



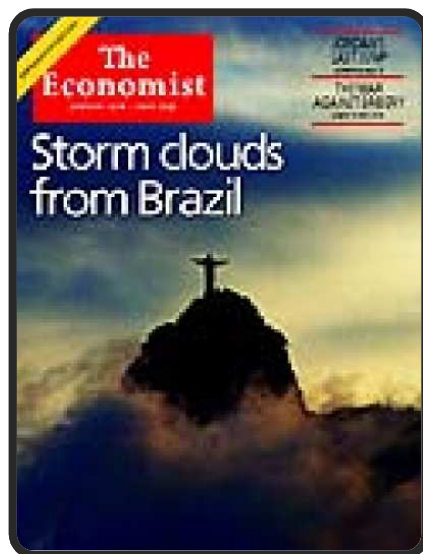
Brazil Investments
& Business

Russian Delegation

February 27th, 2012

Brazil has reached a higher level

1999



GDP per capita (US\$)	3,414.77
FDI (US\$ billion)	28.6
Average years of schooling	5.8
Child mortality rate	28.37

2009



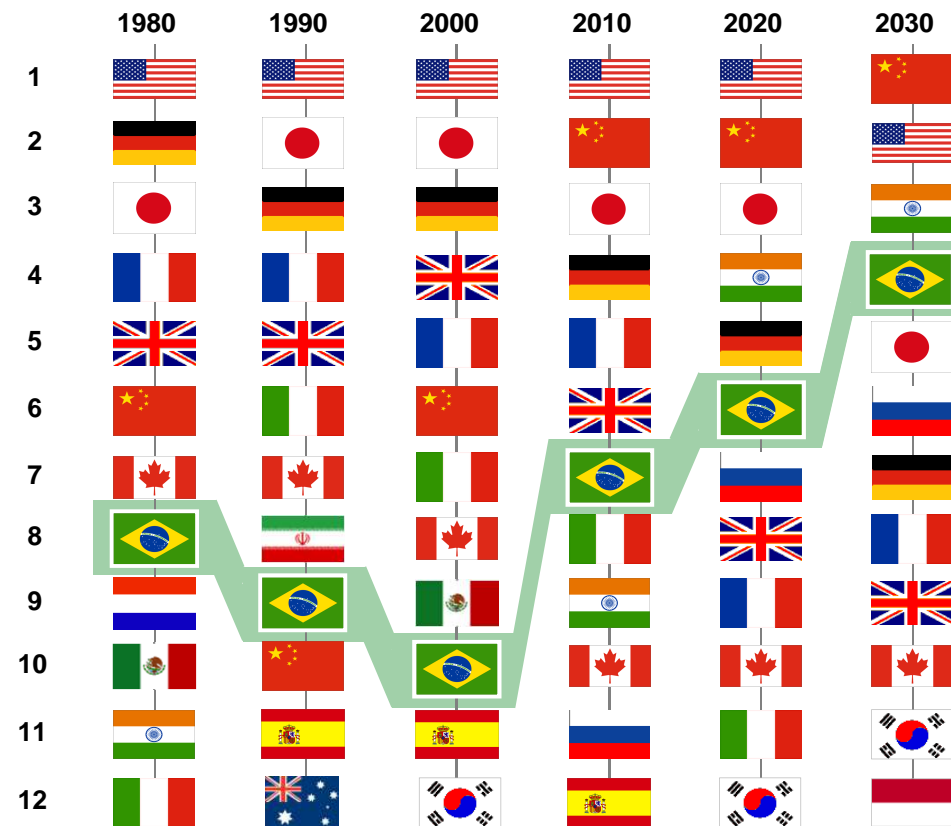
GDP per capita (US\$)	8,134.46	+138%
FDI (2010, US\$ billion)	48.5	+70%
Average years of schooling	7.2	+24%
Child mortality rate (2008)	17.56	-38%

Source: UNCTADStat, IPEA

Brazil's GDP will be among the 5 largest GDP's of the world by 2030

...and some scenarios predict it will become the world's 4th biggest economy

GDP World Ranking (US\$)



BRAiN: an initiative to foster investments and business in Brazil

Permanent axes of action for BRAiN

Attract investments and support foreign investors interested in Brazil

Map, formulate and articulate the implementation of proposals to improve Brazil's competitiveness as a platform to do business

