

**NOT FOR DISTRIBUTION INTO ITALY**  
**ISA CAPITAL DO BRASIL S.A.**

**Offer to Purchase for Cash and Solicitation of Consents**

**for its U.S.\$354,000,000 8.800% Senior Notes due 2017**

**issued on January 29, 2007 and listed on the Luxembourg Stock Exchange**

**(CUSIP Nos. 45007PAB8 (144A) and P5881CAB5 (Reg. S))**

**Subject to the terms of this Offer to Purchase and Consent Solicitation Statement (as defined below), the right to receive the Consent Payment (as defined below) by delivering valid Consents (as defined below) will expire at 5:00 p.m., New York City time, on February 24, 2010 unless extended (such date and time, as the same may be extended, the “Consent Date”). Holders that wish to receive both the Tender Consideration (as defined below) and the Consent Payment (as defined below) must validly tender their Notes (as defined below) and deliver their Consents (as defined below) at or prior to the Consent Date. Holders that tender their Notes and deliver their Consents after the Consent Date and at or prior to the Expiration Date will not receive the Consent Payment and will receive only the Tender Consideration. Holders that wish to tender their Notes pursuant to the Offer to Purchase (as defined below) are obligated to deliver their Consents and Holders that wish to deliver their Consents pursuant to the Consent Solicitation (as defined below) are obliged to tender their Notes. The Offer to Purchase and the Consent Solicitation will expire at 5:00 p.m., New York City time, on March 8, 2010, unless extended (such date and time, as the same may be extended, the “Expiration Date”).**

ISA Capital do Brasil S.A., a stock corporation (*sociedade por ações*) organized under the laws of the Federative Republic of Brazil (the “**Issuer**”) is providing holders (the “**Holders**”) of its 8.800% Senior Notes due 2017 (the “**Notes**”) the option to tender their Notes and hereby offers to purchase for cash all of the outstanding Notes (the “**Offer to Purchase**”), upon the terms and subject to the conditions set forth in this offer to purchase and consent solicitation statement (as the same may be amended or supplemented, this “**Offer to Purchase and Consent Solicitation Statement**”) and in the related consent and letter of transmittal (the “**Consent and Letter of Transmittal**”). In conjunction with the Offer to Purchase, the Issuer is also soliciting (the “**Consent Solicitation**”) consents (the “**Consents**”) from the Holders to proposed amendments (the “**Proposed Amendments**”) or the “**Proposals**”) of certain provisions of the indenture, dated as of January 29, 2007, among the Issuer, The Bank of New York Mellon (formerly known as The Bank of New York), as trustee (the “**Trustee**”), security registrar, paying agent and transfer agent, The Bank of New York (Luxembourg) S.A., as Luxembourg listing agent and paying agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as principal paying agent and transfer agent, in connection with the issuance of the Notes, as amended by that certain first indenture supplement dated as of January 30, 2008, among the Issuer, ISA Participações Ltda. and the Trustee and by that certain second indenture supplement dated as of November 4, 2009, between the Issuer and the Trustee (as so amended and supplemented, the “**Indenture**”), upon the terms and subject to the conditions set forth in this Offer to Purchase and Consent Solicitation Statement.

The following table summarizes terms material to the determination of the Total Consideration (as defined below):

<b>Outstanding Principal Amount</b>	<b>Maturity Date</b>	<b>Tender Consideration <sup>(1)</sup></b>	<b>Consent Payment <sup>(1)</sup></b>	<b>Total Consideration <sup>(1)</sup></b>
U.S.\$354,000,000.00	January 30, 2017	U.S.\$1,082.50	U.S.\$35.00	<b>U.S.\$1,117.50</b>

(1) For each U.S.\$1,000 principal amount of Notes, excluding accrued but unpaid interest thereon.

The total consideration (“**Total Consideration**”) for each U.S.\$1,000 principal amount of Notes validly tendered and accepted for payment pursuant to the Offer to Purchase will be an amount equal to (i) the amount of U.S.\$1,082.50 per U.S.\$1,000 principal amount of the Notes (the “**Tender Consideration**”), plus (ii) an amount equal to U.S.\$35.00 per U.S.\$1,000 principal amount of Notes, which will constitute a consent payment (the “**Consent Payment**”) that the Issuer will pay only for Notes tendered at or prior to the Consent Date and not validly withdrawn. Holders who tender their Notes at or prior to the Consent Date and do not validly withdraw their tendered Notes will receive the Total Consideration upon the terms and subject to the conditions set forth in this Offer to Purchase and Consent Solicitation Statement.

**If the Notes are accepted for payment pursuant to the Offer to Purchase, Holders that validly tender their Notes and deliver their Consents pursuant to this Offer to Purchase and Consent Solicitation Statement at or prior to the Consent Date will, on acceptance of such tenders and Consents, receive the Total Consideration on the Payment Date (as defined below). Holders that validly tender their Notes and deliver their Consents pursuant to this Offer to Purchase and Consent Solicitation Statement after the Consent Date, but at or prior to the Expiration Date, will, on acceptance of such tenders and Consents, receive only the Tender Consideration on the Payment Date. In both cases, Holders will, on acceptance of such tender, receive on the Payment Date accrued interest up to, but not including, the Payment Date. All Holders that tender their Notes pursuant to this Offer to Purchase are obligated to deliver their Consents to the adoption of the Proposals and all Holders that deliver their Consents pursuant to the Consent Solicitation are obligated to tender their Notes pursuant to the Offer to Purchase. However, Holders that tender their Notes and deliver their Consents after the Consent Date will not receive the Consent Payment.**

The Issuer is conducting the Offer to Purchase and the Consent Solicitation contemporaneously. Holders that tender their Notes in the Offer to Purchase will also be deemed to deliver their Consents pursuant to the Consent Solicitation.

**THE OFFER TO PURCHASE AND THE CONSENT SOLICITATION ARE NOT BEING MADE TO HOLDERS IN ANY JURISDICTION IN WHICH THE MAKING OF THE OFFER TO PURCHASE AND THE CONSENT SOLICITATION OR THE ACCEPTANCE OF THE TENDERED NOTES OR THE CONSENTS WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION.**

*The Dealer Manager for the Offer to Purchase and the Solicitation Agent for the Consent Solicitation is:*

**HSBC**  
**February 8, 2010**

The Consent Date and/or Expiration Date may be extended by the Issuer in its sole discretion. The Issuer expressly reserves the right, in its sole discretion, to terminate the Offer to Purchase and the Consent Solicitation and not accept for purchase any tendered Notes or accept for payment any delivered Consents. Payment to Holders of the Total Consideration or the Tender Consideration for Notes validly tendered (and not validly withdrawn) and for Consents validly delivered (and not validly revoked) pursuant to this Offer to Purchase and Consent Solicitation Statement, is subject to the satisfaction of certain conditions, including, without limitation, the receipt of the Requisite Consents (as defined below) and the satisfaction of the Indenture Condition (as defined below), the Financing Condition (as defined below) and the General Conditions (as defined below). The Issuer reserves the right, in its sole discretion, to waive any and all conditions (other than the condition to obtain the Requisite Consents), in whole or in part, at any time and from time to time or otherwise amend the Offer to Purchase or the Consent Solicitation.

This Offer to Purchase and Consent Solicitation Statement contains important information which should be read before a decision is made with respect to the Offer to Purchase or Consent Solicitation. None of the Issuer, the Trustee, the Dealer Manager and Solicitation Agent or the Information, Tender and Consent Agent makes any recommendation as to whether Holders should tender any or all of their Notes or deliver their Consents to the adoption of the Proposed Amendments.

