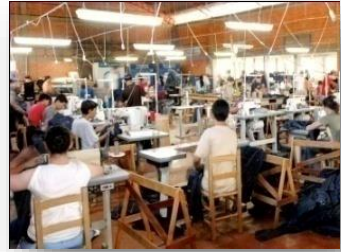




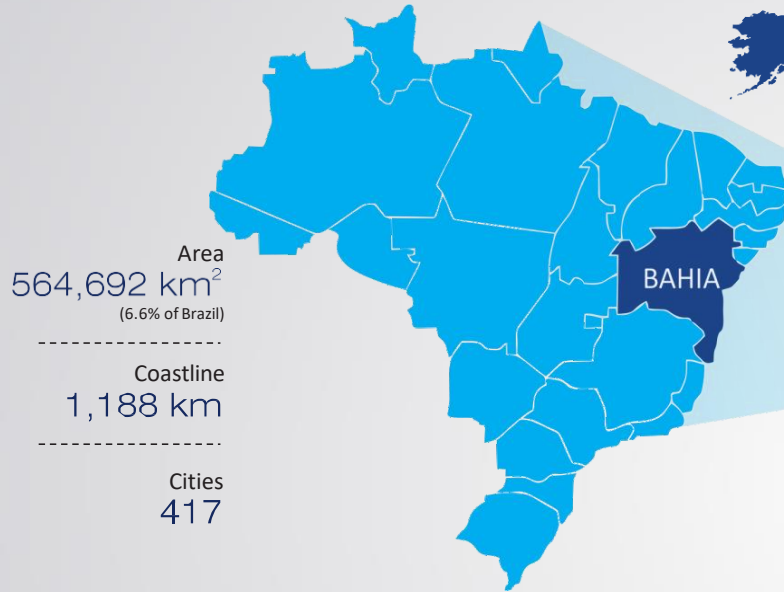
BAHIA

GOVERNO DO ESTADO

TERRA-MÃE DO BRASIL



SOCIAL AND ECONOMIC INDICATORS



Trade Flow (2015)

US\$ 16.3 billion = Exports + Imports

53.8% of all foreign trade (Northeast) and 4.1% (Brazil)

Jobs (2014)

506.8 thousand new jobs (2007 – 2015)

Urban population

72.1% (BA)

98,3% (RMS – Greater Salvador)

Population

15.2 million (PNAD 2015)

1st Northeast

4th Brazil

GDP (2015)

• US\$ 72.2 billion

• 1st Northeast 2011 | 28.3 %

• 7th Brazil 2011 | 3.8 %

A close-up photograph of the Moody's logo mounted on a dark, metallic building facade. The logo consists of the word "Moody's" in a stylized, three-dimensional font. The letters are highly reflective, showing highlights and shadows. The background shows the building's architectural details, including a series of vertical slats or louvers that create a rhythmic pattern. The lighting is dramatic, with strong highlights on the logo and deep shadows in the surrounding architecture.

Moody's

21 de março 2016
Moody's America Latina Ltda.

("Moody's") today assigned issuer ratings of Ba2 on a global scale, and Aa2.br on a national scale to the state of Bahia .

BAHIA | Investments for 2016-2018

BAHIA

519 Enterprises

54,451 Jobs

US\$ 23.5 billion

GREATER SALVADOR

22% Enterprises

35% Jobs

15% Investments

COUNTRYSIDE

78% Enterprises

65% Jobs

85% Investments



BAHIA | Renewable Energy

Wind

HIGHEST WIND POTENTIAL IN BRAZIL

POTENTIAL AT (150M - 195,000 MW)

LEADER IN PROJECTS

REGULATED MARKET (232 / 5,360 MW)

INDUSTRIAL HUB



Solar

HIGHEST SOLAR POTENTIAL IN BRAZIL

LEADER IN PROJECTS

REGULATED MARKET (32 / 894 MW)



