

# **Financial Statements**

## **Concessionária Auto Raposo Tavares S.A.**

December 31, 2012  
with Independent Auditor's Report on the  
Financial Statements

# Concessionária Auto Raposo Tavares S.A.

## Financial Statements

December 31, 2012

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**A free translation from Portuguese into English of Independent Auditor's Report on Individual Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil, and on Consolidated Financial Statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board – IASB, and accounting practices adopted in Brazil**

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## **Independent auditor's report on financial statements**

The Board of Directors, Officers and Shareholders  
**Concessionária Auto Raposo Tavares S.A.**  
Bauru - SP

We have audited the accompanying financial statements of Concessionária Auto Raposo Tavares S.A. (Company), which comprise the balance sheet at December 31, 2012, and the related statements of operations, statements of comprehensive income/loss, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting practices and other explanatory information.

### **Management's responsibility for the financial statements**

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with the Brazilian and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concessionária Auto Raposo Tavares S.A. at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil.


## **Other matters**

### **Statements of value added**

We have also reviewed the statement of value added (SVA) for the year ended December 31, 2012 prepared by management, the presentation of which is required by the Brazilian Corporation Law for publicly-held entities. These statements have been subject to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Rio de Janeiro, February 22, 2013.

ERNST & YOUNG TERCO  
Auditores Independentes S.S.  
CRC - 2SP 015.199/O-6 - F - RJ



Gláucio Dutra da Silva  
Accountant CRC – 1RJ 090.174/O-4 – S – SP

A free translation from Portuguese into English of Individual Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil, and on Consolidated Financial Statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB and accounting practices adopted in Brazil

## Concessionária Auto Raposo Tavares S.A.

### Balance sheets

December 31, 2012 and 2011

(In thousands of reais)

	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 4)	147,078	5,149
Short-term investments (Note 4)	240,056	40,038
Trade accounts receivable (Note 5)	12,716	10,790
Inventories	724	496
Taxes recoverable	361	344
Sundry prepayments	293	411
Prepaid expenses	649	680
Related parties (Note 11)	536	-
Other	189	154
	<b>402,602</b>	<b>58,062</b>
<b>Noncurrent assets</b>		
Deferred income and social contribution taxes (Note 6)	78,097	69,752
Judicial deposits	893	116
Other	9	9
Property and equipment (Note 7)	19,578	22,407
Intangible assets (Note 8)	1,441,007	1,300,924
	<b>1,539,584</b>	<b>1,393,208</b>
<b>Total assets</b>	<b>1,942,186</b>	<b>1,451,270</b>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Loans and financing (Note 9)	50,899	57,770
Debentures (Note 9)	1,548	24,262
Trade accounts payable	981	2,819
Salaries and social charges payable	2,992	2,855
Taxes and contributions payable	2,814	2,374
Obligations related to concession rights (Note 19b)	652	536
Deferred income (Note 13)	8,674	-
Related parties (Note 11)	440	-
Provisions (Note 9)	23,489	-
Other	2,112	2,312
	<b>94,601</b>	<b>92,928</b>
<b>Noncurrent liabilities</b>		
Provision for maintenance	20,534	14,000
Loans and financing (Note 9)	521,159	419,849
Debentures (Note 9)	693,664	400,000
Provision for legal obligations linked to legal proceedings (Note 10)	549	299
Deferred revenue (Note 13)	49,714	11,662
	<b>1,285,620</b>	<b>845,810</b>
<b>Equity (Note 14)</b>		
Capital	715,000	625,000
Accumulated losses	(153,035)	(112,468)
	<b>561,965</b>	<b>512,532</b>
<b>Total liabilities and equity</b>	<b>1,942,186</b>	<b>1,451,270</b>

See accompanying notes.

## Concessionária Auto Raposo Tavares S.A.

### Statements of operations

Years ended December 31, 2012 and 2011

(In thousands of reais, except for basic and diluted loss per thousand shares)

	<u>2012</u>	<u>2011</u>
Toll collection and additional revenue	<b>203,273</b>	177,830
Construction revenue	<b>185,561</b>	218,189
Net operating revenue (Note 15)	<b>388,834</b>	396,019
( - ) Cost of services provided (Note 16)	<b>(133,916)</b>	(128,688)
Construction costs	<b>(183,724)</b>	(211,834)
Gross profit	<b>71,194</b>	55,497
Operating expenses		
General and administrative	<b>(30,634)</b>	(27,976)
Management compensation (Note 12)	<b>(1,170)</b>	(1,086)
Depreciation	<b>(7,109)</b>	(6,523)
Financial income (Note 17)	<b>8,537</b>	5,401
Financial expenses (Note 17)	<b>(89,823)</b>	(87,733)
Other revenue	<b>92</b>	601
Loss before income and social contribution taxes	<b>(48,913)</b>	(61,819)
Income and social contribution taxes (Note 6)	<b>8,346</b>	30,369
Loss for the year	<b>(40,567)</b>	(31,450)
Loss per common share (basic and diluted) – R\$ (Note 18)	(0.0434)	(0.0414)
Loss per preferred share (basic and diluted) – R\$ (Note 18)	(0.0434)	(0.0414)

See accompanying notes.

## Concessionária Auto Raposo Tavares S.A.

Statements of comprehensive income/loss  
Years ended December 31, 2012 and 2011  
(In thousands of reais)

	<u>2012</u>	<u>2011</u>
Loss for the year	<b>(40,567)</b>	(31,450)
Comprehensive income/loss in equity	-	-
Total tax comprehensive income/loss, net	<b>(40,567)</b>	(31,450)

See accompanying notes.

## Concessionária Auto Raposo Tavares S.A.

Statements of changes in equity  
Years ended December 31, 2012 and 2011  
(In thousands of reais)

	<b>Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>
Balances at January 1, 2011	512,000	(81,018)	430,982
Capital increase	113,000	-	113,000
Loss for the year	-	(31,450)	(31,450)
Balances at December 31, 2011	625,000	(112,468)	512,532
Capital increase (Note 14)	<b>90,000</b>	-	<b>90,000</b>
Loss for the year	-	<b>(40,567)</b>	<b>(40,567)</b>
Balances at December 31, 2012	<b>715,000</b>	<b>(153,035)</b>	<b>561,965</b>

See accompanying notes.



## Concessionária Auto Raposo Tavares S.A.

### Cash flow statements

Years ended December 31, 2012 and 2011

(In thousands of reais)

	2012	2011
Loss before taxes for the year	(48,913)	(61,819)
Adjustments to reconcile loss for the period to cash from operating activities		
Construction gross margin	(1,837)	(6,355)
Depreciation and amortization	58,863	50,167
Amortization of transactions costs – debentures	144	
Write-off of property and equipment and intangible asset	107	365
Currency and foreign exchange variations and charges	87,760	85,265
	<b>96,124</b>	<b>67,623</b>
(Increase) decrease in operating assets		
Trade accounts receivable	(1,926)	(1,932)
Inventories	(228)	329
Taxes recoverable	(16)	(107)
Other accounts receivable	(35)	101
Prepayments	118	708
Related parties	(537)	3,092
Judicial deposits	(777)	(116)
Prepaid expenses	31	132
	<b>(3,370)</b>	<b>2,207</b>
Increase (decrease) in operating liabilities		
Trade accounts payable	(1,838)	1,154
Taxes and contributions payable	440	519
Salaries and social charges payable	137	332
Provision for maintenance	6,533	7,975
Deferred revenue	46,726	11,662
Other liabilities and accounts payable	169	536
	<b>52,167</b>	<b>22,178</b>
Net cash from operating activities	<b>144,921</b>	<b>92,008</b>
Investing activities		
Short-term investments	(200,018)	(40,038)
Acquisition of property and equipment items	(4,348)	(7,783)
Acquisition of intangible assets	(190,039)	(235,973)
Net cash used in investing activities	<b>(394,405)</b>	<b>(283,794)</b>
Financing activities		
Loans raised	182,678	590,110
Payment of loans	(495,146)	(841,669)
Interest paid	(100,504)	(68,749)
Debentures issued	714,385	400,000
Capital increase	90,000	113,000
Net cash from financing activities	<b>391,413</b>	<b>192,692</b>
Net increase in cash and cash equivalents	<b>141,929</b>	<b>906</b>
Cash and cash equivalents at beginning of year	5,149	4,243
Cash and cash equivalents at end of year	<b>147,078</b>	<b>5,149</b>
Net increase in cash and cash equivalents	<b>141,929</b>	<b>906</b>

See accompanying notes.