THE NOTES HAVE NOT BEEN REGISTERED, AND WILL NOT BE REGISTERED, UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY OTHER APPLICABLE SECURITIES LAWS, AND THE NOTES MAY NOT BE OFFERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT (1) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("QIBs"), (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULES 144 UNDER THE SECURITIES ACT (IF AVAILABLE).

THIS OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT MAY NOT BE DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT TO (1) QIBs OR (2) DEALERS OR OTHER PROFESSIONAL FIDUCIARIES ORGANIZED, INCORPORATED OR (IF AN INDIVIDUAL) RESIDENT IN THE UNITED STATES HOLDING DISCRETIONARY ACCOUNTS OR SIMILAR ACCOUNTS (OTHER THAN AN ESTATE OR TRUST) FOR THE BENEFIT OR ACCOUNT OF NON-U.S. PERSONS.

YOU ARE NOT AUTHORIZED AND YOU MAY NOT DELIVER THIS OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT TO ANY OTHER PERSON OR REPRODUCE THIS OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THIS OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT HAS NOT BEEN FILED WITH OR REVIEWED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.

Requests for assistance or for additional copies of this Offer to Purchase and Consent Solicitation Statement or any other documents related to the Offer to Purchase and the Consent Solicitation may be directed to Global Bondholder Services Corporation (the "**Information, Tender and Consent Agent**") at the address and telephone number set forth on the back cover of this Offer to Purchase and Consent Solicitation Statement. Questions or requests for assistance may be directed to the Dealer Manager and Solicitation Agent at the address and telephone number set forth on the back cover of this Offer to Purchase and Consent Solicitation Statement.

The Issuer is undertaking the Offer to Purchase in order to provide Holders an opportunity to tender their Notes. Concurrently with the Offer to Purchase, the Issuer is soliciting the Consents from the Holders to amend certain provisions of the Indenture as described in “The Proposals – The Proposed Amendments” to eliminate substantially all of the Indenture’s restrictive covenants. See “Purpose of the Offer to Purchase and the Consent Solicitation; Source of Funds.” **Initially capitalized terms used below that are not otherwise defined herein have the meanings assigned to them in the Indenture.**

The Offer to Purchase and the Consent Solicitation will expire at 5:00 p.m., New York City time, on March 8, 2010, unless extended or earlier terminated by the Issuer. Holders must validly tender their Notes (and not validly withdraw their tendered Notes) at or prior to the Expiration Date in order to receive the Tender Consideration. Holders must validly tender their Notes (and not validly withdraw their tendered Notes) at or prior to the Consent Date in order to receive the Total Consideration. All Holders that tender their Notes pursuant to the Offer to Purchase are obligated to deliver their Consents to the adoption of the Proposals. Adoption of the Proposals requires the delivery of Consents of Holders of not less than fifty percent (50%) in aggregate principal amount of the outstanding Notes (excluding any Notes owned by the Issuer or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer) (the “**Requisite Consents**”). Upon the terms and subject to the conditions of the Offer to Purchase and Consent Solicitation, Holders may withdraw tendered Notes and revoke delivered Consents at any time prior to, but not at or after (except under certain limited circumstances in which the terms of the Offer to Purchase and the Consent Solicitation are materially modified or as otherwise required by law), the Consent Date.

The Issuer is conducting the Offer to Purchase and the Consent Solicitation contemporaneously. Holders that tender their Notes in the Offer to Purchase will also be deemed to deliver their Consents pursuant to the Consent Solicitation. Holders may not deliver their Consents pursuant to the Consent Solicitation without tendering their Notes. Pursuant to the terms of the Offer to Purchase, acceptance of the Offer to Purchase through DTC’s ATOP (as defined below) or by Electronic Acceptance Instruction to Euroclear S.A./N.V. (“**Euroclear**”) or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) by a Holder in connection with the tender of such Notes will be deemed to constitute the delivery of the Consent of such tendering Holder to the adoption of the Proposals pursuant to the Consent Solicitation. However, Holders that tender their Notes and deliver Consents after the Consent Date and at or prior to the Expiration Date will not be eligible to receive the Consent Payment and will only be eligible to receive the Tender Consideration. Holders who tender their Notes may not revoke Consents without withdrawing such previously tendered Notes to which such Consents relate from the Offer to Purchase, provided that such Holders may not revoke such Consents or withdraw such previously tendered Notes after the Consent Date, except under certain limited circumstances in which the terms of the Offer to Purchase and the Consent Solicitation are materially modified or as otherwise required by law.

Upon the terms and subject to the conditions of the Offer to Purchase and Consent Solicitation, the Issuer will pay, on the Payment Date (as defined below) (a) the Total Consideration for Notes validly tendered at or prior to the Consent Date together with accrued and unpaid interest on such Notes and (b) the Tender Consideration for Notes validly tendered after the Consent Date and at or prior to the Expiration Date together with accrued and unpaid interest on such Notes; provided without limitation that, as applicable in each case, (i) such Notes are not validly withdrawn, (ii) the Consents relating to such Notes have been validly delivered (and not validly revoked), (iii) the Requisite Consents have been obtained and the Indenture Condition, the Financing Condition and the General Conditions have been satisfied or waived and (iv) the Issuer has, in its sole discretion, accepted such Notes for payment pursuant to the Offer to Purchase and such Consents pursuant to the Consent Solicitation. In the case of any Holder wishing to receive the Total Consideration, such Holder’s Notes must be validly tendered at or prior to the Consent Date and such Holder’s Consents must be validly delivered at or prior to the Consent Date and such Holder must not validly withdraw previously tendered Notes or revoke previously delivered Consents. Holders will not receive the Consent Payment, and will only receive the Tender Consideration if such Notes are validly tendered and the Consents relating thereto are delivered after the Consent Date and at or prior to the Expiration Date and such Notes and Consents are neither validly withdrawn nor revoked. In all these cases, payments will be made in same-day funds as promptly after the Expiration Date and acceptance by the Issuer of validly tendered Notes as practicable (such date, the “**Payment Date**”).

If the Requisite Consents are received on the Consent Date, the Issuer and the Trustee will execute and deliver an indenture supplement which shall, upon its effectiveness, effectuate the Proposed Amendments (the “**Indenture Supplement**”), promptly after receipt of the certification from the Information, Tender and Consent Agent that the Requisite Consents have been obtained and upon receipt by the Trustee of an Officers' Certificate from the Issuer and opinions from counsel, as required by the Indenture. Although the Issuer and the Trustee will execute and deliver the Indenture Supplement on the Consent Date or promptly thereafter (subject to the conditions set forth in the preceding sentence), the Indenture Supplement and the Proposed Amendments will not become effective until the Notes validly tendered prior to the Expiration Date (and not validly withdrawn) are accepted for purchase pursuant to the terms of this Offer to Purchase and Consent Solicitation Statement. The Indenture will remain in effect until such time as the Indenture Supplement and the Proposed Amendments become effective. If the Offer to Purchase and the Consent Solicitation are terminated or withdrawn, or the Consents or Notes are not accepted for payment or purchase hereunder, the Indenture Supplement and the Proposed Amendments will not become effective. The Indenture Supplement, upon its effectiveness, shall make the Proposed Amendments effective and shall bind every Holder as of the date of effectiveness thereof. Following the Consent Date, Holders may no longer revoke previous Consents validly delivered or withdraw any Notes that have been validly tendered. The Issuer expressly reserves the right, in its sole discretion and subject to applicable law, at any time or from time to time, to extend the Consent Date for any reason, including if the Requisite Consents are not received by the Consent Date. If the Requisite Consents condition shall not have been satisfied by the Expiration Date, no payments shall be made to consenting and tendering Holders on the Payment Date.