Catalyze projects to drive improved integration

Support education and research and attract, educate and retain human capital compatible with the demand of Brazil as an international hub

Help to project an image of Brazil compatible with it's vision as an international hub

BRAiN will help to make Brazil's and Latin America's financial markets more varied, liquid and sophisticated

Non-exhaustive examples of BRAiN's potential project goals



Attracting more listed companies, both Brazilian and international



Allowing broader and more international investment options in the funds industry



Developing and regulating new derivatives / futures products

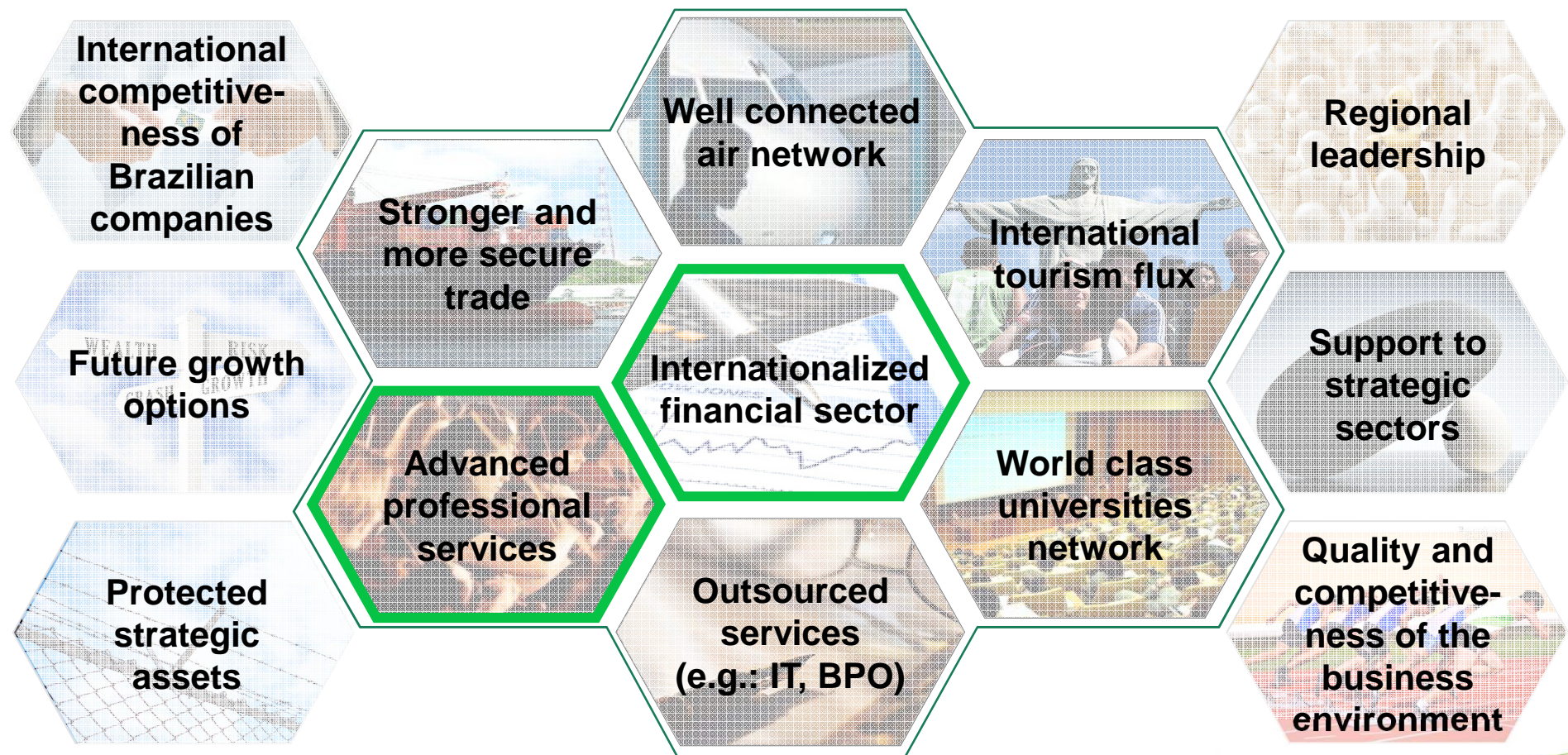


Increasing financial education and investor sophistication



Integrating Brazilian and Latin American markets

This vision includes the development of several services with international projection