## Concessionária Auto Raposo Tavares S.A.

Statements of value added  
 Years ended December 31, 2012 and 2011  
 (In thousands of reais)

	<b>2012</b>	<b>2011</b>
Revenues		
Operating revenue	<b>222,775</b>	194,418
Construction contract revenue	<b>185,561</b>	218,189
Other	<b>92</b>	601
	<b>408,428</b>	413,208
Input products acquired from third parties		
Construction contract costs	<b>(183,724)</b>	(211,834)
Materials, third-party services and other	<b>(83,373)</b>	(86,278)
	<b>(267,097)</b>	(298,112)
Gross value added	<b>141,331</b>	115,096
Retentions		
Depreciation and amortization	<b>(58,863)</b>	(50,167)
Net value added generated by the Company	<b>82,468</b>	64,929
Value added received in transfer		
Financial income	<b>8,537</b>	5,401
Total value added to be distributed	<b>91,005</b>	70,330
Distribution of value added		
Personnel and social charges	<b>30,667</b>	27,855
Taxes, charges and contributions	<b>11,371</b>	(13,072)
Interest on loans and financing	<b>89,534</b>	86,997
Loss for the period	<b>(40,567)</b>	(31,450)
Distributed value added	<b>91,005</b>	70,330

See accompanying notes.

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### **1. Operations**

Concessionária Auto Raposo Tavares S.A. (“CART” or “Company”) is a publicly-held entity incorporated on November 12, 2008, the sole activity of which is operating Raposo Tavares highway system under a concession regime, in accordance with Public Bidding No. 4 of São Paulo State Highway Concession Program. The Company does not publicly trade shares or other publicly-traded securities issued by it. The Company’s principal place of business is located at Avenida Getúlio Vargas 20-59, city of Bauru, state of São Paulo.

The concession objective comprises implementation, management and monitoring of services rendered, support to implement services not yet rendered and control of complementary services, for a fixed period, through the collection of annually adjusted toll fees, with data base of July based on the Extended Consumer Price Index (IPCA) variation then effective and on alternative sources of revenue, provided that these are previously approved by São Paulo State Transport Agency (ARTESP), which may arise from activities relating to the operation of the highway, its right-of-way and advertising.

Public Bid No. 004/2008 is currently a set of road lanes of the highway system and its respective right-of-way and buildings, facilities and equipment, including:

- I. SP-270: Raposo Tavares Highway: beginning at Kilometer 381, at junction with SP-327, Kilometer 32, Ourinhos; ending at Kilometer 654, Presidente Epitácio, at the border with the state of Mato Grosso do Sul;
- II. SP-225: beginning at Kilometer 235+040, at junction with SP-300, Kilometer 336+735, Bauru; ending at Kilometer 317+800, at junction with SP-327, Kilometer 0+000, Santa Cruz do Rio Pardo;
- III. SP-327: beginning at Kilometer 0+000, at junction with SP-225, Kilometer 317+800, Santa Cruz do Rio Pardo; ending at Kilometer 32+443, with junction with SP-270, Kilometer 381+703, and junction with BR-153, Kilometer 338+361, Ourinhos.

The Concession Contract was executed on March 16, 2009, after approval of results by the Granting Authority.

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### **1. Operations (Continued)**

The concession term is 30 (thirty) years from the date control of the existing system is granted, and it can be extended according to the law and under the provisions of the concession contract. In the event that the concession is terminated, all reversible goods, rights and privileges related to the road system operation shall be returned to the Granting Authority. The Company, however, shall be entitled to indemnification corresponding to unamortized balance or the balance not subject to depreciation of assets or investments made in the last five years within the concession term, the acquisition or execution of which is duly authorized by the Granting Authority.

#### **Seasonality of operations**

The Company's operating income is affected by the number and classes of vehicles paying toll fees, i.e. commercial and recreational vehicles, which are significantly impacted by the local and national economic scenario, by the "calendar effect" as it reflects the number of business days and/or holidays within a certain period of time, thus impacting the equivalent number of axles in the consolidated traffic, and also by the cycle of grain crops, bearing in mind that the concession area is an important distribution route for grain production in the Concession region.

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### **2. Basis for preparation and presentation of financial statements**

These financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Securities and Exchange Commission (CVM) and the Brazilian FASB (CPC) standards, guidelines and technical interpretations effective at December 31, 2012.

These financial statements were prepared based on historical cost.

The Company's functional currency is the Brazilian real, the same currency used to prepare and present the financial statements. The financial statements are presented in thousands of reais, unless otherwise stated, including in the respective notes.

The financial statements were prepared according to a number of assessment practices used in accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the selection of the useful life of property and equipment items and intangible assets and their recoverability in operations; analysis of the credit risk to determine the allowance for doubtful accounts; as well as the analysis of other risks to determine other provisions, including the provision for contingencies.

The settlement of transactions involving these estimates may result in amounts different from those recorded in the financial statements due to the probabilistic approach inherent in the estimation process. The Company reviews the estimates and assumptions at least on a quarterly basis.

The Company has adopted all the standards, standard reviews and interpretations issued by the Brazilian FASB (CPC) and regulatory agencies that were in effect on December 31, 2012.

There are no other standards and interpretations issued but not yet adopted that may, in management's opinion, have a significant impact on P&L or equity disclosed by the Company.

The Company's management authorized the conclusion of the financial statements on February 22, 2013.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 3. Summary of significant accounting practices

- a) Service concession agreements - ICPC 01(R1) – “Concession Agreements” and OCPC 05 – “Concession Agreements”

These standards provide guidance to concessionaires on how to record public service concessions to private entities and set general principles for the recognition and measurement of obligations and rights related to service concession contracts. Upon adoption of this interpretation and based on the highway concession contracts granting the right to charge fees for the use of the concession infrastructure, the Company recognized: (i) an intangible asset corresponds to granting the use of assets that comprise infrastructure required to carry out public services. In addition, due to the nature of its concession contracts, the Company did not recognize a financial asset corresponding to the amount that could be due – whether directly or indirectly – by the Granting Authority. The intangible asset recognized as compensation for construction or improvement services rendered is measured by fair value upon initial recognition. Following initial recognition, the intangible asset is measured at cost, which includes loans costs capitalized and deducted from accumulated amortization.

- b) Cash and cash equivalents

These are valued at fair value upon initial recognition and comprise cash on hand, bank deposits, short-term investments maturing within three months or less which are immediately convertible into a known amount of cash with insignificant risk of change in their value, plus earnings up to balance sheet date, not exceeding their market value.

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### **3. Summary of significant accounting practices (Continued)**

#### c) Financial instruments

##### i) Classification and measurement

The Company classifies its financial assets under the following categories: measured at fair value through profit or loss, loans and receivables, investments held to maturity and available for sale. The classification depends on the purpose for which financial assets were acquired. Management determines its financial assets classification upon initial recognition. At December 31, 2012, the Company did not record any financial assets as held to maturity or available for sale.

##### ii) Financial assets measured at fair value through profit or loss

Financial instruments measured at fair value through profit and loss are held for active and frequent trading and classified under current assets. Gains and losses resulting from variations in fair value are stated under financial income (expenses) in P&L for the period they occur, unless they are contracted for other transactions. In this case, variations are recognized under the same account affected by said transaction.

##### iii) Loans and receivables

These include loans granted and receivables that are non-derivative financial assets with fixed or determinable payments not traded in an active market. These are included in current assets, except for those with maturity of over 12 months from the balance sheet date (which are classified as noncurrent). Loans and receivables include trade accounts receivable and related parties, other assets and cash and cash equivalents, except for short-term investments. Loans and receivables are recorded at amortized cost, using the effective interest rate method.

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### **3. Summary of significant accounting practices (Continued)**

#### c) Financial instruments (Continued)

##### iv) Financial liabilities

These are classified under the following categories in accordance with the nature of the financial instruments contracted:

Financial liabilities not measured at fair value: non-derivative financial liabilities that are not usually traded before maturity. After initial recognition, they are measured at amortized cost by the effective interest rate method. Interest, monetary restatement and exchange variation are recognized in P&L when incurred, where applicable.

The main financial liabilities recognized by the Company are: trade accounts payable, loans and financing, debentures and payables to related parties.

##### v) Market value

The market value of financial instruments actively traded in organized markets is determined based on the values quoted in the market at the balance sheet date. If not traded on an active market, market value is determined through valuation techniques. These techniques include the use of recent market transactions between independent parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

#### d) Accounts receivable from third parties

Accounts receivable substantially refer to electronic toll collection, which are recorded at their billed amount, including the corresponding direct taxes, payable by the Company, received within 45 days.



## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### **3. Summary of significant accounting practices (Continued)**

e) Inventories

Inventories are stated by their cost or realizable net value, whichever is lower. Cost is determined based on the average acquisition cost, not exceeding its market value. Provisions for slow-moving or obsolete inventories are set up when considered necessary by the Company's management.

f) Prepaid expenses

These are stated at amounts effectively disbursed but still not incurred. Prepaid expenses are allocated to P&L to the extent that related services are rendered and economic benefits obtained.

g) Property and equipment

These are recorded at their acquisition, buildup or construction cost, which is not directly linked to the concession contract, less the respective accumulated depreciation determined on a straight-line basis at rates that consider the assets' estimated useful lives (Note 7).

Property and equipment items are written-off when sold or when no future economic benefit is expected from their use or sale. Any gains or losses arising from disposal of assets (calculated as the difference between the net disposal amount and the asset's residual value) are recognized in the statements of operations for the period when the asset is written-off.

Residual value and useful life of the assets as well as the depreciation methods are reviewed at year end, and prospectively adjusted, as the case may be.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### 3. Summary of significant accounting practices (Continued)

#### h) Intangible assets

Intangible assets acquired separately are measured upon their initial recognition at acquisition cost plus financial charges incurred until facilities are constructed or when the equipment enters into operation, and subsequently deducted from their accumulated amortization and impairment losses, where applicable. These are substantially represented by the concession rights and fixed concession fees, in compliance with ICPC 01 – (R1).

Intangible assets with defined useful lives are amortized in accordance with their estimate economic useful lives and, when evidence of impairment losses is found, they are subject to impairment testing (Note 8).

#### i) Provision for recovery of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. Up to the present date, no evidence indicating that the net book value exceeds the recoverable value was found. Therefore, no provision for recovery of assets was set up.

#### j) Loans and financing and debentures

Loans and financing and debentures are recorded at their original value plus interest and monetary restatement through balance sheet date (Note 9).

#### k) Loans costs

Loans costs directly related to acquisition or construction of investment properties, which would necessarily require a significant period of time to be completed, are capitalized as part of the corresponding asset cost. All other loan costs are recorded under expenses for the period when they are incurred. Loan costs comprise interest and other costs incurred by the Company.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### 3. Summary of significant accounting practices (Continued)

#### l) Legal obligations linked to legal proceedings

The Company is a party to various legal and administrative proceedings. Provisions are set up for all contingencies relating to judicial proceedings where it is likely that an outflow of resources shall be required to settle that contingency or obligation and a reasonable estimate of its value can be made. The assessment of likelihood of loss includes analysis on available evidence, hierarchy of laws, available jurisdiction, recent court decisions and their relevance on legislation in force, as well as evaluation by the Company's legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable limitation period, conclusions of tax audits or additional exposures found based on new issues or court decisions (Note 10).

#### m) Provision for maintenance

When applicable, the Company provisions expenses with maintenance for wear and tear caused by infrastructure use, based on the best estimate to settle the present liability at balance sheet date, in consideration of expenses for maintenance period with adjustment to present value of said liability.

Settlement of transactions involving these estimates may result in amounts materially different from those recorded in financial statements due to inaccuracies inherent to their determination process. The Company reviews its estimates and assumptions at least on a yearly basis.

#### n) Other assets and liabilities

Assets are recognized in the balance sheet when their future economic benefits are likely to be generated for the Company and their cost or value can be safely measured.

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### **3. Summary of significant accounting practices (Continued)**

#### n) Other assets and liabilities (Continued)

Liabilities are recognized in balance sheets when the Company has legal or constructive obligations arising from past events, requiring economic benefits to settle certain liabilities involving uncertainties related to term and amount, which are estimated when incurred and recorded through provision. Provisions are recorded based on the best estimates of risks involved. Assets and liabilities are classified as current when realized or settled within 12 months; otherwise these are stated as noncurrent.

#### o) Determination of profit and loss

Revenues and expenses are recorded on an accrual basis. Interest income and expenses are recognized at the effective interest rate method in the financial income/expenses account. Operating revenue is recognized when highways are used and services provided. Revenue is not recognized if its realization is unlikely. Concession infrastructure expenses are recorded according to CPC 17 – Construction Contracts, i.e. all concession infrastructure expenses are recorded as construction costs in P&L for the year, and then the construction revenue is determined with a margin, which – considering that this company outsources construction services – is sufficiently calculated to cover the concessionaire's primary liabilities and any management and/or construction monitoring costs. Construction revenue is matched against intangible assets.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 3. Summary of significant accounting practices (Continued)

#### p) Taxation

Revenue from services is subject to the following taxes and contributions, at the statutory rates below:

Tax	Acronym	Rates	
		Toll revenues	Other revenues
Contribution Tax on Gross Revenue for Social Integration Program	PIS	0.65%	1.65%
Contribution Tax on Gross Revenue for Social Security Financing	COFINS	3.00%	7.60%
Service Tax	ISS	3.00% to 5.00%	3.00% to 5.00%

The Company adopts the hybrid scheme for calculation of PIS and COFINS, with such charges presented as deductions of gross revenue in statements of operations jointly with ISS (Note 15).

The Company's qualification for Special incentive regime for infrastructure development (REIDI) was recognized as provided for in Ordinance MT No. 245 of September 27, 2010 and in Executive Declaratory Statute No. 59 issued by the internal revenue service office (DRF) of the city of Bauru dated October 4, 2010. The legal entities under REIDI are authorized to purchase goods and services to be used in infrastructure construction works not subject to PIS and COFINS.

Income taxes comprise both income and social contribution taxes. Income tax is computed at the rate of 15%, plus a surtax of 10% on taxable profit exceeding R\$ 240 over 12 months, whereas social contribution tax is computed at the rate of 9% on taxable profit, both recognized on an accrual basis, therefore additions to book income deriving from temporarily non-deductible expenses or exclusions from temporarily nontaxable profit upon determination of current taxable profit generate deferred tax assets or liabilities.

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### **3. Summary of significant accounting practices (Continued)**

p) Taxation (Continued)

The deferred tax asset is constituted on the basis of effective rates, on income and social contribution tax losses and temporary differences, considering the probable realization amounts pursuant to estimated generation of future taxable profits based on technical feasibility study approved by the Board of Directors (Note 6).

The Transition Tax Regime (RTT) will be in force until a law governing tax effects from adoption of the new accounting methods becomes effective, aiming at preserving tax neutrality of changes in Brazilian corporation law, introduced by Law No. 11638/07 and Provisional Executive Order (MP) No. 449/08 converted into Law No. 11941/09 of May 27, 2009.

q) Accounting estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, the uncertainty related to these assumptions and estimates could lead to results that would require significant adjustment to the book value of the asset or liability affected in future periods.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### 3. Summary of significant accounting practices (Continued)

q) Accounting estimates (Continued)

In determining the judgment and estimates, the Company's management considered experience from past and current events, assumptions in respect of future events, and other objective and subjective factors. Significant items subject to these estimates include: the selection of the useful life of property and equipment items and intangible assets and their recoverability in operations; rates and terms used in determining the present value adjustment of certain assets and liabilities, when applicable; provisions for maintenance, the deferred income and social contribution taxes, and the legal obligations bound to legal proceedings.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company reviews its estimates and assumptions at least on a quarterly basis.

r) Present value adjustment

Noncurrent monetary assets and liabilities are adjusted to present value, as are current monetary assets and liabilities considered that have a significant effect on the overall financial statements. Present value adjustment is calculated by considering contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, the interest rates accrued on revenues, expenses and costs associated with these assets and liabilities are discounted with a view to recognize them on an accrual basis. Subsequently, this interest is reallocated to financial income and expenses in the statements of operations by using the effective interest rate method in relation to the contractual cash flows. Implicit interest rates applied were determined based on assumptions and are considered accounting estimates.

s) Information by segment

The Company concentrates its activities on the exploration of services foreseen in the concession agreement. The Company was established with a specific purpose, with sole concession and is organized under a sole business unit.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
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### 3. Summary of significant accounting practices (Continued)

t) Earnings per share

The calculation of earnings per share is based on CPC 41 – “Earnings per share”. The calculation of basic earnings per share is made by dividing income for the period, attributable to Company’s common and preferred shareholders by the weighted average number of common and preferred shares outstanding in the period.

