEX
  - US\$11.3M average yearly (real terms)
  - Of which US\$8.8M is maintenance CAPEX



## Bid highlights

**Solid fundamentals**

- PRHTA has spent over \$200M in CAPEX on PR-22 over the last 10 years and thus is in good condition
- More than 95% of traffic is light vehicle; low dependence on freight traffic
- Traffic volumes on PR-22 showed greater resiliency than most toll roads in the US and have remained generally constant to 2006 levels and before the crisis
- Volumes on PR-5 continued to grow by more than 6% over this period despite the economic conditions

**Upside growth potential**

- An opportunity exists to convert to an Open Toll Road system, depending on the level of ETC penetration
- ETC usage is currently around 60%, lower than comparable roads globally
- DTL revenue sharing with granting authority (12 km)



## Current performance: traffic &amp; revenues

- Average Daily Traffic 2012: 242,174 transactions (PR-22) & 27,098 (PR-5)
  - 2012 Traffic slightly lower than expected
  - Increase in ETC average penetration to 75% (currently 88%)
- 
- Revenues below budget due to activity
  - Nevertheless EBITDA margin remain stable at 65% due to OPEX savings/efficiencies

## Traffic



■ YTD 2012 ■ Bud 2012

## Revenues



■ YTD 2012 ■ Bud 2012

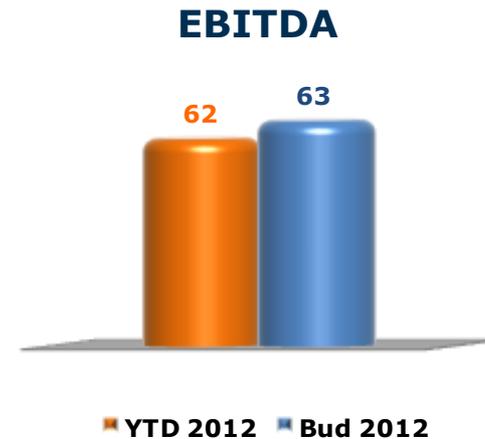
Current performance: opex & EBITDA

**OPEX savings due to efficiency projects**

- OPEX below budget due to efficiency measures:
  - Lower staff costs due to higher ETC penetration and staff outsourcing (cash collectors and maintenance)
  - Security contract (police) renegotiation with better terms; now Metropistas manage this resources
  - Bank commissions renegotiated with better conditions
  - R&M: delay of works



- EBITDA below budget as per lower activity
- EBITDA margin remain stable at 65% due to OPEX savings/efficiencies



Current performance: CAPEX 1 of 3

Favorable 2012 project phasing due to both:

- Higher ETC penetration → cash line project rescheduled
- Timing

This has been possible without reducing the abertis toll roads quality standards and in accordance with the concession agreement



**CAPEX below budget as per non mandatory project phasing, due to higher ETC penetration than expected**

Current performance: CAPEX 2 of 3

**abertis has improved toll roads quality standards**

Bridge 1403

Landscaping

Before



After



Current performance: CAPEX 3 of 3

## Repavement

## Lighting

Before



After



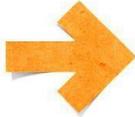
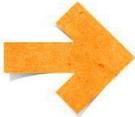
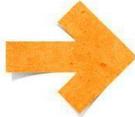
## Current performance: Operating Cash Flow

**Higher operating cash flow due to lower OPEX & CAPEX**

- Operating cash flow (EBITDA – CAPEX) has increased due to:
  - Traffic loss partially offset by lower OPEX due to savings and efficiencies
  - CAPEX below than expected as per savings and project phasing timing