And the fostering of a more attractive environment for services, which will enhance professional services operations in Brazil

Examples of potential BRAiN project goals

Advanced professional services

- Specific, clearer documentation and regulation for service providers, specially exporters
- Talent development with specific education programs for services / outsourcing employees
- Measures to improve Brazilian telecom infrastructure quality and cost
- Regulatory improvements to increase protection for service exporters
- Simplification of Brazilian tax system
- Central government database of service exports

BRAiN is a private association with the direct involvement of the public sector

Associates

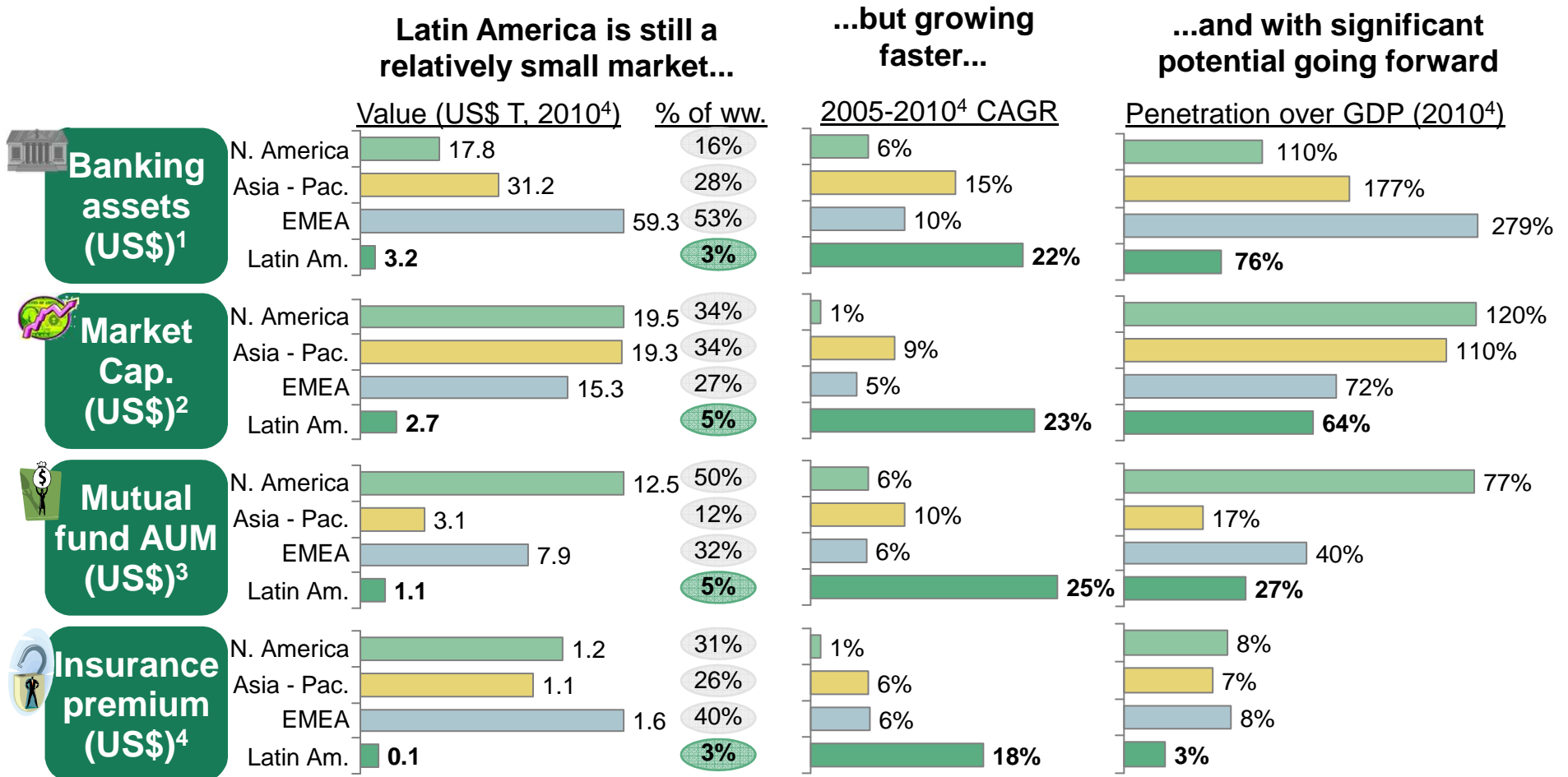


BRAiN is a private association with the direct involvement of the public sector

BRAiN's Advisory Board members



Latin America has a relatively small but fast growing financial services market



1. Economist Intelligence Unit (from OECD data); EIU estimates based on partial data used where final data not available 2. World Federation of Exchanges members; North America includes NASDAQ OMX which includes Copenhagen, Helsinki, Iceland, Stockholm, Tallinn, Riga and Vilnius Stock Exchanges 3. Investment company institute; does not include funds; Africa and Middle East not tracked 4. Swiss Re Sigma research; Source: World Federation of exchanges; Investment Company Institute; EIU; Swiss Re; BCG analysis