The diluted earnings per share are calculated by dividing income attributable to Company’s common and preferred shareholders by the weighted average number of common and preferred shares, respectively, which would be issued in the conversion of all common and preferred shares potentially dilutive into their respective shares. The Company does not have instruments that could dilute the earnings per share.

u) Cash flow statements

The cash flow statement was prepared and is being presented in accordance with accounting pronouncement CPC 03 (R2) – “Cash flow statements” issued by the Brazilian FASB (CPC).

v) Statements of value added

The statement of value added was prepared and is being presented in accordance with accounting pronouncement CPC 09 – Statement of Value Added issued by the Brazilian FASB (CPC).

x) New accounting pronouncements

There are no other standards and interpretations issued but not yet adopted that may, in management’s opinion, have a significant impact on P&L or equity disclosed by the Company. In addition, certain technical procedures and interpretations issued by CPC were revised, and their adoption is compulsory for the period beginning at January 1, 2013, and their impacts are subject to evaluation by the Company’s management. However, the management does not expect any impact in the Company’s financial statements.



## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 4. Cash and cash equivalents and short-term investments

	<u>2012</u>	<u>2011</u>
General cash	23	3
Cash in transit	1,554	1,186
Checking accounts	5,288	550
Small change fund	120	120
Repurchase agreements	-	3,290
Bank deposit certificates (CDB)	140,093	-
Cash and cash equivalents balance	<u>147,078</u>	<u>5,149</u>
Bank deposit certificates (CDB) (reserve account)	43,225	40,038
Bank deposit certificates (CDB)	89,323	-
Repurchase agreements	107,508	-
Short-term investment balance	<u>240,056</u>	<u>40,038</u>

Short-term investments substantially refer to fixed-income transactions held with top-tier institutions, backed by repurchased agreements backed by debentures at 80% and 104.5% of Interbank Deposit Certificate (CDI), and Bank Deposit Certificates (CDB) indexed to 90% to 103.50% of Interbank Deposit Certificate (CDI).

Short-term investments amounting to R\$43,225 at December 31, 2012 were made pursuant to clause provided for in the loan agreement with BNDES, under which the Company should set up a reserve account, in which funds should be deposited in an amount equivalent to: (i) 6 (six) months of amortization installments of principal falling due and debt charged of Sub loans "A", "B-1", "B-2", "C", "D", "E" and "F" until August 2013; (ii) 7 (seven) months of amortization installments of principal falling due and debt charged of Sub loans "A", "B-1", "B-2", "C", "D", "E" and "F" as from September 2013; and (iii) 8 (eight) amortization installments of principal falling due and debt charged of Sub loans "A", "B-1", "B-2", "C", "D", "E" and "F" as from September 2015."

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 5. Trade accounts receivable

	<u>2012</u>	<u>2011</u>
AVI – Electronic Toll Collection System (Sem Parar) (i)	<b>11,354</b>	9,877
VISA – toll voucher (i)	<b>889</b>	476
DBTRANS – toll voucher (i)	<b>300</b>	260
Other	<b>173</b>	177
	<b><u>12,716</u></b>	<u>10,790</u>

(i) Trade accounts receivable for the use of electronic tags in automatic lanes. At December 31, 2012, there were no outstanding values on the Company's trade accounts receivable. The average receipt term is 23 days.

### 6. Deferred income and social contribution taxes

The main components of income and social contribution taxes are as follows:

	<b>Balance sheet</b>			
	<u>2012</u>		<u>2011</u>	
	<b>Income Tax</b>	<b>Social Contribution</b>	<b>Income tax</b>	<b>Social Contribution</b>
Income and social contribution tax losses	<b>(266,229)</b>	<b>(266,229)</b>	(208,860)	(208,860)
Temporary differences	<b>36,530</b>	<b>36,530</b>	3,708	3,708
Tax base	<b>(229,699)</b>	<b>(229,699)</b>	(205,152)	(205,152)
Rate	<b>25%</b>	<b>9%</b>	25%	9%
Deferred income tax	<b><u>57,425</u></b>	<b><u>20.672</u></b>	<u>51,288</u>	<u>18,464</u>
	<b>P&amp;L</b>			
	<u>Income tax</u>		<u>Social contribution tax</u>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Loss before income and social contribution taxes	<b>(48,913)</b>	(61,819)	<b>(48,913)</b>	(61,819)
Income and social contribution taxes combined rate	<b>25%</b>	25%	<b>9%</b>	9%
Income and social contributions taxes at effective rates	<b>12,228</b>	15,455	<b>4,402</b>	5,564
Adjustment to net income affecting P&L for the period				
Permanent additions	<b>(12,939)</b>	9,503	<b>(4,658)</b>	3,421
Permanent exclusions	<b>6,848</b>	(2,628)	<b>2,465</b>	(946)
Total taxes in P&L	<b><u>6,137</u></b>	<u>22,330</u>	<b><u>2,209</u></b>	<u>8,039</u>

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 6. Deferred income and social contributions taxes (Continued)

The Company has tax credits from IRPJ and CSLL losses. The offset of tax losses, limited to 30% of taxable income for the year, involves a considerable increase in the tax credit recovery period.

Deferred tax credits were set up based on their future realization, which establishes essential conditions for the accounting recognition and maintenance of deferred charges, arising from tax loss carryforwards and temporary differences.

The technical studies conducted by the Company, to support the maintenance of amounts accounted for, confirm the probable capacity of generating taxable profits and the full realization of these assets within the estimated deadline. These studies correspond to the best estimates of the management on the Company's future results. In this sense, and due to the very nature of the financial projections and the uncertainties inherent to information based on future expectations, especially in markets in which the Company operates, there may be differences between the estimated and actual results.

The table below presents the estimated schedule for total realization of recorded deferred tax assets:

Years	2012
2014	430
2015	2,081
2016	6,115
2017	10,344
2018 onwards	59,127
	<u>78,097</u>

### 7. Property and equipment

	Depreciation period in years	Balance at 12/31/2011	Additions	Write-offs	Balance at 12/31/2012
Facilities	25	-	153	-	153
Machinery and equipment	5	3,163	1,341	(1)	4,503
Furniture and fixture	5	2,479	754	(15)	3,218
Vehicles	5	1,420	452	(158)	1,714
IT equipment	5	27,258	1,599	(6)	28,851
Tools and appliances	5	232	49	-	281
		<u>34,552</u>	<u>4,348</u>	<u>(180)</u>	<u>38,720</u>
Accumulated depreciation		(12,145)	(7,109)	112	(19,142)
Property & equipment, net		<u>22,407</u>	<u>(2,761)</u>	<u>(68)</u>	<u>19,578</u>

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 7. Property and equipment (Continued)

	Depreciation period in years	Balance at 12/31/2010	Additions	Write-offs	Balance at 12/31/2011
Machinery and equipment	5	1,330	1,835	(2)	3,163
Furniture and fixture	5	2,040	452	(13)	2,479
Vehicles	5	924	654	(158)	1,420
IT equipment	5	22,473	4,799	(14)	27,258
Tools and appliances	5	189	43	-	232
		<u>26,956</u>	<u>7,783</u>	<u>(187)</u>	<u>34,552</u>
Accumulated depreciation		(6,261)	(5,957)	73	(12,145)
Property & equipment, net		<u>20,695</u>	<u>1,826</u>	<u>(114)</u>	<u>22,407</u>

At December 31, 2012 and December 31, 2011, there were no property and equipment items pledged as collateral for loans or proceedings of any kind.

Considering the nature of the assets recorded under property and equipment for the years ended December 31, 2012 and 2011, no assets applicable to loan costs capitalization were identified.

Property and equipment items are submitted to impairment tests on an annual basis. At December 31, 2012 and 2011, after analyzing external and internal sources of information, the assets did not present any evidence of impairment, devaluation, or physical damage, which could compromise the Company's future cash flow.

### 8. Intangible assets

	Amortization period in years	Balance at 12/31/2011	Additions	Write-offs	Balance at 12/31/2012
Software usage rights	5	4,640	1,922	-	6,562
Trademark and patents	10	20	-	-	20
Concession rights	30	758,159	189,954	(150)	947,963
Fixed fees	30	634,000	-	-	634,000
		<u>1,396,819</u>	<u>191,876</u>	<u>(150)</u>	<u>1,588,545</u>
Accumulated amortization		(95,895)	(51,754)	111	(147,538)
Intangible assets, net		<u>1,300,924</u>	<u>140,122</u>	<u>(39)</u>	<u>1,441,007</u>

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
(In thousands of reais, unless otherwise stated)

### 8. Intangible assets (Continued)

	<b>Amortization period in years</b>	<b>Balance at 12/31/2010</b>	<b>Additions</b>	<b>Write-offs</b>	<b>Balance at 12/31/2011</b>
Software usage rights	5	3,663	977	-	4,640
Trademark and patents	10	6	14	-	20
Concession rights	30	518,064	241,337	(1,242)	758,159
Fixed fees	30	634,000	-	-	634,000
		1,155,733	242,328	(1,242)	1,396,819
Accumulated amortization		(52,676)	(44,210)	991	(95,895)
Intangible assets, net		1,103,057	198,118	(251)	1,300,924

The right to fixed fees refers to highway system operation rights for the Raposo Tavares highway corridor, as mentioned in Note 1. Amortization is performed by the straight-line method according to the concession terms.