**If the Proposed Amendments become effective, they will apply to all Notes including those that are not validly tendered and accepted for payment hereunder and each and every Holder will be bound by such Proposed Amendments. If the Proposed Amendments become effective, substantially all of the restrictive covenants under the Indenture will be eliminated.**

Notes that are not tendered and accepted for payment pursuant to the Offer to Purchase will remain obligations of the Issuer. Therefore, if the Proposals become effective, Holders that do not tender all their Notes pursuant to the Offer to Purchase will continue to hold such Notes as obligations of the Issuer.

After the Expiration Date or termination of the Offer to Purchase and Consent Solicitation, the Issuer or any of its Affiliates may purchase any Notes not purchased pursuant to the Offer to Purchase in privately negotiated transactions, through tender or exchange offers, through open market purchases, or by redemption, defeasance or otherwise, upon such terms and at such prices as the Issuer may determine (or as may be provided for in the Indenture), which may be more or less than the price to be paid pursuant to the Offer to Purchase and the Consent Solicitation and may involve cash or other consideration. Accordingly, any future purchases may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Offer to Purchase. Any future purchases by the Issuer or any of its Affiliates will depend on various factors existing at that time. There can be no assurance as to which of these alternatives or combination of alternatives, if any, the Issuer or any of its Affiliates will choose to pursue.

Upon the terms and subject to the conditions of the Offer to Purchase and the Consent Solicitation (including, if the Offer to Purchase or the Consent Solicitation is extended or amended, the terms and conditions of any such extension or amendment) and applicable laws, the Issuer will pay: (i) the Total Consideration for all Notes validly tendered (and not validly withdrawn) that are accepted for purchase pursuant to the Offer to Purchase and the Consent Solicitation at or prior to the Consent Date, and (ii) the Tender Consideration for all Notes validly tendered (and not validly withdrawn) that are accepted for purchase pursuant to the Offer to Purchase and the Consent Solicitation after the Consent Date and at or prior to the Expiration Date, in each case promptly after the acceptance pursuant to the Offer to Purchase of such Notes for purchase on the Payment Date. Payment for any such Notes will be made in immediately available (same-day) funds. Any accrued interest payable on the Notes accepted for payment in the Offer to Purchase up to the Payment Date will be paid in cash in immediately available (same-day) funds concurrently with the payment of the Total Consideration or the Tender Consideration, as applicable, for such Notes. Under no circumstances will any additional amount be paid by the Issuer or the Information, Tender and Consent Agent by reason of any delay in making such payment.

## WHERE YOU CAN FIND MORE INFORMATION

The Issuer is not currently subject to the reporting requirements of Section 13 or 15(d) of the United States Securities and Exchange Act of 1934, as amended (the “**Exchange Act**”), and is exempt from the registration requirements of Section 12(g) of the Exchange Act (and therefore, the Issuer is not required to furnish the United States Securities and Exchange Commission certain information pursuant to Rule 12g 3-2(b) under the Exchange Act).

While any of the Notes remains outstanding, the Issuer will make available, upon request, to any Holder the information required pursuant to Rule 144(A)(d)(4) under the Securities Act during any period in which the Issuer is not subject to Section 13 or 15(d) of the Exchange Act (except to the extent that the Issuer is exempt from or otherwise not required to provide such information under this paragraph).

The Notes are listed on the Official List of the Luxembourg Stock Exchange and trade on the Euro MTF Market of that exchange. Copies of the Issuer’s latest audited consolidated and unconsolidated financial statements are available on the Issuer’s website (www.isacapital.com.br). The information contained in or linked to the Issuer’s website is not, and is not intended to be, a part of this Offer to Purchase and Consent Solicitation Statement.

The Issuer is a stock corporation (*sociedade por ações*) operating under the laws of Brazil. The Issuer’s principal executive offices are located at Rua Casa do Ator, 1155, 8th Floor, São Paulo, Brazil, and its telephone number is +55 11 3138 7673. Holders can inspect reports and other information about the Issuer at the Issuer’s principal executive offices.

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**In the event that the Offer to Purchase and the Consent Solicitation are withdrawn, terminated or otherwise not completed, no consideration will be paid or become payable to any of the Holders.**

**Subject to all applicable securities laws and the terms set forth in this Offer to Purchase and the Consent Solicitation Statement, the Issuer reserves the right (i) to waive prior to the Expiration Date any and all conditions (other than the condition to obtain the Requisite Consents) to the Offer to Purchase or the Consent Solicitation, (ii) to extend or to terminate the Offer to Purchase or the Consent Solicitation or (iii) otherwise to amend the Offer to Purchase or the Consent Solicitation in any respect, in each case in the Issuer’s sole discretion.**

**Notwithstanding any other provision of the Offer to Purchase or the Consent Solicitation, the Issuer’s obligation to accept for payment, and to pay the Total Consideration or Tender Consideration, as applicable, for each of the Notes in respect of the Notes that have been validly tendered (and not validly withdrawn) pursuant to the Offer to Purchase and Consents that have been validly delivered (and not validly revoked) pursuant to the Consent Solicitation, is subject to, and conditioned upon, the satisfaction of or, where applicable, the Issuer’s waiver of, the following:**

- **the receipt of the Requisite Consents;**
- **the execution and delivery of the Indenture Supplement by the Issuer and the Trustee (the “Indenture Condition”);**
- **the successful completion of a local financing by the Issuer in Brazil (the “Financing Condition”); and**
- **the General Conditions (as defined below in “Conditions to the Offer to Purchase and Consent Solicitation”).**

The Issuer reserves the right, in its sole discretion, to waive any one or more of the conditions (other than the condition to obtain the Requisite Consents) to the Offer to Purchase and the Consent Solicitation at any time. See “Conditions to the Offer to Purchase and Consent Solicitation.”

The Offer to Purchase and the Consent Solicitation are not being made to (nor will the tender of Notes for payment be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Offer to Purchase or the Consent Solicitation would not comply with the laws of such jurisdiction.

Neither this Offer to Purchase and Consent Solicitation Statement nor any related document has been filed with the United States Securities and Exchange Commission, nor has any such document been filed with or reviewed by any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of this Offer to Purchase and Consent Solicitation Statement or any related documents, and it is unlawful and may be a criminal offense to make any representation to the contrary.

**TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (1) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN BY THE ISSUER TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY HOLDERS, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (2) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (3) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM THEIR OWN INDEPENDENT TAX ADVISORS.**

In this Offer to Purchase and Consent Solicitation Statement, unless otherwise specified, references to “dollars,” “\$,” “U.S. Dollars” or “U.S.\$” are to United States Dollars, the legal currency of the United States. Terms used in this document that are not otherwise defined herein have the meanings set forth in the Indenture.

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## IMPORTANT INFORMATION

THIS OFFER TO PURCHASE AND CONSENT SOLICITATION STATEMENT CONTAINS IMPORTANT INFORMATION THAT YOU SHOULD READ CAREFULLY BEFORE YOU MAKE ANY DECISION WITH RESPECT TO EITHER DELIVERY OF A CONSENT PURSUANT TO THE CONSENT SOLICITATION OR A TENDER OF NOTES PURSUANT TO THE OFFER TO PURCHASE.