**To have a 5% growth of its GDP, Brazil needs
\$300 billion per year**

Possible funding ways

Local banks credit

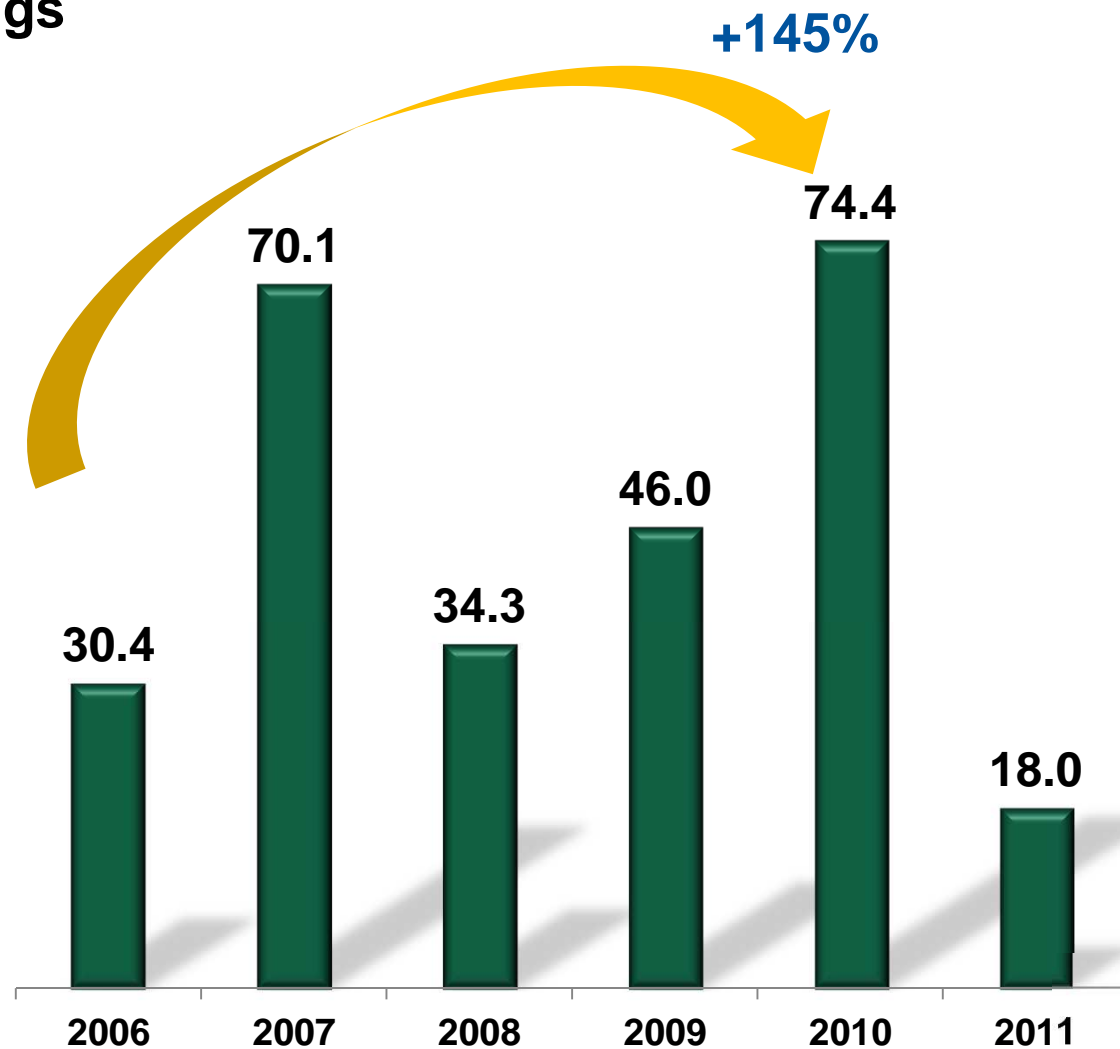
International banks credit

Government

Capital Market

Brazilian Capital Market

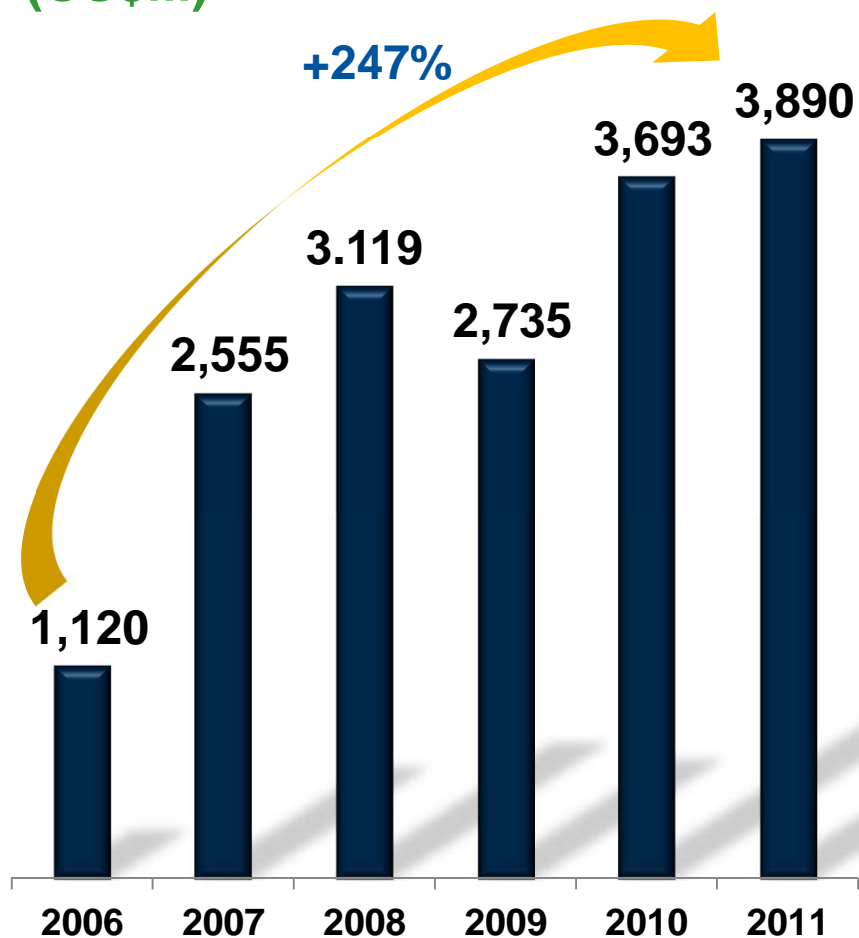