According to CPC 01 (R1) – “Impairment of Assets”, intangible assets items showing evidence that their recorded costs exceed the recoverable value are reviewed to determine the need for a provision to reduce book value to realizable value. The management performed the annual analyses of the corresponding financial and operational performance of its assets. At December 31, 2012 and December 31, 2011, no evidence of intangible assets recorded with costs exceeding their recoverable value was found.

For the year ended December 31, 2012, the Company capitalized financial charges on financing of concession acquisition in the amount of R\$37,099 in 2011. In the Company’s opinion, there is no need to capitalize interest on new loans, by virtue of construction work under its investment program to be executed in the short term.

At December 31, 2012 and December 31, 2011, there were no intangible assets pledged as collateral for loans or proceedings of any kind.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and debentures

At December 31, 2012 and December 31, 2011, the breakdown of the loans, financing and debenture account was as follows:

				2012				
Object	Index	Interest	Maturity	Principal	Amortization	Interest	Monetary adjustment	Closing Balance
BNDES	TJLP	2.45% p.a.	3/15/2021	178,048	23.427	462	-	155,083
BNDES	TJLP	2.45% p.a.	3/15/2021	104,132	13.702	269	-	90,699
BNDES	TJLP	2.45% p.a.	3/15/2021	95,395	12.552	247	-	83,090
BNDES	TJLP	2.45% p.a.	3/15/2021	8,949	1.178	23	-	7,794
BNDES	TJLP	2.45% p.a.	3/15/2023	50,922	-	152	-	51,074
BNDES	TJLP	2.45% p.a.	3/15/2021	868	108	2	-	762
BNDES	TJLP	2.45% p.a.	3/15/2023	20,283	-	60	-	20,343
BNDES	TJLP	2.45% p.a.	3/15/2023	12,853	-	38	-	12,891
BNDES	TRIPCA	2.45% p.a.	3/15/2023	12,123	-	1,442	774	14,339
BNDES	TJLP	2.45% p.a.	3/15/2021	1,787	164	5	-	1,628
BNDES	TRIPCA	2.45% p.a.	3/15/2023	15,362	-	1,385	725	17,472
BNDES	TJLP	2.45% p.a.	3/15/2023	10,509	-	31	-	10,540
BNDES	IPCA	2.45% p.a.	3/15/2023	17,753	-	1,121	599	19,473
BNDES	TJLP	2.45% p.a.	3/15/2023	10,133	-	30	-	10,163
BNDES	TRIPCA	2.45% p.a.	3/15/2023	25,784	-	867	639	27,290
BNDES	TJLP	2.45% p.a.	3/15/2023	12,305	-	37	-	12,342
BNDES	TJLP	2.45% p.a.	3/15/2023	15,310	-	46	-	15,356
BNDES	TRIPCA	2.45% p.a.	3/15/2023	11,077	-	118	98	11,293
BNDES	TRIPCA	2.45% p.a.	3/15/2023	10,227	-	109	91	10,427
Debentures - Series 1	IPCA	5.80% p.a.	12/15/2024	380,000	-	769	1,329	382,098
Debentures - Series 2	IPCA	6.05% p.a.	12/15/2024	370,000	-	780	1,294	372,074
(-) Transaction cost – Debentures								(58,960)
<b>Total</b>								<b>1,267,271</b>
Short-term installments								52,448
Long-term installments								1,214,823

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and debentures (Continued)

Object	2011			
	Index	Interest	Maturity	Closing Balance
BNDES Direct	TJLP	2.45% p.a.	3/15/2021	173,989
BNDES Direct	TJLP	2.45% p.a.	3/15/2021	101,758
BNDES Direct	TJLP	2.45% p.a.	3/15/2021	93,220
BNDES Direct	TJLP	2.45% p.a.	3/15/2021	8,744
BNDES Direct	TJLP	2.45% p.a.	3/15/2023	51,106
BNDES Direct	TJLP	2.45% p.a.	3/15/2021	856
BNDES Direct	TJLP	2.45% p.a.	3/15/2023	20,356
BNDES Direct	IPCA	2.45% p.a.	3/15/2024	12,361
Bradesco (Debentures)	CDI	116.5%	1/18/2013	318,197
HSBC (Debentures)	CDI	116.5%	1/18/2013	106,066
Secured account	CDI	CDI + 2.43% p.a.	6/20/2012	15,228
Total				901,881
Short-term installments				82,032
Long-term installments				819,849

Long-term loans and financing aging list is as follows:

Years	R\$ thousand
2014	67,061
2015	71,663
2016	71,663
2017	79,189
2018 onwards	1,051,268
	1,273,783

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
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### **9. Loans, financing and debentures (Continued)**

#### **Debentures - 1<sup>st</sup> issue**

The Special Shareholders' Meeting held on December 23, 2010 approved the first public issue of common non-convertible debentures amounting to R\$ 400,000 for public placement with restrictive placement efforts under the terms of CVM Ruling No. 476/09 of January 16, 2009.

The issue was coordinated by Banco Bradesco BBI (lead coordinator) and HSBC Corretora de Títulos Mobiliários S.A., and composed of forty Debentures, issued nominative debentures, without certificates with par value of R\$10,000, totaling R\$ 400,000.

The funds raised through issue of debentures were used to settle principal and accessory obligations of the fourth issue of promissory notes.

Debentures are entitled to a remuneration equivalent to 116.5% of the variation of average daily rates of Interbank Deposits (DI) in a single-day, over extra group, expressed as a percentage per annum, based on a year of 252 (two hundred and fifty-two) business days, calculated and disclosed by OTC clearing house (CETIP).

Issue of debentures took place on January 18, 2011 and will fall due within 24 (twenty-four) months as from issue date, and was fully settled on December 28, 2012.



## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
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### **9. Loans, financing and debentures (Continued)**

#### **Debentures - 1<sup>st</sup> issue (Continued)**

Remuneration will be paid on a half-yearly basis as from issue date, on the 18<sup>th</sup> day from January to July of every year. The first payment will be made on July 18, 2011, and the last was prepaid on December 28, 2012.

Debentures are guaranteed by pledge of all the Company's shares held by Investimentos e Participações em Infraestrutura S.A. (INVEPAR), fiduciary assignment of all the issuer's rights arising from the Concession Contract and Fiduciary Assignment Term referring to all Issuer's credit rights.

#### **Debentures – 2<sup>nd</sup> issue**

The Special Shareholders' Meeting held on November 9, 2012 approved the second issue of common non-convertible debentures, with additional real guarantee, to be changed in cash with real guarantee, into Firm Placement Guarantee, for public placement, under the terms of CVM Ruling No. 400, and in the amount of R\$750,000, issued in two series: "First Issue Debentures" and "Second Issue Debentures".

750,000 debentures with par value of R\$ 1, totaling R\$ 750,000. Issue of two (2) series: 380,000 debentures for the first series under Law No. 12431/11, and 370,000 debentures for the second series, which were not benefited by Law No. 12431/11.

Debentures will mature within 12 (twelve) years from their issue date, on December 15, 2024.

Debentures issue was coordinated by Banco Bradesco – BBI, jointly with Banco do Brasil – BI, Banco Votorantim and Banco HSBC.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and debentures (Continued)

#### Debentures – 2<sup>nd</sup> issue (Continued)

Part of the funds obtained through that debenture issue was used in the early redemption of the entire first issue (principal and interest) in the amount of R\$ 415,191. The remainder will be used to implement the infrastructure investment projects in the Raposo Tavares highway corridor.

Debentures will mature within 12 (twelve) years from their issue date, i.e. December 15, 2024, and will incur interest at a fixed rate of 5.80% p.a. for first series debentures, and 6.05% p.a. for second series debentures.

Interest will be paid on a yearly basis as from issue date, every 15<sup>th</sup> of December, and the first payment will be on December 15, 2013, and the last payment on the maturity date of those debentures.

Debentures issued do not have a new pricing clause.

Financial charges incurred from debentures in the amount of R\$59,104 are appropriated to P&L on maturity date, at amortized cost, by the effective interest method, under CPC 08 (R1) – “Transaction Costs and Premiums on the Issue of Marketable Securities”. Until December 31, 2012, R\$23,439 in issuance costs were yet to be paid to the financial agents, advisory team, attorneys and consultants. This amount was settled in January 2013, and was recorded under current liabilities at the balance sheet date.