**Operating Cash Flow**

**Refinancing opportunity at good market conditions (~\$3.5-4.0MM savings per year)**

- LT focus 
  - Change the loan period from short term (7 years- Remaining average Life 4 Yrs) to long term (Bond Offering 22 years- New Combined average life =10 Years)
  - Currently Long term asset with short term financing
  - New financing allow us to lock interest rate after 2018
- Cost savings 
  - Deferred principal payment -one year short term principal payments (From September 2013 to September 2014)
  - Current interest rates are very attractive and the US Bond market is hot (Puerto Rico-market reference ~ 5.75%- 7.10% )
- Cash flow 
  - Current facility with 5.5-6.00% interest for 7 years (2018); after that is unlikely to get less than 7.5% on average
  - Rationale: Short term we lose on average 1% for 5 years; Long term we will save approximately 0.75% - 1% per year for 17 years (~\$3.5-4.0MM savings per year).
- Transaction 
  - \$435MM - 6.75% Senior Secured Notes- Tenure 22 Years with 15.1 average life. Executed on August 9<sup>th</sup> 2013 with Investment Grade rating from Moody's- Baa3 and S&P BBB- (Outlook-Stable)

Future performance: initiatives

**To reach the future EBITDA growth Metropistas is working on the following initiatives:**

Revenues



- DTL - Dynamic Toll Lane
- Service Areas
- Increase penetration of heavy vehicles  
Toa Baja bridge / Additional capacity study
- Optical Fiber
- Telecom Antennas
- Advertising Sales

## Future performance: initiatives

**To reach the future EBITDA growth Metropistas is working on the following initiatives:**

## OPEX



- ETC Strategy (Transcore contract)
- Potential removal of retained cash lanes
- Renegotiate Credit Facility / Refinancing
- Electricity:
  - Secure Settlement with AEE
  - Renegotiation of electricity contracts
  - Consumption: LED Test and solar panel analysis
- Prevent Cable Theft
- Operations - General Services
- In-house Guardrail Maintenance
- Fleet with propane Gas
- Evaluate Capex Inspection & Project Management
- Modify Genesis Cash Operations and transport of funds
- Fleet Management -> GPS
- Rationalize Reporting to PRTHA



## **USA: a strategic market for abertis**

Jordi Graells, Director Toll Roads USA

**abertis** Investor Day

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1. The US expressway network
2. The US toll road market for **abertis**
3. Developing the US toll road market pipeline
4. Ongoing strategies for success

## 1. The US expressway network

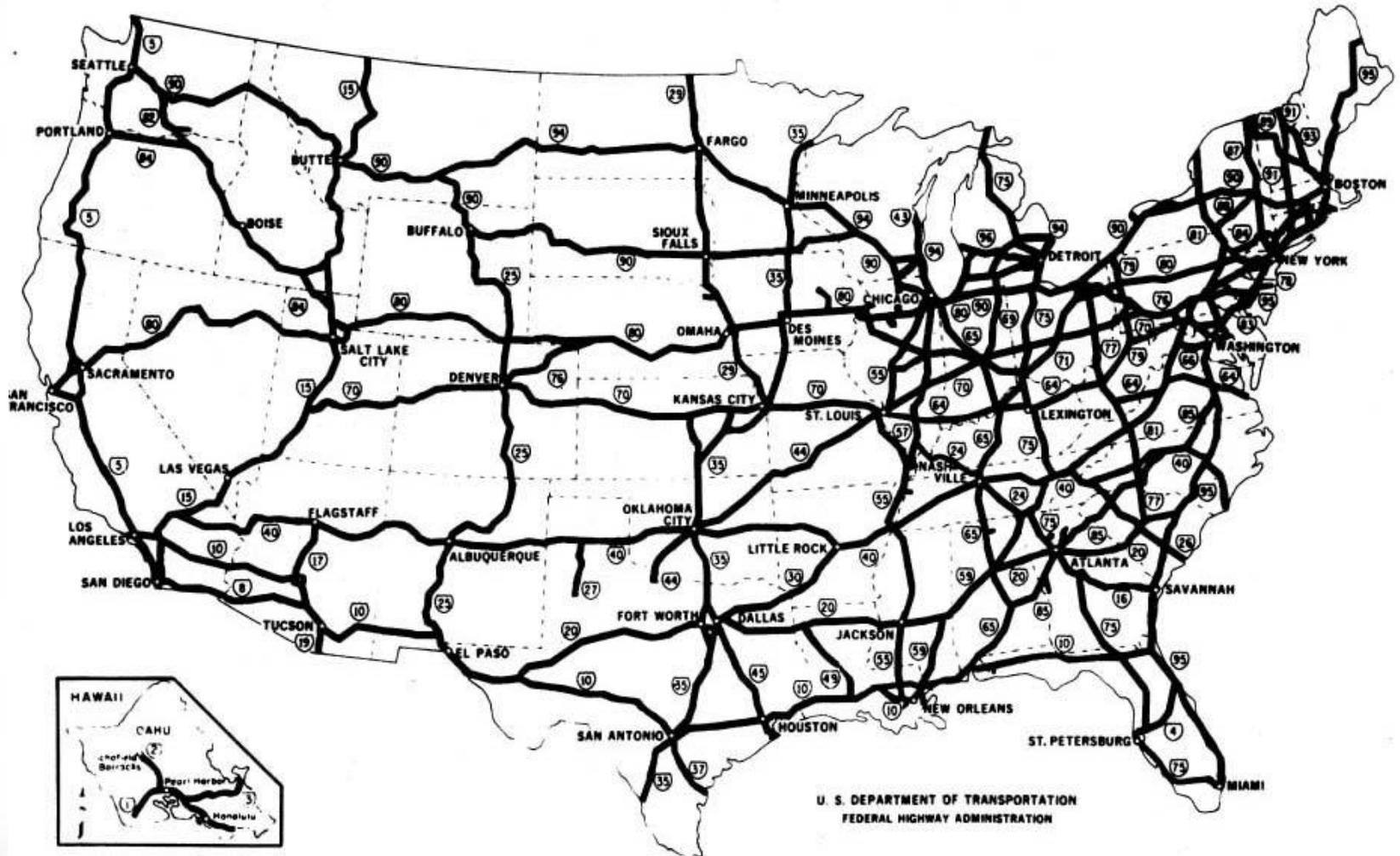
- **Basic figures today**
- **Network management today**
- **Network challenges today**