**Public Offerings
(R\$ billion)**



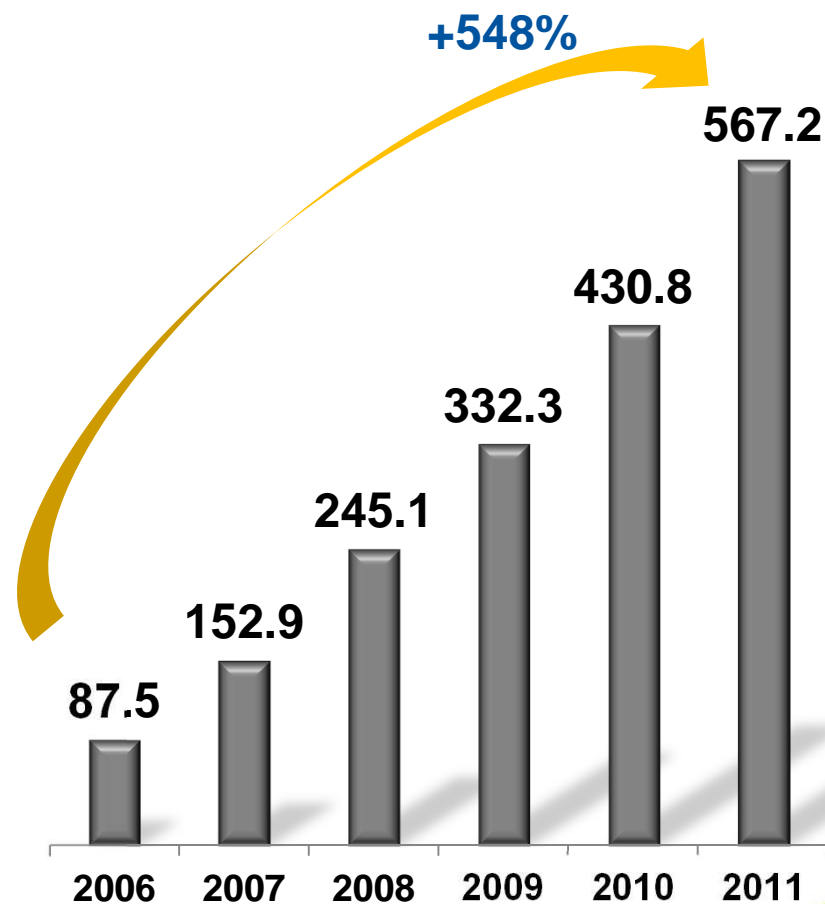
Source: BM&FBOVESPA; IPOs and Follow-on; Does not include government capitalization in Petrobras offering (R\$74,8 B in 2010)

Brazilian Capital Market: Cash Market

Daily Average Volume (US\$M)