The schedule for financial charge appropriation to income/loss for the year is as follows:

Years	R\$ thousand
2013	(3,305)
2014	(3,120)
2015	(3,443)
2016	(3,223)
2017	(3,460)
2018 onwards	(42,553)
	<u>(59,104)</u>

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and debentures (Continued)

#### BNDES – Senior

On February 10, 2011, Auto Raposo Tavares S.A. entered into an agreement with BNDES converting the initial issuance from bridge loan to senior loan category.

The first release of the "Sub loan A" in the amount of R\$377,575 was held on February 15, 2011, when the amount of R\$273,637 (original amount, interest and commission on bridge loan) was fully discounted, leaving a remaining net balance of R\$ 103,938.

The amount of R\$ 377,575 shall be paid in 114 consecutive and monthly installments, the first one on October 15, 2011. Interest of 2.45% p.a. above long-term interest rate (TJLP) is applied thereon.

The senior loan, in addition to extending debt, poses a lower cost to the Concession than bridge loan.

Credit is granted to the Company to the extent that evidence that the funds previously granted were effectively invested is provided. Out of the total amount (R\$1,052,242) taken out, BNDES has released R\$613,821 until December 31, 2012.

Sub-loans balance BNDES – Senior loan (R\$ - thousand)								
Sub-loan	Sub-loan Amount (R\$)	Release up to 31/12/2011	5 <sup>a</sup> release 24/01/2012	6 <sup>a</sup> release 02/15/2012	7 <sup>a</sup> release 05/15/2012	8 <sup>a</sup> release 08/15/2012	9 <sup>a</sup> release 11/16/2012	Unreleased balance
A TJLP	377,575	377,575	-	-	-	-	-	-
B - 1 TJLP	1,787	-	-	1,787	-	-	-	-
B - 2 TJLP	9,817	9,817	-	-	-	-	-	-
C TJLP	174,285	71,205	12,853	-	10,510	10,133	12,305	57,279
D TJLP	15,310	-	-	-	-	-	15,310	-
D - 1 IPCA	11,077	-	-	-	-	-	11,077	-
D - 2 IPCA	12,123	12,123	-	-	-	-	-	-
D - 3 IPCA	15,362	-	-	15,362	-	-	-	-
D - 4 IPCA	10,227	-	-	-	-	-	10,227	-
D - 6 IPCA	25,784	-	-	-	-	25,784	-	-
D - 8 IPCA	17,753	-	-	-	17,753	-	-	-
Total	671,100	470,720	12,853	17,149	28,263	35,917	48,919	57,279

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and debentures (Continued)

#### BNDES – Senior (Continued)

As a restrictive condition, the Company shall neither use these funds for purposes other than those of the subject matter of this financing nor incur new debts exceeding 15% (fifteen percent) of the gross revenue for the last twelve months. The Company's management understands this condition was complied with. Additionally, this financing agreement has covenants providing for certain financial ratios, in case of noncompliance shall accelerate the maturity of the financing. The financial indices are:

- ▶ Total Equity/Asset: Present ratio > 20% (twenty per cent).
- ▶ ICSD (Debt Service Coverage Ratio) = adjusted EBITDA/(amortizations + interest of short- and long-term financial debts): Keep index  $\geq$  1.2.

The Company met the aforesaid covenants at December 31, 2012.

The total amount granted is R\$ 1,052,242, and is divided into sub-loans as follows:

Sub-loan	Amount (R\$)	Term	Interest rate	
A	TJLP	377,575	114 monthly installments as from 10/15/2011	Interest of 2.45% p.a. above TJLP
B - 1	TJLP	1,787		
B - 2	TJLP	9,817		
C	TJLP	174,285	114 monthly installments as from 10/15/2013	
D	TJLP	15,310		
D - 1	IPCA	11,077	10 annual installments as from 03/15/2014	Interest of 2.45% p.a. above benchmark rate disclosed by BNDES
D - 2	IPCA	12,124		
D - 3	IPCA	15,363		
D - 4	IPCA	10,227		
D - 5	IPCA	6,388		
D - 6	IPCA	25,784		
D - 7	IPCA	44,048		
D - 8	IPCA	17,753		
E	TJLP	138,839	114 monthly installments as from 10/15/2015	Interest of 2.45% p.a. above TJLP
F	TJLP	33,988		
F - 1	IPCA	19,575	10 annual installments as from 03/15/2016	Interest of 2.45% p.a. above benchmark rate disclosed by BNDES
F - 2	IPCA	28,159		
F - 3	IPCA	34,354		
F - 4	IPCA	38,316		
F - 5	IPCA	15,454		
F - 6	IPCA	22,019		
		<u>1,052,242</u>		

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
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### 10. Legal obligations linked to judicial proceedings

The legal situation of the Company encompasses civil and labor proceedings. The management, based on the opinion of legal counselors, believes that the applicable legal actions that have already been taken in each situation are sufficient to preserve the Company's equity, and there is no indication of any need to recognize additional provisions for contingencies in relation to those recorded.

#### a) Breakdown of risk

Type	2012				Allowance
	Likelihood of loss			Total	
	Probable	Possible	Remote		
Labor	448	2,282	180	2,910	448
Civil	101	8,233	341	8,675	101
	549	10,515	521	11,585	549

Type	2011				Allowance
	Likelihood of loss			Total	
	Probable	Possible	Remote		
Labor	239	2,640	9	2,888	239
Civil	60	6,174	634,046	640,280	60
	299	8,814	634,055	643,168	299

#### b) Changes

	Opening balance 12/31/2011	Additions	Write-offs	Closing balance 12/31/2012
Labor	239	292	(83)	448
Civil	60	55	(14)	101
Provisioned amount	299	347	(97)	549

#### Civil contingencies

The Company is party to civil proceedings brought by customers mainly stemming from incidents that have occurred on the highway system.

## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)  
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### **10. Legal obligations linked to judicial proceedings (Continued)**

#### **Labor contingencies**

The Company is party to labor proceedings brought by former employees and employees of outsourced companies, the subject of which chiefly relate to claims for reinstatement, overtime and salary equalization.

In addition, the Company is defendant in various proceedings which its legal counsel assess as posing a probable likelihood of loss, estimated at R\$9,745 at December 31, 2012 (R\$8,814 at December 31, 2011).

### **11. Transactions with related parties**

Any transactions between related parties, be they managers/trustee, employees, shareholders, subsidiaries or affiliates, are carried out at rates and conditions agreed between the parties, approved by the competent management bodies and disclosed in the financial statements.

When necessary, the decision making procedure for carrying out transactions with related parties is in accordance with the terms of Article 115 of Brazil's Corporation Law, which provides that the shareholder or trustee, as applicable, in ordinary or extraordinary shareholders' meetings or board meetings, abstain from voting on resolutions relating to: (i) the asset valuation report to agree upon the formation of capital, (ii) the approval of accounts as managers, and (iii) any matters which might benefit them specifically or that conflict with the interest of the Company.

With regard to loans between companies of the Invepar Group and shareholders, we stress that these occurred due to the temporary cash flow needs of those companies to fulfill their investment and/or operations, and subject to financial charges agreed between the parties approved by management bodies.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 11. Transactions with related parties (Continued)

	Party's relation with Company	2012				
		Assets		Current liabilities	P&L (cost)	P&L (financial expenses)
		Current	Noncurrent			
Linea Amarilla SAC	Related party	465	-	-	-	-
OAS S.A.	Indirect parent	-	-	-	(135,436)	-
Investimentos e Participações em Infraestrutura S.A. - Invepar	Direct parent	71	-	440	(5,182)	(322)
		<u>536</u>	<u>-</u>	<u>440</u>	<u>(140,618)</u>	<u>(322)</u>
		2011				
	Party's relation with Company	Assets		Current liabilities	P&L (cost)	P&L (expenses)
		Current	Noncurrent			
OAS S.A.	Indirect parent	-	-	-	(159,761)	-
Linha Amarela S.A. LAMSA	Related party	-	-	-	-	(512)
Investimentos e Participações em Infraestrutura S.A. - INVEPAR	Direct parent	-	-	-	(3,228)	(653)
Concessão Metroviária do Rio de Janeiro S.A. - Metrô Rio	Related party	-	-	-	-	(25)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>(162,989)</u>	<u>(1,190)</u>

#### Services - assets

On March 5, 2009, an agreement to perform civil construction work between the Company and the related party OAS S.A., including functional and executive projects for renovation, expansion and improvements to the Raposo Tavares highway system. Prices and quantities when applicable are in accordance with that established in the concession contract, which is overseen by ARTESP.