This Offer to Purchase and Consent Solicitation Statement has not been filed with or reviewed by any federal or state securities commission or regulatory authority nor has any such commission or authority passed upon the accuracy or adequacy of this Offer to Purchase and Consent Solicitation Statement. Any representation to the contrary is unlawful and may be a criminal offense. No person has been authorized by the Issuer or the Dealer Manager and Solicitation Agent to give any information or to make any representation in connection with this Offer to Purchase and Consent Solicitation Statement other than those contained in this Offer to Purchase and Consent Solicitation Statement, and, if given or made, such information or representations should not be relied upon as having been authorized by the Issuer or the Dealer Manager and Solicitation Agent or any other person. This Offer to Purchase and Consent Solicitation Statement does not constitute a solicitation of Consents in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such solicitation under applicable securities or “blue sky” laws. The delivery of this Offer to Purchase and Consent Solicitation Statement at any time shall not under any circumstances create any implication that the information set forth herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in the affairs of the Issuer and its consolidated subsidiaries since the date hereof. In any jurisdiction where the securities, blue sky or other laws require consent solicitations be made by a licensed broker, or dealer, the offer to purchase and consent solicitation in this Offer to Purchase and Consent Solicitation Statement will be deemed to be made on behalf of the Issuer by the Dealer Manager and Solicitation Agent or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

The delivery of this Offer to Purchase and Consent Solicitation Statement does not constitute an offering of Notes or any other security of the Issuer or any other person, and this Offer to Purchase and Consent Solicitation Statement may not be used for such purposes or in connection with the purchase or sale of any securities, including, without limitation, the Notes. **The Notes have not been registered, and will not be registered, under the Securities Act or any other applicable securities laws, and the Notes may not be offered within the United States or to, or for the account or benefit of, U.S. Persons, except (1) to QIBs, (2) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act or (3) pursuant to the exemption from registration provided by Rules 144 under the Securities Act (if available).**

Any Holder that wishes to tender Notes and deliver Consents should, in the case of a Holder that holds Notes in book-entry form, follow the procedures set forth under “Procedures for Tendering Notes and Delivering Consents.” **A beneficial owner whose Notes are held by a broker, dealer, commercial bank, trust company or other nominee must contact such nominee if such beneficial owner wishes to tender its Notes and to deliver its Consents with respect to Notes so held.**

The Offer to Purchase and the Consent Solicitation are eligible for the Automated Tender Offer to Purchase Program (“**ATOP**”) of the Depository Trust Company (“**DTC**”). Accordingly, DTC participants may electronically deliver their Consents and tender their Notes by causing DTC to deliver their Consents and transfer their Notes in accordance with DTC’s ATOP procedures. DTC will then send an Agent’s Message (as defined below) to the Information, Tender and Consent Agent. Holders desiring to deliver their Consents and tender their Notes prior to the Consent Date or the Expiration Date, as the case may be, should note that such Holders must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC on such date. See “Procedures for Tendering Notes and Delivering Consents.”

A beneficial owner who holds Notes through Euroclear or Clearstream, Luxembourg and wishes to Consent and tender its Notes must arrange for a direct participant in Euroclear or Clearstream, Luxembourg to deliver a valid electronic acceptance instruction (“**Electronic Acceptance Instruction**”), which includes the proper Note Instructions (as defined below), to Euroclear or Clearstream, Luxembourg, as applicable. Only a direct participant in Euroclear or Clearstream, Luxembourg may submit an Electronic Acceptance Instruction to Euroclear or Clearstream, Luxembourg. See “Procedures for Tendering Notes and Delivering Consents.”

Consenting and tendering Holders will not be obligated to pay brokerage fees or commissions to the Dealer Manager and Solicitation Agent, the Information, Tender and Consent Agent, the Trustee or the Issuer.

Questions and requests for assistance may be directed to the Dealer Manager and Solicitation Agent at the address and telephone number set forth on the back cover of this Offer to Purchase and Consent Solicitation Statement. Additional copies of this Offer to Purchase and Consent Solicitation Statement and other related materials may be obtained from the Information, Tender and Consent Agent at the address and telephone numbers set forth on the back cover of this Offer to Purchase and Consent Solicitation Statement. Beneficial owners may also contact their brokers, dealers, commercial banks, trust companies or other nominees through which they hold the Notes with questions and requests for assistance.

The delivery of this Offer to Purchase and Consent Solicitation Statement shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or in the affairs of the Issuer or any of its Affiliates since the date hereof.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase and Consent Solicitation Statement and, if given or made, such information or representation may not be relied upon as having been authorized by the Issuer or the Dealer Manager and Solicitation Agent.

None of the Issuer, the Trustee, or the Dealer Manager and Solicitation Agent makes any recommendation as to whether or not Holders should deliver Consents pursuant to the Consent Solicitation or tender Notes pursuant to the Offer to Purchase.

#### **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this Offer to Purchase and Consent Solicitation Statement, including, without limitation, statements containing the words “believes,” “anticipates,” “expects” and words of similar import, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or its consolidated subsidiaries, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include changes in the regulatory framework of the electric industry in one or more of the countries in which the Issuer and its consolidated subsidiaries conduct their business, the Issuer’s ability to implement proposed capital expenditures (including the Issuer’s ability to arrange financing where required), the nature and extent of future competition in the Issuer’s principal markets and political, economic and demographic developments in the emerging market countries where the Issuer and its consolidated subsidiaries conduct their business. The foregoing list of risks and uncertainties, however, is not intended to be exhaustive. Holders are cautioned not to place undue reliance on such forward-looking statements. The Issuer disclaims any obligation to announce publicly the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments. Such forward-looking statements speak only as of the date on which they are made, and the Issuer does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

## SIGNIFICANT DATES AND TIMES

Holders of Notes should be aware of the following dates and times in connection with the Offer to Purchase and the Consent Solicitation:

<u>Date</u>	<u>Calendar Date/Time</u>	<u>Event</u>
Consent Date	5:00 p.m., New York City time, on February 24, 2010, unless extended by the Issuer.	The last time by which Holders may tender Notes pursuant to the Offer to Purchase and deliver Consents pursuant to the Consent Solicitation in order to qualify to receive the Total Consideration. Assuming the Requisite Consents have been obtained, the Indenture Supplement will be executed and delivered on the Consent Date or promptly thereafter.
Expiration Date	5:00 p.m., New York City time, on March 8, 2010, unless extended by the Issuer.	The last time by which Holders may tender Notes and deliver Consents pursuant to the Offer to Purchase and the Consent Solicitation. Holders who tender Notes and deliver Consents after the Consent Date and at or prior to the Expiration Date may qualify for the Tender Consideration only and will not qualify for the Consent Payment.
Payment Date	As promptly after the Expiration Date and acceptance by the Issuer of validly tendered Notes as practicable.	If and only if the Requisite Consents are obtained and the Indenture Condition, the Financing Condition and the General Conditions are satisfied or waived, and the Issuer accepts validly tendered Notes for purchase, the Information, Tender and Consent Agent will arrange for each tendering and consenting Holder to receive the Total Consideration or the Tender Consideration, as applicable, plus accrued and unpaid interest on such tendered Notes up to but excluding the Payment Date.