## 1. The US expressway network

**Basic figures today**

- 50 States. A federal union (EU =28)
- States hold title of all trunk roads
- Federal Govt has co-financing role (currently ~30%)
- 110,000 km expressway network nationwide
- Including 75,000 km Interstate Highway System
- And including 8,000 km of toll roads only
- AADT > 40,000 in more than 50% of network

1. The US expressway network



## 1. The US expressway network

**Network management today**

- **Untolled expressway network (102,000 km)**
  - Managed by State Depts of Transportation
  - Federal gasoline tax of 18.4 cents per gallon + other federal taxes fund 30% of system
  - Rest of funding (70%), from State taxes
  - Huge fiscal stress for States.
- **Toll expressway network (8,000 km)**
  - 6,800 km managed by State govt Authorities
  - 1,200 km managed by private concessionaires
  - Fully financed by tolls

## 1. The US expressway network

**Network challenges today****• Interurban network (two thirds of mileage):**

- Massive rehabilitation and lane expansion investment needs, and customer service upgrade

**• Urban & suburban network (one third of mileage):**

- Massive needs to upgrade system and to mitigate congestion with pricing schemes

**• Federal & State taxes insufficient to meet challenge. Current deficit of \$25b/yr to maintain network as is.**

- Tolling significant portions of untolled network a consensus need. Private investment needed

2. The US toll road market for **abertis**

- **Existing concessions**
- **New concessions**

[Forget about greenfields vs.brownfields, an obsolete paradigm!]

2. The US toll road market for **abertis****Existing concessions**

- All very recent. Oldest one, Chicago Skyway (2004)
  - No more than ten in service, and less than ten more under construction, mostly managed lanes or availability payments in urban areas.
  - Most of them quite small, with a few exceptions (largest, Indiana Toll Road, 2006)
  - Only a few available or interesting for M&A, namely those in distressed financial situation. Availability payment deals not interesting for **abertis**
- **abertis** currently pursuing all available or interesting (2/3) opportunities of this type





2. The US toll road market for **abertis****New concessions: “Yellowfields”**

- New toll revenue-risk concessions on existing untolled trunk expressways (generally rural)
- For significant rehabilitation, reconstruction and capacity expansion and bear high traffic
- Like I-95 in Virginia or North Carolina
  