The basis for the provision of these services, whose term is five years, according to the contract and the overall price agreed between the parties was R\$1,078,096, due in payments to be made under the following conditions:

- i) Advance amounting to R\$ 57,276, made on March 19, 2009, that was amortized during the first twelve months of the execution of services through monthly discounts in the measurement of those services settled on April 30, 2010.
- ii) Monthly installments in accordance with the performance of services based on the physical-financial chronology of the respective agreement.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
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### 11. Transactions with related parties (Continued)

The overall price shall be adjusted every twelve months as parametric formula contained included in the agreement. Exceptionally, regardless of any readjustment that may be earned through the application of this formula, contractual prices shall be readjusted whenever this variation indicates a percentage equal to or exceeding the inflation target disclosed by the Central Bank of Brazil. The balance of the works agreement with the OAS S.A. at December 31, 2012 was R\$537,604 (R\$654,750 at December 31, 2011).

#### Loans with related parties - liabilities

On January 6, 2012, CART signed a loan agreement with INVEPAR amounting to R\$30,000, with financial charges at the rate of 100% of CDI plus interest of 0.2% per month, maturing in 30 days, extendable for equal successive periods of up to 120 days. On February 16, 2012, the loan was settled.

### 12. Management compensation

Fees for management who are responsible for planning, steering and controlling the Company's activities, including members of the Board of Directors and statutory officers, are comprised of fees, private pension plans, medical and dental plans, amounting to R\$1,170 at December 31, 2012 (R\$1,086 at December 31, 2011).

	<b>2012</b>	<b>2011</b>
	<b>Directors</b>	<b>Directors</b>
Compensation	<b>910</b>	894
Social charges	<b>184</b>	122
Benefits	<b>76</b>	70
	<b>1,170</b>	1,086

The Company does not grant post-employment benefits or long-term benefits.



## **Concessionária Auto Raposo Tavares S.A.**

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### **13. Deferred revenue**

At December 30, 2011, the Company signed a long-term agreement maturing on March 16, 2039, relating to the leasing of fiber-optic infrastructure by TIM Celular S.A. During the course of these negotiations the Company received a prepayment of R\$53,067, R\$11,662 of which received in 2011 and R\$41,405 in 2012, equivalent to the total amount of services contracted. This amount is divided under liabilities between noncurrent liabilities (R\$49,714) and current liabilities (R\$1,971), and shall be allocated to P&L as from the date that the leased assets are made available and according to the contractual term.

At July 3, 2012, the Company entered into an agreement referring to leasing of fiber-optic infrastructure by TNL PCS S.A. (OI). During the course of these negotiations, the Company received a prepayment of R\$1,746, equivalent to total services contracted. This amount is recorded under current liability in the amount of R\$1,320, and has been appropriated to P&L as from October 3, 2012, when the leased assets were made available, and for the period of twelve months.

On July 9, 2012, the Company entered into a short-term agreement expiring on June 30, 2013, referring to leasing of fiber-optic infrastructure by Alcatel-Lucent Brasil S.A. During the course of these negotiations, the Company received a prepayment of R\$10,617, equivalent to total services contracted. This amount is recorded under current liability in the amount of R\$5,383, and has been appropriated to P&L as from the date the leased assets were made available, and for the lease agreement period.

### **14. Equity**

On April 30, 2012, a Company capital increase of R\$ 55,000 was approved through the issue of 46,646,955 common and 46,646,955 preferred registered shares with no par value. Until June 30, 2012, R\$30,000 was paid in, and the remaining balance of R\$25,000 was paid in on July 17, 2012.

On August 31, 2012, a Company capital increase of R\$35,000 was approved through the issue of 32,146,076 common and 32,146,076 preferred registered shares with no par value, paid in on September 28, 2012.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
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### 14. Equity (Continued)

On December 31, 2012, the Company's authorized capital limit was R\$ 715,000 (R\$ 625,000 at December 31, 2011).

At December 31, 2012 and December 31, 2011, the Company's capital breaks down as follows:

	2012			
	Number of shares	% of interest	Common shares	Preferred shares
Investimentos e Participações em Infraestrutura S.A. – INVEPAR	1,026,969,956	100	513,484,978	513,484,978

	2011			
	Number of shares	% of interest	Common shares	Preferred shares
Investimentos e Participações em Infraestrutura S.A. – INVEPAR	869,383,893	99.99	434,691,946	434,691,947
Construtora OAS Ltda.	1	0.01	1	-
	869,383,894	100.00	434,691,947	434,691,947

The preferred shares shall have no voting rights and shall be entitled to the same profit sharing as common shares, in addition to preemptive right in capital reimbursement, without premium, in the event of wind-up, and shall also have the right to participate in public offering of shares for the same price and under the same conditions as common shares.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
December 31, 2012 and 2011  
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### 15. Net operating revenue

	<u>2012</u>	<u>2011</u>
Gross revenue from toll collection	215,426	194,080
Additional revenue	7,349	338
Revenue from construction agreement	185,561	218,189
Deductions from revenue	<u>(19,502)</u>	<u>(16,588)</u>
	<u>388,834</u>	<u>396,019</u>

### 16. Cost of services rendered

	<u>2012</u>	<u>2011</u>
Service providers	(49,832)	(52,291)
Operating	(8,750)	(8,280)
Amortization	(51,754)	(43,691)
Allowance	(6,772)	(8,154)
	(8,658)	(8,132)
Contractual concession costs	(8,150)	(8,140)
	<u>(133,916)</u>	<u>(128,688)</u>

### 17. Financial income (expenses), net

	<u>2012</u>	<u>2011</u>
Financial income		
Discounts obtained	3	145
Interest assets	14	18
Short-term investments yield	5,509	5,238
Monetary adjustment	<u>3,011</u>	<u>-</u>
	8,537	5,401
Financial expenses		
Commissions and bank charges	(1,628)	(1,732)
Interest on loans	(82,306)	(85,170)
IOF (Tax on Financial Transactions)	(290)	(736)
Monetary variation losses	(5,454)	(95)
Other	(145)	-
	<u>(89,823)</u>	<u>(87,733)</u>
	<u>(81,286)</u>	<u>(82,332)</u>

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2012 and 2011

(In thousands of reais, unless otherwise stated)

### 18. Earnings per share

In accordance with CPC 41, the Company disclosed the following statements on earnings per share for the years ended December 31, 2012 and 2011.

The calculation of basic earnings per share is made by dividing income for the period, attributable to Company's common and preferred shareholders by the weighted average number of common and preferred shares available during the period.

The table below presents P&L data and shares used in the basic and diluted earnings per share calculation:

	2012			2011		
	Common	Preferred	Total	Common	Preferred	Total
Basic numerator						
Net losses attributable to common and preferred shareholders	(20,284)	(20,283)	(40,567)	(15,725)	(15,725)	(31,450)
Denominated basic and diluted earnings						
Weighted average of shares issued (in thousands)	466,943	466,943	933,886	380,241	380,241	760,482
Basic and diluted losses per share (R\$)	<u>(0.0434)</u>	<u>(0.0434)</u>		<u>(0.0414)</u>	<u>(0.0414)</u>	

The Company does not have dilutive instruments and there is no difference between the calculation of basic and diluted earnings per share for the years ended December 31, 2012 and 2011.

### 19. Concession commitments

The Company's concession term and liabilities stemming from the Concession Agreement agreed with the São Paulo State Transport Agency (ARTESP) is projected to end in 2039.

Upon the entering into of the Highway Concession Contract Terms No. 002/ARTESP/2009, related to International Public Notice No. 004/2008, the Company assumed the following obligations:

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
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### 19. Concession commitments (Continued)

#### a) Investments

The main investments stemming from the concession are:

- i) Duplication of highway and implementation of level and raised u-turn ramps;
- ii) Construction of vehicle weighing sale terminals (fixed and mobile), fixed customer service centers;
- iii) Construction of nine toll plazas and the demolition of two pre-existing toll plazas (Presidente Bernardes and Caiuá);
- iv) Implementation and improvements to ramps, clover-leaf interchanges, loop ramps, pedestrian walkways, interchange safety devices and improvements to inter-sections.

#### b) Fixed and variable fees

The following amounts correspond to the right of use of highway system:

##### I. Fixed fee

The fixed fee of R\$634,000 in favor of DER/SP was fully settled on September 16, 2010.

##### II. Variable fees

Amount corresponding to 3% (three percent) of gross toll revenue and accessory revenues effectively earned by the Company to be paid on a monthly basis. The commitment at December 31, 2012, was R\$52 (R\$536 at December 31, 2011).

During the year ended December 31, 2012, the amount of R\$6,567 (R\$5,787 in 2011) was paid to the Granting Authority relating to variable fees.