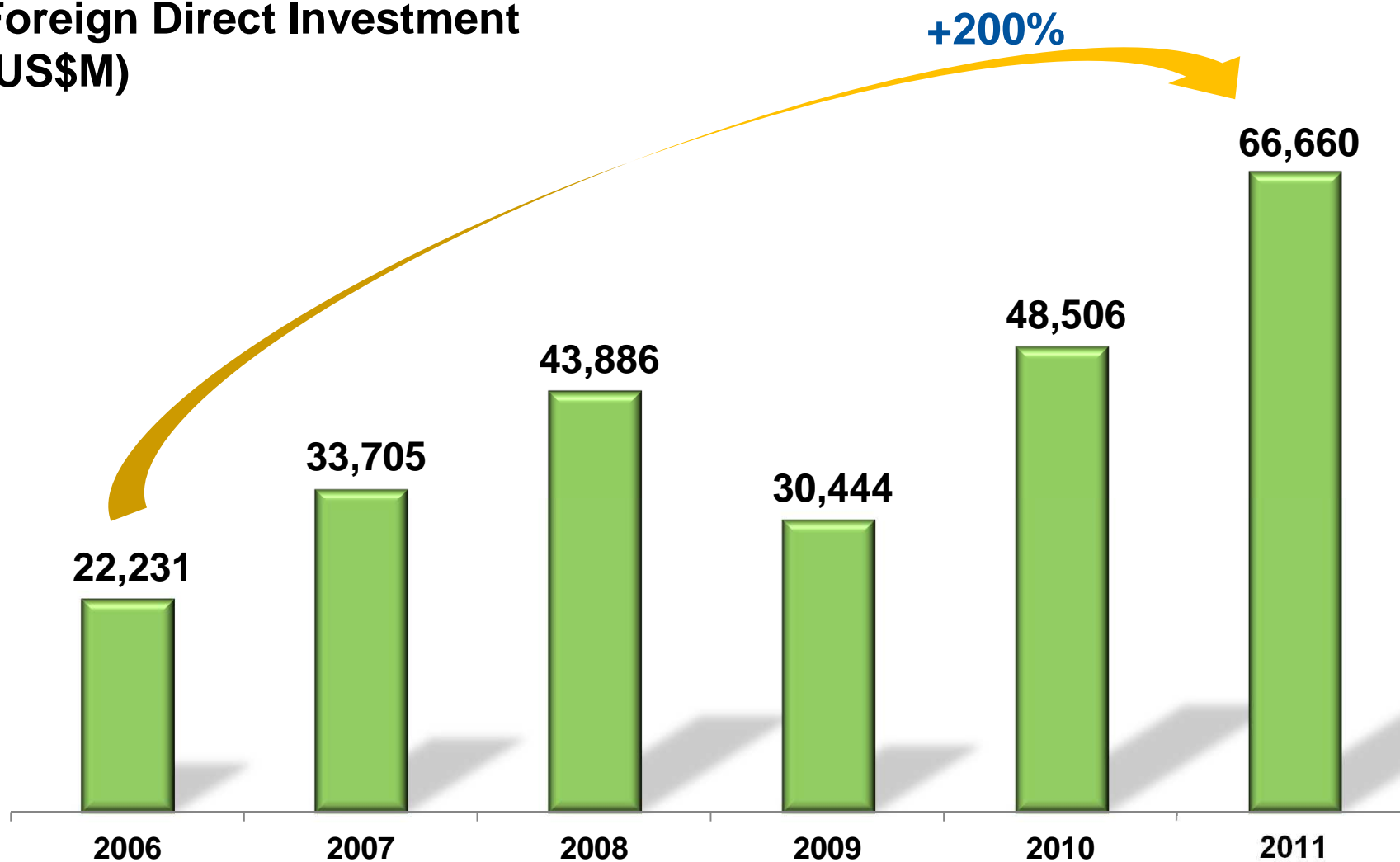


Daily Average Transactions (thousands)



The world is investing in Brazil

Foreign Direct Investment
(US\$M)



Source: Brazilian Central Bank

New Fixed Income Market (Novo Mercado de Renda Fixa)

- **Nowadays, Brazilian Fixed Income Market is characterized by few emissions and almost no secondary market**
- **The New Fixed Income Market comes to bring institutional, tax policy and political changes to stimulate issuers and investors to reach a new level of balance, with more issues and a working secondary market.**

New Fixed Income Market (Novo Mercado de Renda Fixa)

➤ **Its aim is to:**

- **Ensure lower issues costs**