- US potential market of 100 concessions of 100km each and \$300 million revenues/yr each
- All projects with same simple, well known business case. Typical deal size (EV) \$1b to \$5b
- Abertis pursuing 2-3 opportunities of this type, unique competitive position





2. The US toll road market for **abertis****New concessions: “Managed lanes”**

- New toll revenue-risk concessions: new toll lanes built aside of existing untolled lanes in urban areas expressways
- Variable tolling and congestion management
- Like I-66 or I-64 in Virginia (like BRT/DTL in PR)
  
- Large market in urban/suburban areas
- Each project a unique business case
- Typical deal size (EV) \$500m to \$1b
- **abertis** pursuing 2/3 opportunities of this type, unique competitive position





### 3. Developing the US toll road market pipeline

#### **Key conditions for States to be able to put toll road deals in the pipeline:**

1st. Explicit political will from Governor

2nd. Governor with capacity and willingness to manage the State Legislature

3rd. Governor's office in house highly competent specific management team in place (~P3 Authority)

4th. Suitable legislation in place before any deal (necessary but not sufficient, the concession contract will still be 1,000 pages long anyway)

#### 4. Strategies for success

- i) With the exception of very few, mostly small existing concession potential M&A deals, the US toll road concession market for **abertis** consists of new (significantly large) concessions
- ii) We have big objectives, and thus we need to be very proactive. Deals will appear with advocacy
- iii) For new concession deals in the US, States need external, informal advice
  - to define the parameters of suitable new concession projects,
  - to organize the concession procurement,
  - to overcome stakeholders' hurdles, before putting the project in the pipeline

#### 4. Strategies for success

- This is something we do at **abertis** USA
- We did it in Pennsylvania, then in Puerto Rico
- And now we are doing it for projects in states like Virginia, North Carolina, Florida and Ohio





## Conclusion: there is upside

Francisco Reynes, CEO

**abertis** Investor Day

## A strategy based on clear principles

- Focus
- Efficiencies
- Growth and internationalization
- Financial strength
- Sustainable shareholder remuneration

## Arteris

- Meet capex commitments
- Efficiencies program
- Extend asset duration
- Disciplined and focused growth

## Chile

- Corporate restructuring
- Efficiencies program
- Contract renegotiations
- Attractive and undervalued growth
- Potential value crystallization (minorities)

- Increased cashflow due to efficiencies
- Improved refinancing conditions
- Higher future return

- On-track to meet 2014 objectives
- Structural gains
- Additional upside from new efficiencies

Sanef

- Efficiencies program to enhance cash generation
- Potential to close 2<sup>nd</sup> Concession Extension in 3 years
- Becoming a world leader in electronic toll collection