Subject to applicable securities laws and the terms set forth herein, the Issuer retains the right to extend the Offer to Purchase and Consent Solicitation, if necessary, so that the Expiration Date occurs upon or shortly after the satisfaction of the conditions to the Offer to Purchase and Consent Solicitation, or to extend the Consent Date, or both.

In the event that the Offer to Purchase and the Consent Solicitation are withdrawn or otherwise not completed, or the conditions thereto are not satisfied or waived by the Issuer, the Total Consideration or Tender Consideration, as applicable, will not be paid or become payable to Holders who have validly tendered their Notes and delivered Consents in connection with the Offer to Purchase and Consent Solicitation.

## SUMMARY

*The following summary is provided solely for the convenience of the Holders. This summary is not intended to be complete and is qualified in its entirety by reference to the full text and more specific details contained elsewhere in this Offer to Purchase and Consent Solicitation Statement and any amendments or supplements hereto and the related Consent and Letter of Transmittal. Holders are urged to read this Offer to Purchase and Consent Solicitation Statement and the related Consent and Letter of Transmittal in their entirety. Each of the capitalized terms used in this Summary and not defined herein has the meaning set forth elsewhere in this Offer to Purchase and Consent Solicitation Statement.*

The Issuer .....	ISA Capital do Brasil S.A.
The Notes.....	The 8.800% Senior Notes due 2017 issued under the Indenture. As of the date hereof, the principal amount of the outstanding Notes (excluding any Notes owned by the Issuer or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer) is U.S.\$354,000,000.
Purpose of the Offer to Purchase and the Consent Solicitation.....	The purpose of the Offer to Purchase is to acquire all the outstanding Notes and the purpose of the Consent Solicitation is to eliminate substantially all of the restrictive covenants contained in the Indenture. This is intended to provide the Issuer with increased operating and financial flexibility after the consummation of the Offer to Purchase and the Consent Solicitation and the effectiveness of the Proposed Amendments.
The Offer to Purchase.....	The Issuer is providing Holders an option to tender their Notes by offering to purchase for cash all outstanding Notes at the price per Note set forth below on the terms and subject to obtaining the Requisite Consents and the satisfaction or waiver of the other conditions set forth herein, including, without limitation, the Indenture Condition, the Financing Condition and the General Conditions and the acceptance of such Consents and tendered Notes by the Issuer. Holders that validly tender their Notes pursuant to the Offer to Purchase will be deemed to have delivered their Consents by such tender; however, they will receive the Consent Payment only if such tender is made at or prior to the Consent Date and the conditions set forth herein are satisfied, including without limitation, the receipt of Requisite Consents, and the satisfaction or waiver of the Indenture Condition, the Financing Condition and the General Conditions and the acceptance of such tendered Notes by the Issuer for purchase.
The Consent Solicitation .....	In conjunction with the Offer to Purchase, the Issuer is soliciting Consents from Holders to the adoption of the Proposals. See “Principal Terms of the Offer to Purchase and the Consent Solicitation — The Consent Solicitation.”

Consent Date .....	5:00 p.m., New York City time on February 24, 2010, unless extended by the Issuer in its sole discretion (which is the time by which Holders must tender their Notes and deliver their Consents in order to be eligible to receive the Total Consideration). The Issuer retains the right to extend the Consent Date in its sole discretion. If the Consent Date is extended, the Issuer will issue a public announcement (in the form of a press release) on the first business day after the previously scheduled Consent Date, setting forth a new time and date for the Consent Date.
	Assuming that the Requisite Consents have been obtained by such date, the Issuer and the Trustee will execute and deliver the Indenture Supplement on the Consent Date or promptly thereafter.
Expiration Date.....	5:00 p.m., New York City time on March 8, 2010, unless extended or earlier terminated by the Issuer in its sole discretion (which is, the time after the Consent Date by which Holders must tender their Notes in order to be eligible to receive the Tender Consideration). Holders who tender their Notes after the Consent Date will not be eligible to receive the Consent Payment, and will only be eligible to receive the Tender Consideration. Subject to applicable securities laws and the information set forth herein, the Issuer retains the right, in its sole discretion, to extend the Offer to Purchase and Consent Solicitation, if necessary, so that the Expiration Date occurs upon or shortly after the satisfaction of the conditions to the Offer to Purchase and Consent Solicitation. If the Expiration Date is extended, the Issuer will issue a public announcement (in the form of a press release) no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Date setting forth a new time and date for the Expiration Date.
Tender Consideration .....	The Tender Consideration is an amount equal to U.S.\$1,082.50 per U.S.\$1,000 principal amount of the Notes, which is the Total Consideration less the Consent Payment.
Consent Payment .....	The Consent Payment for each U.S.\$1,000 principal amount of Notes for which (i) Notes are validly tendered (and not validly withdrawn) and (ii) Consents are validly delivered (and not validly revoked) at or prior to the Consent Date and accepted for purchase or payment pursuant to the Offer to Purchase and the Consent Solicitation will be an amount equal to U.S.\$35.00. For purposes of the Offer to Purchase and Consent Solicitation, tendered Notes will be deemed to have been accepted for purchase and delivered Consents will be deemed to have been accepted for payment if and when the Issuer gives oral or written notice thereof to the Information, Tender and Consent Agent.
Total Consideration .....	The Total Consideration for each U.S.\$1,000 principal amount of Notes validly tendered and accepted for purchase pursuant to the Offer to Purchase will be an amount equal to (i) the Tender Consideration plus (ii) the Consent Payment. Holders that validly tender Notes (and do not validly withdraw such Notes) and deliver Consents (and do not validly revoke such Consents) at or prior to the Consent Date will receive the Total Consideration, provided that the conditions set forth herein are satisfied,

including without limitation, the receipt of Requisite Consents, and the satisfaction or waiver of the Indenture Condition, the Financing Condition and the General Conditions and the acceptance of such tendered Notes by the Issuer for purchase.

Additional Amounts .....

The Issuer may be required by law to deduct or withhold a portion of the Tender Consideration and the Consent Payment from Holders. In such cases, the Issuer shall pay Additional Amounts (as defined below) to such Holders. For a discussion of the treatment of Additional Amounts, see “Principal Terms of the Offer to Purchase and the Consent Solicitation—Additional Amounts.”

Payment Date.....

Assuming that all of the conditions to the Offer to Purchase and the Consent Solicitation are satisfied, the Total Consideration or the Tender Consideration, as applicable, will each be paid as promptly after the Expiration Date and acceptance by the Issuer of validly tendered Notes as practicable.

Accrued Interest.....

Holders tendering their Notes will also receive accrued interest up to, but excluding, the Payment Date.

The Proposals .....