- **Increase transparency and liquidity**
- **Stimulate issues of longer-term assets**

➤ **Some of the New Fixed Income Market lines of action**

- **Publishing a new Regulation and Best Practices Code**
- **Creating new liquidity funds**
- **Creating the infrastructure to develop this market**
- **Establishing benchmarks**
- **Setting an agenda of tax policy modifications**

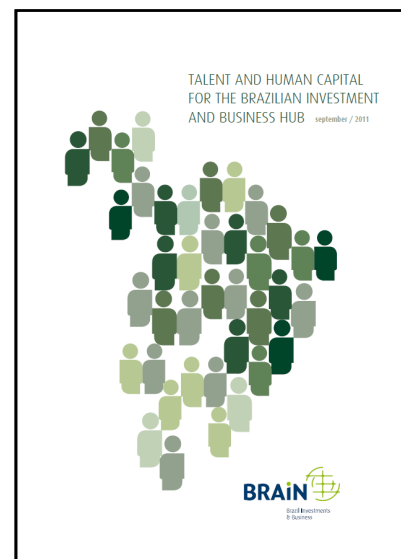
BRAiN's Reports



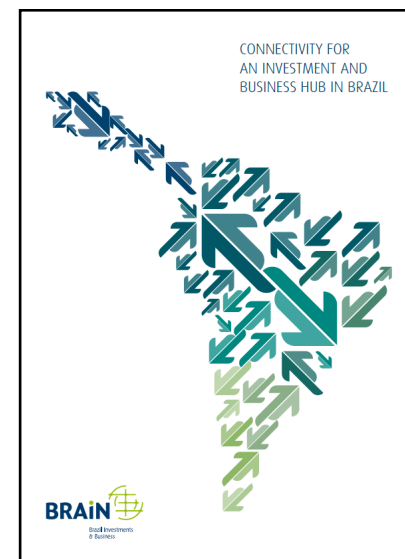
Brazil as a hub



**Attractiveness
of Brazil as a
hub**



**Talent and
Human Capital
for the
Brazilian hub**



**Connectivity
for the
Brazilian hub**



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