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
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### 19. Concession commitments (Continued)

#### c) Guarantees

The Company used surety bonds to meet the following contractual guarantees:

1. Guarantee of compliance with operating commitments, upkeep and payment of variable monthly amount to the maximum indemnity limit of R\$114,613. Effective for twelve months.
2. Guarantee of compliance with expansion commitments corresponding to 1.5% of the contract amount, limited to 10% of the investment amount. This guarantee shall be used to the proportion of compliance with expansion commitments. Effective for a minimum of 12 months.

#### d) Financial resources

The Company began its operations on March 17, 2009. The financial income required to meet investments and payment of fees shall be obtained through capital contribution by shareholders and raising funds on capital markets.

### 20. Insurance coverage

The Company maintains surety bonds, insurance against property damages, revenue loss and civil liability, which were contracted according to orientations of ARTESP and obligations provided for in the Concession Agreement, as under:

<u>Type</u>	<u>Maximum indemnity limit</u>	<u>Effective term</u>	<u>Insurer</u>	<u>Object</u>
Expansion guarantee	R\$ 120,280	3/16/2012 to 3/16/13	Austral Seguradora	(a)
Operating commitments guarantee	R\$ 114,613	3/16/2012 to 3/16/13	Austral Seguradora	(b)
Civil liability	R\$ 35,000	8/1/2012 to 8/1/13	Tokio Marine	(c)
Operating risks	R\$ 200,000	8/1/2012 to 8/1/13	Tokio Marine	(d)

## **Concessionária Auto Raposo Tavares S.A.**

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### **20. Insurance coverage (Continued)**

- a) Ensure the realization of expansion commitments referred to in item 29.1 of the Concession Agreement of the Highway system by the state highway network of Raposo Tavares Corridor, corresponding to Lot 16 of the São Paulo State Highway Concession Program, the International Public Notice No. 004/2008.
- b) Ensure the realization of expansion commitments, conservation and variable monthly payment referred to in item 29.1.a of the Concession Agreement of the Highway system by the state highway network of Raposo Tavares Corridor, corresponding to Lot 16 of the São Paulo State Highway Concession Program, the International Public Notice No. 004/2008.
- c) Damage caused to third parties deriving from the management of public assets represented by the highway system complex referred to as Lot 16 of the São Paulo State Highway Concession Program, which includes stretches of highways SP-225, SP-327 and SP-270. With their respective accesses, as well as all the improvements.
- d) This operational risk insurance aims to guarantee, at every accident, any losses that the insured may suffer related to relevant coverage and expressly identified in the policy. In case of any risks described and specified in the General Conditions, special and/or particular conditions, under the maximum limits of indemnification established for each coverage and under the legal provisions and other contractual conditions applicable.

### **21. Financial instruments and risk concentration**

Estimated completion values of financial assets and liabilities of the Company were determined through information available in the market and appropriate review methodologies. However, considerable judgment was required in interpreting market data to produce the most adequate estimated realizable value. As a result, the following estimates do not necessarily indicate amounts realizable in the current exchange market. The use of different market methodologies may generate changes in the estimated realizable values.

## **Concessionária Auto Raposo Tavares S.A.**

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### **21. Financial instruments and risk concentration (Continued)**

Management of these instruments is done through operating strategies aimed at liquidity, security and profitability. The control policy is to ensure continuous monitoring of contractual rates versus current market rates, as well as assessing the financial situation of the institutions involved. The Company did not make speculative investments in derivatives or other risky assets.

The amounts recorded in asset and liability accounts, as financial instruments, are restated as contracted through December 31, 2012 and approximate their market value. These amounts basically comprise cash and cash equivalents, short-term investments, receivables, loans and financing and debentures.

Under the terms of CVM Rule No. 550 of October 17, 2008, the Company's management reports that the risk factors to which the Company is exposed are:

a) General comments

The Company participates in transactions involving financial instruments, including short-term investments, trade accounts receivable, trade accounts payable and loans and financing and debentures for the purpose of managing the availability of cash funds of its operations.

b) Risk management

The Company is exposed to market risks arising from interest rate variation and to credit risk arising from the possibility of default of their counterparties in financial investments and accounts receivable.

The Company adopts procedures for market and credit risk management through financial market mechanisms that seek to minimize the exposure of the Company's assets and liabilities, ensuring the profitability of contracts and equity.



## Concessionária Auto Raposo Tavares S.A.

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### 21. Financial instruments and risk concentration (Continued)

#### c) Exposure to interest rate risk

The main market risk factor that may affect the Company's business is the interest rate. This risk is linked to the possibility that the Company incurs losses due to variations in interest rates that increase financial expenses related to loans and financing and debentures raised in the market. The Company has not been entering into derivative agreements to hedge against this risk. Nonetheless, the Company continuously monitors market interest rates aiming to assess the need to enter into derivative contracts to hedge against currency risk.

The Company is exposed to the risk that a change in interest rates shall result in the increase of its financial expenses with future interest payments. The national currency debt is subject to variation of daily DI, TJLP and IPCA.

#### d) Sensitivity analysis

The evaluations of the sensitivity of financial instruments to the variables that present risk of variation are presented below:

##### **Selection of scenarios**

In compliance with CVM Guidance No. 475/08, the Company presents three scenarios in the sensitivity analysis, one probable and two that may represent adverse effects for the Company with 25% and 50% of deterioration in each index:

<u>Indicator</u>	<u>Scenario I</u>	<u>Scenario II</u>	<u>Scenario III</u>
	<u>Probable</u>	<u>Possible - adverse</u>	<u>Extreme - adverse</u>
CDI	6.94%	8.68%	10.41%
TJLP	5.00%	6.25%	7.50%
IPCA	5.84%	7.30%	8.76%

## Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)  
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### 21. Financial instruments and risk concentration (Continued)

#### d) Sensitivity analysis (Continued)

Sensitivity amounts in the table below refer to interest to be incurred by financial instruments under each scenario.

#### **Sensitivity analysis of interest rate variations**

The sensitivity of each financial instrument, based on exposure to variation of each, is presented in the table below:

Instrument	Maturity	Risk	Interest to be incurred		
			Scenario I Probable	Scenario II Possible - adverse	Scenario III Extreme - adverse
Cash and cash equivalents		Increase in DI	7,895	9,869	11,843
Short-term investments – Reserve account		Increase in DI	18,972	23,715	28,458
Debentures	Dec/2024	Increase in IPCA	48,248	60,310	72,372
BNDES – Senior loan	Mar/2021	Increase in TJLP	23,588	29,485	35,382
BNDES – Senior loan	Mar/2023	Increase in IPCA	5,857	7,321	8,786

The amount equivalent to 100% of Company's loans and financing and debentures are subject to remuneration at the accumulated variation of interest rate DI, TJLP and IPCA, and the equivalent of cash and short-term investment subject to CDI.

These analyses illustrate sensitivity to changes in market variables of the Company's financial instruments.

The sensitivity analysis is established based on assumptions and estimates about future events. The Company's management regularly revises estimates and assumptions used in these calculations. Nevertheless, settlement of transactions involving these estimates could result in values different from those estimated due the subjectivity inherent to the process used to prepare such analyses.

#### e) Credit risk exposure

Operations subject to Company concentrations of credit risk are primarily based on current bank accounts and investments, in which the Company is exposed to the risk of the financial institution involved. In order to manage this risk, the Company maintains current bank accounts and short-term investments with financial institutions considered first-tier institution by the management.

## Concessionária Auto Raposo Tavares S.A.

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### 21. Financial instruments and risk concentration (Continued)

#### e) Credit risk exposure (Continued)

At December 31, 2012, the Company stated trade accounts receivables from CGMP- Centro de Gestão de Meios de Pagamento S.A. at the amount of R\$11,355, arising from toll revenue collected by the electronic toll payment system ("Sem Parar"), recorded in "Trade accounts receivable". Because CGMP is controlled by the highway sector, the Company's management considers unlikely the credit risk from these receivables by considering these mitigated between the concessionaires of the highway sector.

#### f) Derivatives

The Company did not participate in transactions involving derivative financial instruments or any other speculative instruments in the period from January 1 to December 31, 2012.

The Company does not have derivative financial instruments, or other financial instruments linked thereto at December 31, 2012.

#### g) Market values

At December 31, 2012, the market values of trade accounts receivable and payable approximate amounts recorded in the financial statements given their short-term nature.

The market values of loans, financing and debentures substantially approximate the amounts recorded in the financial statements for these financial instruments are subject to variable market interest rates.

#### h) Exposure to liquidity risk

The Company monitors the risk of lack of resources by means of a recurring liquidity planning tool.

The Company intends to keep the balance between continuity of resources and flexibility by means of secured accounts, bank loans and debentures.