Under the Consent Solicitation, the Issuer is seeking consents from the Holders to:

- eliminate the restrictive covenants of the Issuer under the Indenture set forth below:

Section 4.1(a)	Indebtedness
Section 4.1(b)	Liens
Section 4.1(c)	Disposal of Assets
Section 4.1(d)	Investments
Section 4.1(e)	Dealings with Share Capital
Section 4.1(f)	Consolidations, Mergers
Section 4.1(g)	Conduct of Business; and

- eliminate the restrictive covenants of the Issuer concerning actions by its operating subsidiary, *Companhia de Transmissao de Energia Elétrica Paulista* (“CTEEP”) under the Indenture set forth below:

Section 4.2(a)(B)	Restricted Payments
Section 4.2(b)	Limitation on Indebtedness
Section 4.2(c)	Limitation on Liens
Section 4.2(d)	Limitation on Sale of Assets
Section 4.2(e)	Limitations on Transactions with Affiliates
Section 4.2(f)	Limitation on Sale and Lease-Back Transactions
Section 4.2(g)	Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries
Section 4.2(h)	Conduct of Business
Section 4.2(j)	Payment of Obligations

	<p>Section 4.2(k) Maintenance of Books and Records  Section 4.2(m) Compliance with Laws  Section 4.2(n) Insurance  Section 4.2(o) Maintenance of Government Approvals  Section 4.3 Consolidation, Merger, Conveyance, Sale or Lease;</p> <ul style="list-style-type: none"> <li>• delete the Event of Default set forth in Section 5.1(a)(ix); and</li> <li>• delete from the Indenture in their entirety any references, event of default provisions and defined terms related to the above listed sections which are to be deleted under the Proposals.</li> </ul>
Requisite Consents .....	Requisite Consents are validly delivered Consents to the adoption of the Proposals (which are not validly revoked) from Holders of not less than fifty percent (50%) in aggregate principal amount of the outstanding Notes (excluding any Notes owned by the Issuer or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer).
How to Deliver Consents and Tender Notes....	See “Procedures for Tendering Notes and Delivering Consents.” For further information, call the Information, Tender and Consent Agent or the Dealer Manager and Solicitation Agent at their respective telephone numbers set forth on the back cover of this Offer to Purchase and Consent Solicitation Statement or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.
Withdrawal and Revocation Rights .....	Tenders of the Notes may be withdrawn and Consents may be revoked at any time before the Consent Date by following the procedures described herein. A valid withdrawal of tendered Notes before the Consent Date will be deemed a revocation of the related Consent. Tenders may not be withdrawn and Consents may not be revoked after the Consent Date, except under certain limited circumstances in which the terms of the Offer to Purchase and the Consent Solicitation are materially modified or as otherwise required by law. By tendering Notes pursuant to the terms of the Offer to Purchase, the Holder agrees that the Holder’s related Consent may not be revoked after the Consent Date, except under certain limited circumstances in which the terms of the Offer to Purchase and the Consent Solicitation are materially modified or as otherwise required by law. See “Withdrawal of Tenders and Revocation of Consents.”

Certain Conditions Precedent to the Offer to Purchase and Consent Solicitation.....

The Offer to Purchase and the Consent Solicitation are conditioned upon the receipt of the Requisite Consents and the satisfaction or waiver of (i) the Indenture Condition, (ii) the Financing Condition, (iii) the General Conditions, and (iv) any other condition to the consummation of the Offer to Purchase and the Consent Solicitation as set forth in this Offer to Purchase and Consent Solicitation Statement. The Issuer reserves the right, in its sole discretion, to waive any and all conditions (other than the condition to obtain the Requisite Consents) to the Offer to Purchase and the Consent Solicitation prior to the Expiration Date. See “Conditions to the Offer to Purchase and Consent Solicitation.”

Certain Consequences to Holders Not Tendering.....

Adoption of the Proposals and consummation of the Offer to Purchase may have adverse consequences for Holders of Notes that elect not to tender Notes and deliver Consents in the Offer to Purchase and Consent Solicitation, or otherwise object to the Proposals. Holders of Notes outstanding after consummation of the Offer to Purchase and the effectiveness of the Proposed Amendments will not be entitled to the direct benefit of substantially all of the restrictive covenants presently contained in the Indenture.

In addition, the trading market for Notes not tendered in response to the Offer to Purchase will be more limited.

For a discussion of certain factors that should be considered in evaluating the Offer to Purchase and Consent Solicitation, see “Certain Significant Consequences to Non-Tendering and Non-Consenting Holders.”

Certain Material United States Federal Income Tax Consequences .....

Holders are urged to consult their own tax advisors to ascertain the particular tax consequences associated with the Offer to Purchase and Consent Solicitation. For a summary of certain material United States federal income tax consequences of the Offer to Purchase and Consent Solicitation, see “Certain Material United States Federal Income Tax Consequences.”

Certain Material Brazilian Tax Considerations

Holders of Notes are urged to consult their own tax advisors to ascertain the particular tax consequences associated with the Offer to Purchase and Consent Solicitation. For a summary of certain material Brazilian tax consequences of the Offer to Purchase and Consent Solicitation, see “Certain Material Brazilian Tax Considerations.”

Waivers; Extensions; Amendments; Termination .....

The Issuer expressly reserves the right, in its sole discretion and subject to applicable law, at any time or from time to time, to (a) waive any condition (other than the condition to obtain the Requisite Consents) to the Offer to Purchase and Consent Solicitation, (b) extend the Consent Date or the Expiration Date and all Notes previously tendered and Consents previously delivered pursuant to the Offer to Purchase and the Consent Solicitation will remain subject to the Offer to Purchase and the Consent Solicitation and may be accepted for purchase or

payment, subject to the revocation and withdrawal rights of Holders as described under “Withdrawal of Tenders and Revocation of Consents,” (c) amend the terms of the Offer to Purchase and the Consent Solicitation in any respect, and (d) terminate the Offer to Purchase and the Consent Solicitation and not accept for purchase any tendered Notes or accept for payment any Consent. Any amendment to the terms of the Offer to Purchase and the Consent Solicitation will apply to all Notes tendered pursuant to the Offer to Purchase and to all Notes to which Consents were delivered pursuant to the Consent Solicitation. See “Conditions to the Offer to Purchase and the Consent Solicitation — Expiration Date; Consent Date; Extensions; Termination; Amendments.”

Brokerage Commissions.....	No brokerage commissions are payable by Holders to the Dealer Manager and Solicitation Agent, the Information, Tender and Consent Agent, the Issuer or the Trustee.
Dealer Manager and Solicitation Agent.....	HSBC Securities (USA) Inc.
Information, Tender and Consent Agent .....	Global Bondholder Services Corporation.
Further Information .....	Questions may be directed to the Dealer Manager and Solicitation Agent, and additional copies of this Offer to Purchase and Consent Solicitation Statement may be obtained by contacting the Information, Tender and Consent Agent or the Dealer Manager and Solicitation Agent, at their respective telephone numbers and addresses set forth on the back cover of this Offer to Purchase and Consent Solicitation Statement.

## THE ISSUER

The Issuer is a Brazilian stock corporation (*sociedade por ações*) formed on April 28, 2006 to participate in the sale by the government of the State of São Paulo, or the state government, of approximately 31.34 billion shares of its operating subsidiary, CTEEP's common stock representing 50.10% of the CTEEP common stock and 21% of the CTEEP capital stock. As of the date of this Offer to Purchase and Consent Solicitation Statement, the Issuer owned approximately 89.4% of CTEEP's common stock and 37.5% of CTEEP's capital stock.

The Issuer is a holding company and engages only in limited business activities permitted under the Indenture. Interconexión Eléctrica S.A. E.S.P., a Colombian electricity transmission company controlled by the government of Colombia, is the owner of 99.99% of the Issuer's shares of capital stock.

CTEEP is a Brazilian publicly traded company engaged in the business of transmitting electricity from generation facilities to distribution networks and independent consumers. CTEEP is the largest electricity transmission company in the State of São Paulo based on total assets and revenues and the second largest electricity transmission company in Brazil based on revenues, according to the National Operator of the Electrical System (*Operador Nacional do Sistema Eléctrico*). CTEEP transmits approximately 30% of all electricity in Brazil and 60% of the electricity in Brazil's southeastern region. CTEEP operates an open-access electricity transmission network that comprised 12,312 Km of electricity transmission lines with a voltage capacity equal to or greater than 550 kV and 102 operated substations with a total of 511 transformers and an aggregate transformation capacity of 5,082 MVA, as of December 31, 2009.