BAHIA | Agribusiness

WESTERN BAHIA IS THE
SECOND LARGEST PRODUCER
OF GRAINS IN BRAZIL

AND HAS THE
HIGHEST MILK
PRODUCTIVITY IN BRAZIL

NORTHERN BAHIA IS THE
SECOND LARGEST PRODUCER
OF WINE IN BRAZIL

EASTERN BAHIA HAS THE LARGEST
EUCALYPTUS PLANTATION
IN BRAZIL





PPP

Infrastructure Projects

BAHIA | Implemented PPP Projects

OVER US\$ 165 MILLION A YEAR IN PUBLIC PAYMENTS AND MORE THAN US\$ 1,65 BILLION IN INVESTMENTS



Suburb's Hospital



Itaipava Fonte Nova Arena



Marine Outfall



Hospital for Infectious Diseases



Salvador Metro System



Diagnostic Imaging



PPP

Opportunities

BAHIA | Infrastructure and Logistics

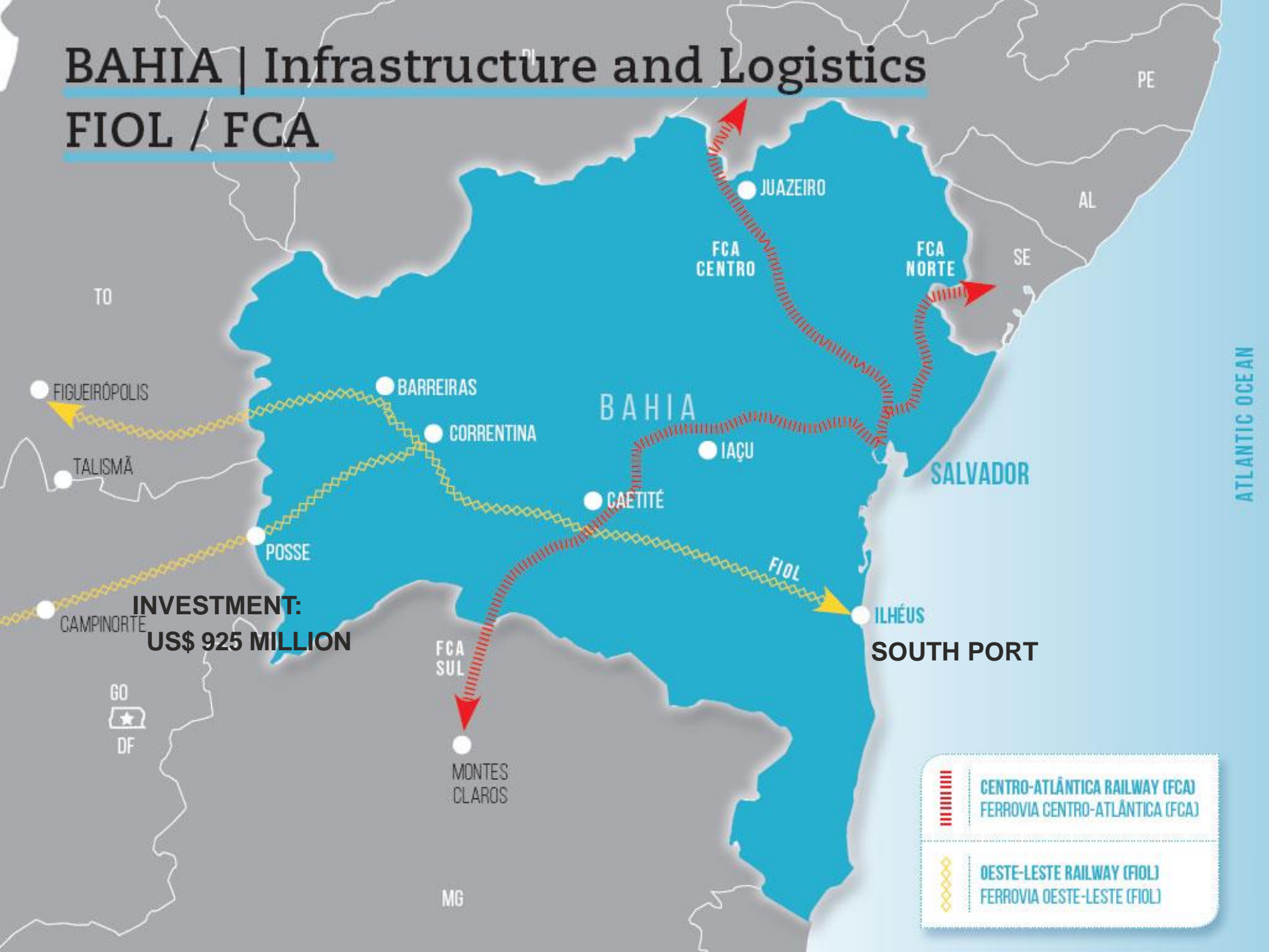
WEST VECTOR SYSTEM | Salvador-Itaparica Bridge – BR 242 Interconnection