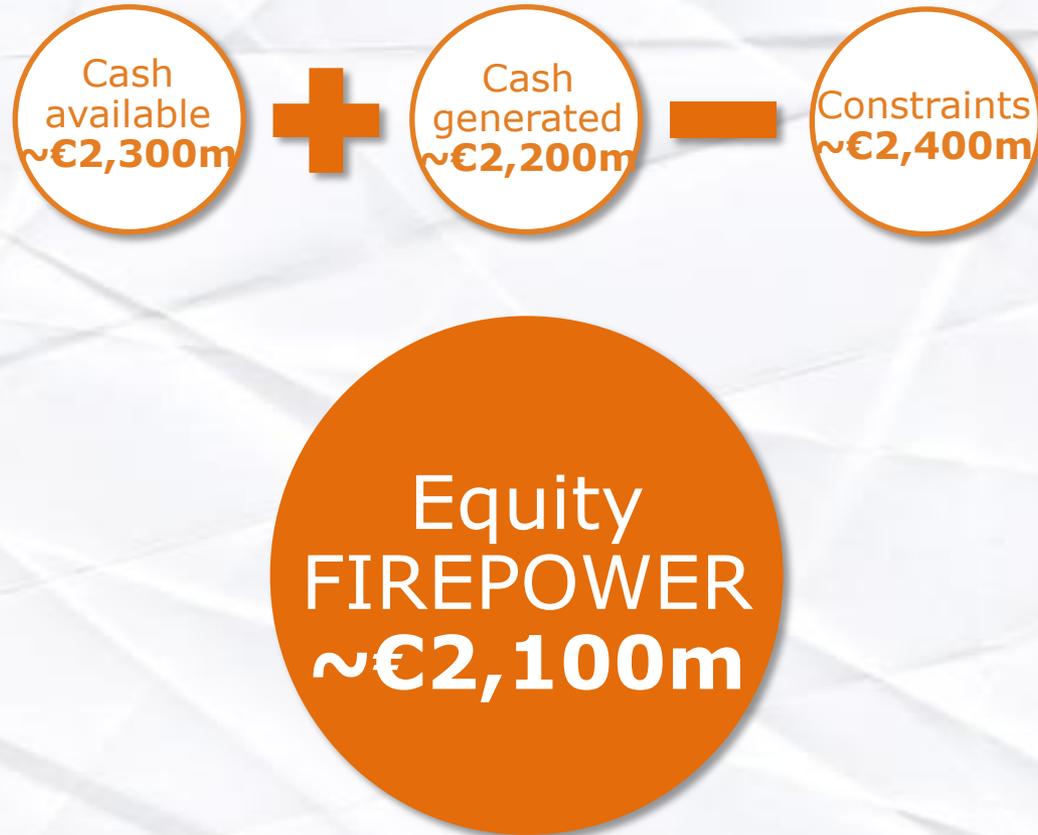
## Mobile Towers

- Attractive risk-reward profile
- Landmark transactions paving the way for future growth opportunities
- Acquisition price provides additional upside

Hispasat

- Attractive acquisition price
- Strong growth prospects in growing markets
- Best-in-class operations

- Continuous deleveraging process
- Reduced refinancing needs
- Increased liquidity
- Lower cost of debt



## Robust Pipeline

- Well-positioned to capture new market opportunities in core sectors
- Proactive in presenting win-win solutions to governments
- Continued geographical diversification

## Potential markets

- US: An interesting target for **abertis**
- Large market with infrastructure needs
- Stable legal framework is critical
- Other markets interesting in addition to the US

**What it boils down to**

What is the consensus valuing?