## **PURPOSE OF THE OFFER TO PURCHASE AND THE CONSENT SOLICITATION; SOURCE OF FUNDS**

The purpose of the Offer to Purchase and the Consent Solicitation is to acquire all the outstanding Notes and eliminate substantially all of the restrictive covenants contained in the Indenture. This is intended to provide the Issuer with increased operating and financial flexibility after the consummation of the Offer to Purchase and the Consent Solicitation and the effectiveness of the Proposed Amendments.

The principal amount of the outstanding Notes as of the date of this Offer to Purchase and Consent Solicitation Statement is U.S.\$354,000,000. The Issuer intends to obtain the funds required to purchase all of the outstanding Notes pursuant to the Offer to Purchase and to make the Consent Payment with respect to all the Notes from the proceeds of a local financing by the Issuer in Brazil. Completion of such local financing is a condition to the closing of the Offer to Purchase.

The Issuer is not making any recommendation to the Holders as to whether or not to tender all or any portion of Notes and to deliver the related Consents or withhold such Consents with respect to all or any portion of their Notes. Holders must decide whether to tender Notes and deliver the Consents relating to such Notes, and if tendering, the amount of Notes to tender.

From time to time in the future, the Issuer retains the absolute right, in its sole discretion, to acquire Notes (if any) that remain outstanding. After the Expiration Date or termination of the Offer to Purchase and Consent Solicitation, the Issuer or any of its Affiliates may purchase any Notes not purchased pursuant to the Offer to Purchase in privately negotiated transactions, through tender or exchange offers, through open market purchases, or by redemption, defeasance or otherwise, upon such terms and at such prices as the Issuer or any of its Affiliates may determine (or as may be provided for in the Indenture), which may be more or less than the price to be paid pursuant to the Offer to Purchase and the Consent Solicitation and may involve cash or other consideration. Accordingly, any future purchases may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Offer to Purchase. Any future purchases by the Issuer or any of its Affiliates will depend on various factors existing at that time. There can be no assurance as to which of these alternatives or combination of alternatives, if any, the Issuer or any of its Affiliates will choose to pursue.

## THE PROPOSALS

The following summary description contains basic information about the Proposed Amendments and certain other aspects of the Offer to Purchase and Consent Solicitation. It does not contain all the information that may be important to Holders in making a decision regarding the Offer to Purchase and Consent Solicitation. **Holders should read this Offer to Purchase and Consent Solicitation Statement in its entirety.**

To be effective under the Indenture, the Proposed Amendments must receive the consent of Holders of not less than fifty percent (50%) in aggregate principal amount of the outstanding Notes (excluding any Notes owned by the Issuer or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer) issued thereunder. The following statements are subject to, and qualified in their entirety by reference to, the applicable provisions of the Indenture, which is incorporated herein by reference. Capitalized terms used in this section without definition have the respective meanings assigned to them in the Indenture.

### The Proposed Amendments

*Deletion of Certain Provisions in the Indenture.* The Proposed Amendments would delete the covenants and event of default listed below and references thereto in their entirety from the Indenture, as well as the event of default provisions, defined terms and other references related to such provisions, but made irrelevant as a result of their deletion:

- Section 4.1(a)      *Indebtedness.* Under Section 4.1(a), the Issuer shall not Incur Indebtedness or any other obligations or liabilities other than obligations or liabilities under or contemplated by the Acquisition Documents or under the Issuer Permitted Indebtedness. The Proposed Amendments would delete Section 4.1(a) in its entirety.
- Section 4.1(b)      *Liens.* Under Section 4.1(b), the Issuer shall not create or suffer to exist any Liens on any of its properties, other than Issuer Permitted Liens. The Proposed Amendments would delete Section 4.1(b) in its entirety.
- Section 4.1(c)      *Disposal of Assets.* Under Section 4.1(c), with certain exceptions and provided that certain conditions are satisfied, the Issuer shall not sell, assign, lease, transfer or otherwise dispose of any interest in its properties. The Proposed Amendments would delete Section 4.1(c) in its entirety.
- Section 4.1(d)      *Investments.* Under Section 4.1(d), the Issuer shall not (x) create or acquire any Subsidiaries, except in connection with a Permitted Affiliate Transaction and (y) make any Investment other than (i) as specifically contemplated by the Acquisition Documents, (ii) in connection with a Permitted Affiliate Transaction and (iii) Investments that are Issuer Permitted Investments. The Proposed Amendments would delete Section 4.1(d) in its entirety.
- Section 4.1(e)      *Dealings with Share Capital.* Under Section 4.1(e), the Issuer shall not (i) declare or pay any dividend or make any distribution on or in respect of its Capital Stock or similar payment (including interest on capital) to the direct or indirect holders of its Capital Stock except dividends or distributions payable solely in the form of its Capital Stock (other than Disqualified Stock or Preferred Stock); (ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any Restricted Subsidiary or any of their Affiliates held by Persons other than the Issuer or another Restricted Subsidiary; or (iii) make an Investment in any of its direct or indirect holders of its Capital Stock, except for the distribution of shares of Capital Stock of CTEEP under certain conditions. The Proposed Amendments would delete Section 4.1(e) in its entirety.

- Section 4.1(f) *Consolidations, Mergers.* Under Section 4.1(f), the Issuer may not consolidate or merge with or into any other Person or sell, lease or otherwise transfer, directly or indirectly (including by way of spin-off), all or any part of its properties to any other Person. The Proposed Amendments would delete Section 4.1(f) in its entirety, except for the events provided in such section and upon satisfaction of certain conditions.
- Section 4.1(g) *Conduct of Business.* Under Section 4.1(g), the Issuer shall not engage in any business activity or transaction other than owning the shares of Capital Stock of CTEEP, complying with its obligations and exercising its rights under the Acquisition Documents, complying with its obligations and exercising its rights under the Interim Financing Documents, the Notes, the Indenture and other related documents, the Other Notes, the Other Indenture and other related documents and the Additional Refinancing Indebtedness, complying with its obligations under the Acquisition Documents and complying with its obligations and exercising its rights under the Hedging Permitted Transaction. The Proposed Amendments would delete Section 4.1(g) in its entirety.
- Section 4.2(a)(B) *Restricted Payments.* Under Section 4.2(a)(B), the Issuer is required to cause CTEEP and its Restricted Subsidiaries not to, directly or indirectly: (i) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Preferred Stock of CTEEP or any Restricted Subsidiary or any Subordinated Obligations (other than the purchase, repurchase, redemption, defeasance or other acquisition of Subordinated Obligations made in anticipation of satisfying a sinking fund obligation, a principal installment or a final maturity, in each case, due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition and other than Subordinated Obligations payable to CTEEP or a Restricted Subsidiary); or (ii) make any Investment (other than a Permitted Investment) in any Person. The Proposed Amendments would delete Section 4.2(a)(B) in its entirety.
- Section 4.2(b) *Limitation on Indebtedness.* Under Section 4.2(b), the Issuer is required to cause CTEEP and its Restricted Subsidiaries not to Incur, with certain exceptions and upon satisfaction of certain conditions, any Indebtedness. The Proposed Amendments would delete Section 4.2(b) in its entirety.
- Section 4.2(c) *Limitation on Liens.* Under Section 4.2(c), the Issuer is required to cause CTEEP and its Restricted Subsidiaries, with certain exceptions, not to issue, assume or Guarantee any Indebtedness secured by a Lien upon any property or assets of CTEEP or any Restricted Subsidiary without effectively providing that the Notes shall be secured equally and ratably with (or prior to) such Indebtedness so long as such Indebtedness shall be so secured (*provided, however,* that any Lien created for the benefit of the holders of the Notes pursuant to the foregoing shall provide by its terms that such Lien will be automatically and unconditionally released and discharged upon release and discharge of the Initial Lien). The Proposed Amendments would delete Section 4.2(c) in its entirety.
- Section 4.2(d) *Limitation on Sale of Assets.* Under Section 4.2(d), the Issuer is required to cause CTEEP and its Restricted Subsidiaries not to make any Asset Disposition, unless certain conditions are met. The Proposed Amendments would delete Section 4.2(d) in its entirety.
- Section 4.2(e) *Limitations on Transactions with Affiliates.* Under Section 4.2(e), the Issuer is required to cause CTEEP and its Restricted Subsidiaries not to make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guaranty with, or for the benefit of, any Affiliate involving consideration in excess of \$5 million, unless certain conditions are met. The Proposed Amendments would delete Section 4.2(e) in its entirety.
- Section 4.2(f) *Limitation on Sale and Lease-Back Transactions.* Under Section 4.2(f), the Issuer is required to cause CTEEP and its Restricted Subsidiaries not to enter into any Sale and