INVESTMENT: US\$ 2 BILLION



BAHIA | Infrastructure and Logistics

FIOL / FCA



BAHIA | Infrastructure | FIOL

FIOL (WEST-EAST INTEGRATION) PORT - AIRPORT - RAILROAD

- FIOL 1,527 km (1,100km in Bahia)
- Capacity: 65 million tons / year
- Investment US\$ 1.8 billion
- Model - Railroad right of way
- Outstanding Investment - Section I (Ilhéus to Caetité) US\$ 341 million.
- Section II (Caetité to Barreiras) US\$ 706 million



BAHIA | Infrastructure | SOUTH PORT

PROJECT FOR TWO TERMINALS FOR MINERAL AND AGRICULTURAL SHIPPING

- Location: Aritaguá district on the coast, 10km north of Ilhéus.
- Investment US\$ 550 million (construction) + US\$ 100 million (equipment)
- Investment: US\$ 650 million
- Total area land: 1,860 hectares.
- Offshore bridge 3.5 km long, with one iron ore berth and one berth for bulk agricultural goods.



Infrastructure – ZPE Bahia S.A.

Bahia Export Free Zone (EPZ)



Infrastructure – ZPE Bahia S.A.

Investments alternatives

Companies interested in settling at the EPZ of Ilhéus will have available the following rental options:

1. Land Rental

- Rental of a "standard area" of 10,000 m² / 1 ha (there are no limits on rents). Facilities constructions are of the companies responsibility.

2. Warehouse rental “Builttosuit”

- Alternatively, depending on the negotiations, ZPE Bahia would build the facilities/warehouses tailored ("Built to suit") and charge a higher rental fee (depending on the cost of construction, plus a margin - with full transparency).

3. Other alternatives

- Warehouses "Plug and play" as in Suape “CONE”: ZPE Bahia would finance the building of few standard warehouses, so that the investor could occupy immediately.