Consensus  
€14

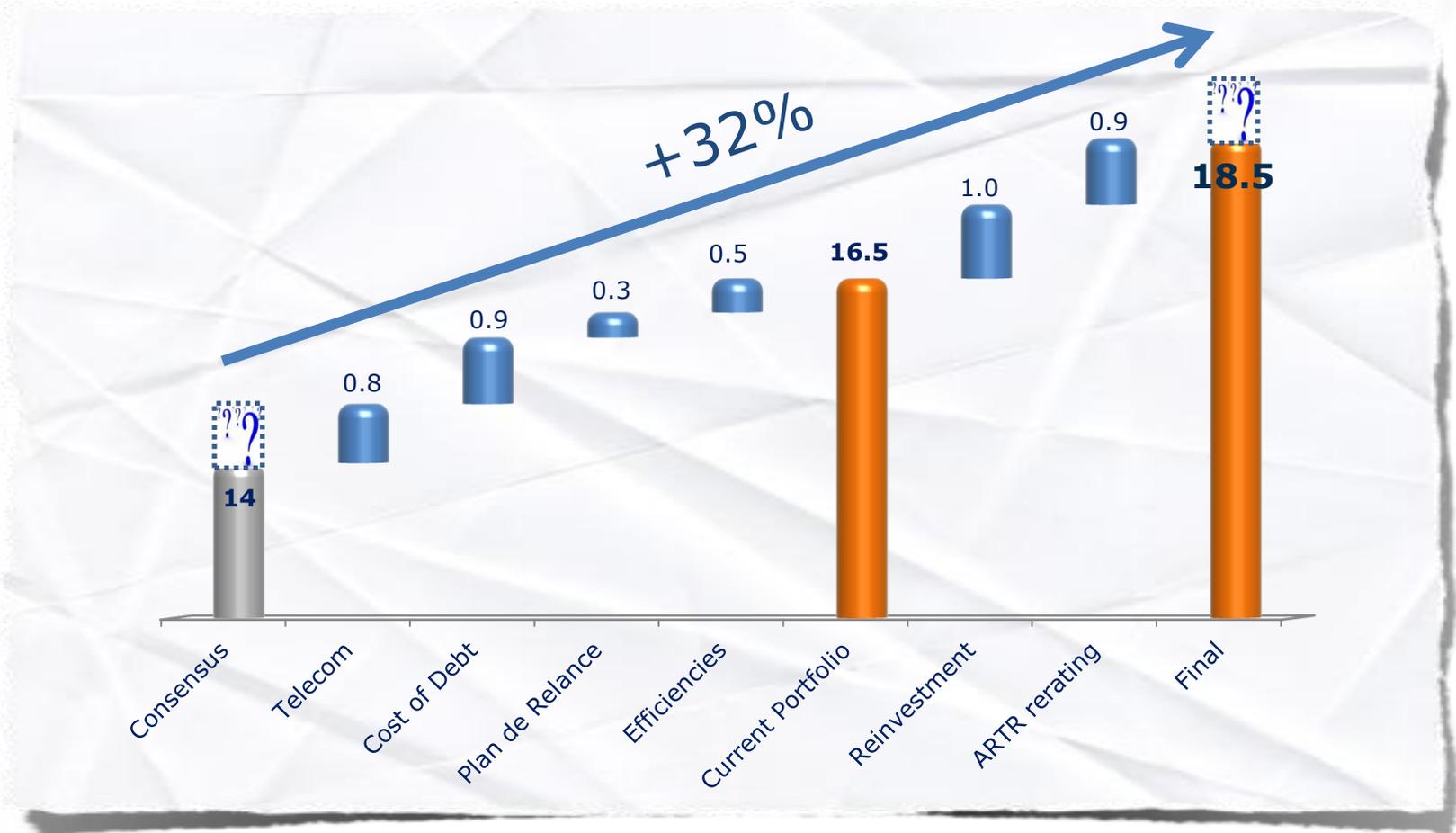


### Consensus Valuation Assumptions:

- **Traffic:**
  - Spain: no growth till 2015; Limited growth thereafter
  - France: subdued growth
- **CPI:** below historical and current levels
- **Opex:** growth in real terms vs. targeted decrease in efficiencies plan
- **Cost of debt:** significant spreads vs. existing debt and new issues
- **Capex:** external growth Capex assumed... with no growth impact...

**Fundamentally, abertis is worth more**

There's upside



**On top of conservative consensus valuation, current projects add €2/share. Optionality another €2/share**

Recent transactions not valued by the consensus

Consensus Valuation	€/share	Food for thought
<b>Hispasat Acquisition</b>	<b>0</b>	<ul style="list-style-type: none"> <li>▪ <u>No valuation updates post-acquisition</u></li> <li>▪ Still using mkt multiples despite significantly higher growth</li> <li>▪ Most recent peer transaction @ 9.7x EBITDA</li> </ul>
<b>Mobile Towers</b>	<b>0</b>	<ul style="list-style-type: none"> <li>▪ <u>No valuation updates post-acquisition</u></li> <li>▪ Broker e-mails mention low impact because... low multiple acquisition price!</li> </ul>
<b>Disposals</b>	<b>0</b>	<ul style="list-style-type: none"> <li>▪ <u>No valuation updates post-disposals</u></li> <li>▪ "No value is being crystallized"</li> <li>▪ Avg. consensus valuation of airports pre-disposals = 10.4x EBITDA</li> <li>▪ Avg. disposal multiple to date = 12.6x</li> </ul>








**Are we just moving too fast?**

## Facts

- Excellent and demonstrable track record...
- ... with clear and identifiable catalysts...
- ... not valued by the consensus

**There Is Upside**

**“abertis is fairly valued”**

Broker Research



**but...**

**Is it valued fairly?**

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