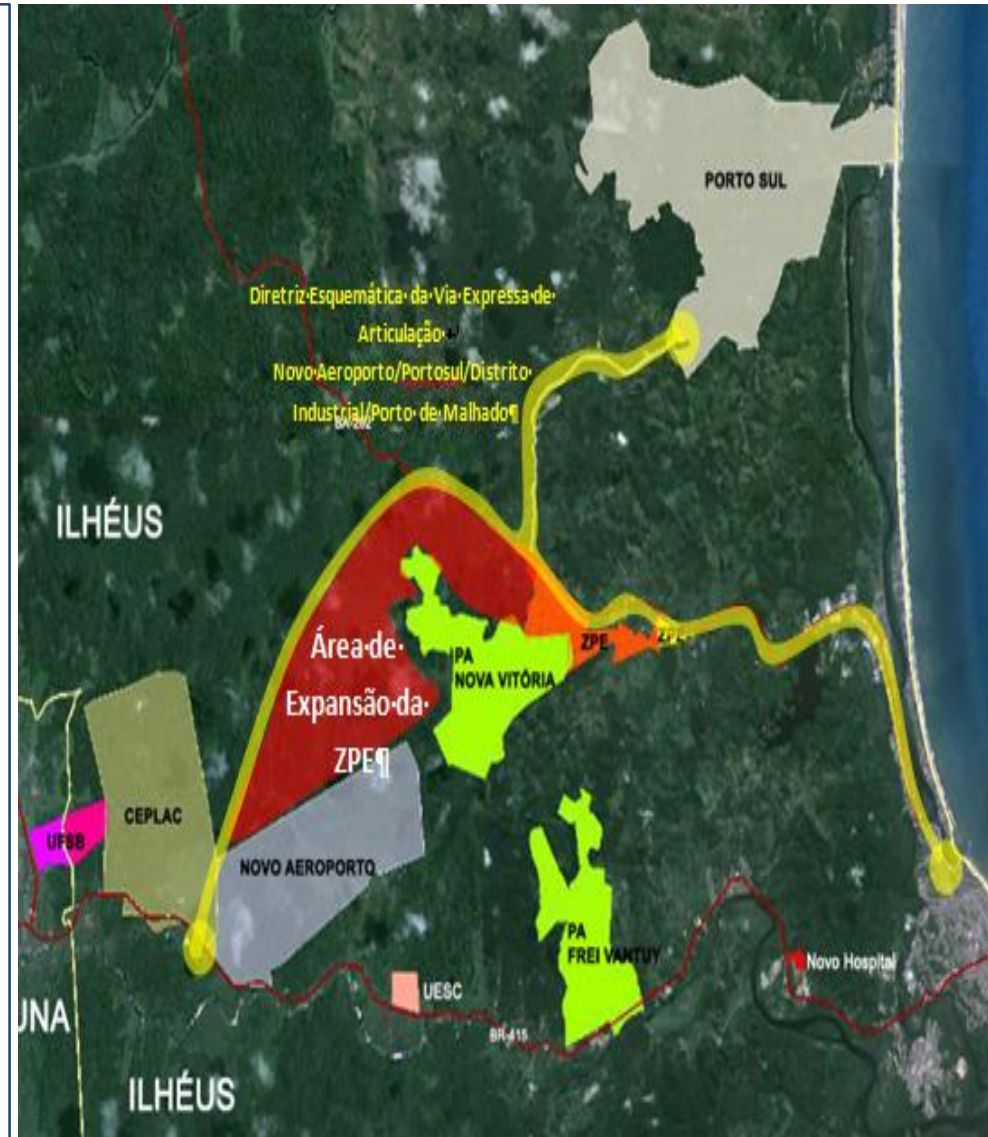
Letters of Intent

Companies such as AIRBUS, Antilles Seaplane and Anotonov have already confirmed their intent in implementing projects at ZPE Bahia S.A.

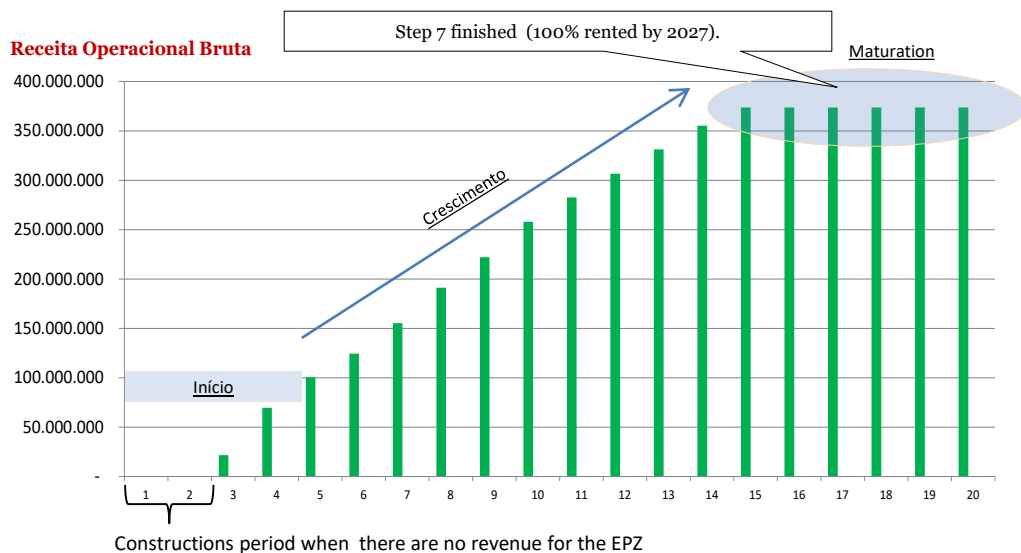
Infrastructure – ZPE Bahia S.A.

Competitive Advantages

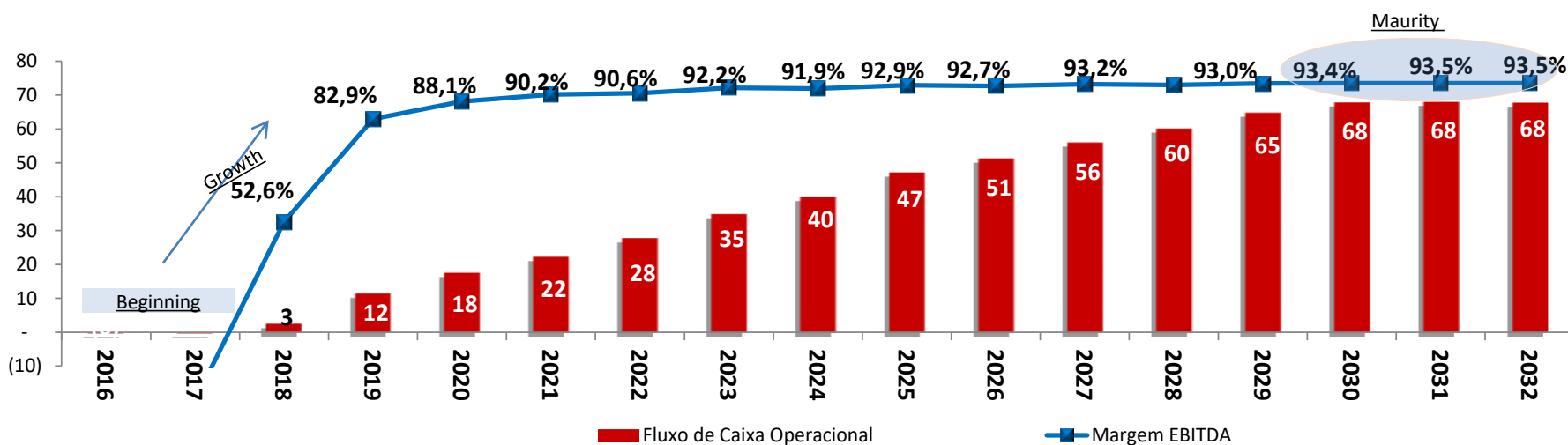
- ✓ Exemption of investment
- ✓ Reduction of bureaucracy
- ✓ Flexibility of Currency Exchange
- ✓ Suspension and Exemption of Taxes
- ✓ Customs agility
- ✓ Legal Security
- ✓ Available logistics and easy access, currently formed by the Porto de Ilhéus (Harbour) and the future Airport of Ilhéus and the Porto Sul (Harbour) and the Ferrovia (railway) Oeste Leste (FIOL)
- ✓ The construction of the Porto Sul has been approved, with completion deadline for 2018, the final destination of the FIOL railway.
- ✓ Next to GASENE (Gas pipeline Southeast to Northeast)
- ✓ Large presence of raw-material.



Infrastructure – ZPE Bahia S.A.



IRR of the project	16,24%
IRR of the shareholders	35,35%
Shareholders Payback	7 years



BAHIA | Infrastructure | LIGHT RAIL / METRO

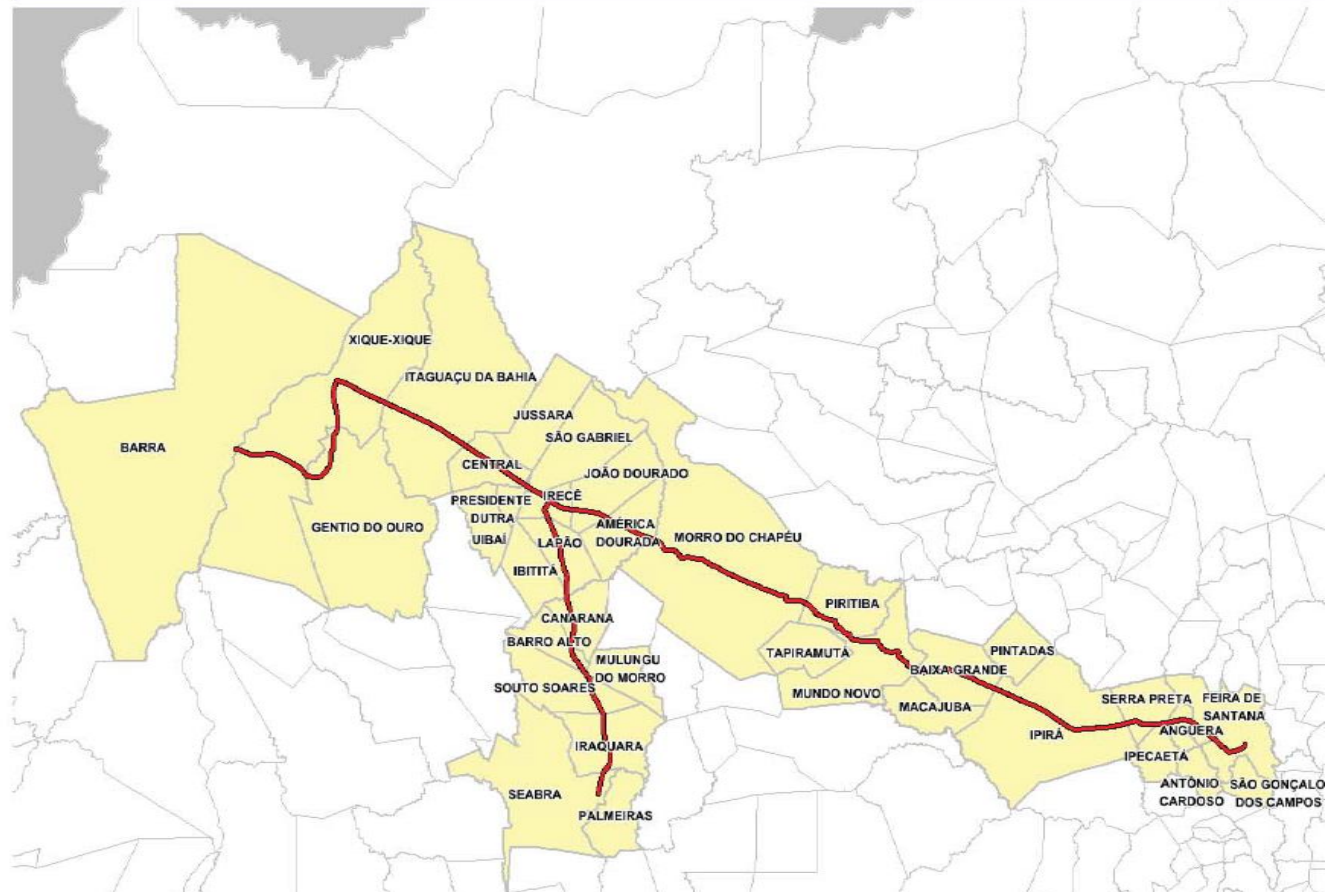
INVESTMENT: US\$ 852 MILLION



BAHIA | Infrastructure | ROADS

BA-052 System

- Requalification and maintenance of the road system comprising BA052, BA148, BA432 and BA160 roads. (685 km)
- Current phase: modeling in partnership with BNDES/IFC
- Public consultation: Jul/2016
- Tender: Oct/2016
- Contract: Feb/2017
- Investment:
US\$ 300 million



BAHIA | Infrastructure | AIRPORTS

Salvador International Airport

RENOVATION AND UPGRADE OF SALVADOR INTERNATIONAL AIRPORT

- The new runway construction
- Expansion of the passenger terminal with 11 bridges

INVESTMENT: US\$ 750 MILLION

New Ilhéus Airport

- Two 3000-meter runways
- **Investment: US\$ 67.5 million**

Porto Seguro Airport

- 2000 x 45 meter runway
- Proposed investment to upgrade passenger terminal and fire-fighting terminal





GOVERNMENT SUPPORT

SUPOORTE DO GOVERNO ESTADUAL

- Incentivos Tributários
 - Programa Desenvolve (Lei 7.980/01 e Dec. 8.205/02) e Indústria Eletroeletrônica (Dec. 4316/1995)*
 - Convênio ICMS Nº 130/2015 Desoneração da dupla tributação ICMS*
 - Redução do imposto de renda (75%) - incentivo do Governo Federal
 - 27% do ICMS para importação de equipamentos de energia quando equipamento similares são produzidos na Bahia
- Suporte para obtenção de Licenciamento Ambiental - CTGA
- Intermediação junto aos agentes de financiamento (Desenbahia e BNB)
- Áreas para implantação dos projetos com valores subsidiados
- Acesso rodoviário às plantas
- Projeto Estadual de Incentivo à Concessão de Estágio e Primeira Experiência Profissional
- Ações para assegurar a contratação de serviços e aquisição de equipamento locais, movimentando a economia local
- Desenvolvimento de Centros de Formação Profissionais em polos geradores de energia, ampliando as oportunidades de empregos locais
- Articulação com órgãos do Governo Estadual e Federal além de Associações de Indústrias e Comércio
- Disponibilização de serviços de utilidades (água, gás, eletricidade)



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