Lease-Back Transaction, with certain exceptions. The Proposed Amendments would delete Section 4.2(f) in its entirety.

- Section 4.2(g) *Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.* Under Section 4.2(g), the Issuer is required to cause CTEEP and its Restricted Subsidiaries, with certain exceptions, not to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of CTEEP or any Restricted Subsidiary to: (i) pay dividends or make any other distributions on its Capital Stock to the Issuer, CTEEP or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits; (ii) pay any Indebtedness owed to the Issuer, CTEEP or any Restricted Subsidiary; (iii) make loans or advances to the Issuer, CTEEP or any Restricted Subsidiary; or (iv) transfer any of its properties or assets to the Issuer, CTEEP or any Restricted Subsidiary. The Proposed Amendments would delete Section 4.2(g) in its entirety.
- Section 4.2(h) *Conduct of Business.* Under Section 4.2(h), the Issuer is required to cause CTEEP to (i) take all reasonable action to maintain all rights, privileges, titles to Property, franchises and the like necessary in the normal conduct of its business, activities or operations as presently conducted; and (ii) engage in any business of the same general type as it presently conducts, and such business activities as are incidental or reasonably related thereto or reasonable extensions thereof. The Proposed Amendments would delete Section 4.2(h) in its entirety.
- Section 4.2(j) *Payment of Obligations.* Under Section 4.2(j), the Issuer is required to cause CTEEP to pay and discharge in full, at or before maturity, all of its obligations and liabilities (including Tax liabilities) and comply with all Applicable Laws relating to Taxes, except where the validity of which is being contested by CTEEP in good faith by appropriate proceedings and with respect to which adequate reserves have been established by CTEEP to the extent required by Brazilian GAAP. The Proposed Amendments would delete Section 4.2(j) in its entirety.
- Section 4.2(k) *Maintenance of Books and Records.* Under Section 4.2(k), the Issuer is required to cause CTEEP to keep proper books of record and account in accordance with applicable Tax and Brazilian GAAP. The Proposed Amendments would delete Section 4.2(k) in its entirety.
- Section 4.2(m) *Compliance with Laws.* Under Section 4.2(m), except to the extent that failure to do so would not be reasonably expected to have a Material Adverse Effect, the Issuer is required to cause CTEEP to comply in all material respects with all Applicable Laws except where the necessity of compliance therewith is contested in good faith by appropriate proceedings promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor. The Proposed Amendments would delete Section 4.2(m) in its entirety.
- Section 4.2(n) *Insurance.* Under Section 4.2(n), the Issuer is required to cause CTEEP to maintain insurance with financially sound, responsible and reputable insurance companies and in such amounts and covering such risks as are usually carried by companies of good repute engaged in similar businesses and owning and/or operating Properties similar to those owned and/or operated by CTEEP, in the same general areas in which CTEEP owns and/or operates its Properties. The Proposed Amendments would delete Section 4.2(n) in its entirety.
- Section 4.2(o) *Maintenance of Government Approvals.* Under Section 4.2(o), the Issuer is required to cause CTEEP to maintain in full force and effect all Governmental Approvals, consents, licenses and authorizations which may be necessary or appropriate under any Applicable Law or regulation for the conduct of its business. The Proposed Amendments would delete Section 4.2(o) in its entirety.

Section 4.3                    *Consolidation, Merger, Conveyance, Sale or Lease.* Under Section 4.3, the Issuer is required to cause CTEEP and its Restricted Subsidiaries not to consolidate or merge into another Person or convey, transfer or lease their respective properties and assets substantially as an entirety unless certain conditions provided in such section are satisfied. The Proposed Amendments would delete Section 4.3 in its entirety.

Section 5.1(a)(ix)        *Cross-default.* Under Section 5.1(a)(ix), a default under any mortgage, indenture or instruments under which there may be issued or by which there may be secured or evidenced any Indebtedness by the Issuer, CTEEP or any other Restricted Subsidiary (or the payment of which is Guaranteed by the Issuer, CTEEP or any other Restricted Subsidiary) which (i) is caused by a failure to pay an amount in excess of US\$25 million in respect of principal of, or interest or premium, if any, on such Indebtedness within any applicable grace period, or (ii) results in the acceleration of such Indebtedness prior to its Stated Maturity; provided, that, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness to which (i) or (ii) is also applicable, aggregates US\$25 million or more constitutes an Event of Default. The Proposed Amendments would delete Section 5.1(a)(ix) in its entirety.

*Deletion of Relevant Definitions and Provisions in the Indenture.* The Proposed Amendments would also make certain other changes in the Indenture of a technical or conforming nature, including the deletion of those definitions from the Indenture that are used only in provisions that would be eliminated as a result of the elimination or modification of the foregoing provisions. Cross references to the provisions in the Indenture that have been deleted as a result of the Proposed Amendments will be revised to reflect such deletions.

The Issuer is seeking the consent to all of the Proposed Amendments as a single proposal. Therefore if a Holder elects to tender its Notes and give its Consent, such Holder will be deemed to consent to all of the Proposed Amendments to the Indenture.

In addition to the foregoing, execution and delivery of the Consent and Letter of Transmittal will constitute an express waiver with respect to all claims against the Issuer arising under the Indenture or the Notes.

## THE INDENTURE SUPPLEMENT

**The Proposed Amendments, if they are adopted and become effective, will eliminate substantially all of the restrictive covenants in the Indenture.** The Indenture Supplement would, in substance, delete substantially all of the restrictive covenants from the Indenture in the manner described above.

Section 9.2 of the Indenture provides that the Trustee and the Issuer may enter into indenture supplements for the purpose of amending provisions of the Indenture (except certain provisions not relevant to the Proposed Amendments) with the written consent of the Holders of not less than fifty percent (50%) in aggregate principal amount of the outstanding Notes (excluding any Notes owned by the Issuer or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer). The Proposed Amendments will be effected by the Indenture Supplement.

If the Requisite Consents are received on the Consent Date, the Issuer and the Trustee will execute and deliver the Indenture Supplement promptly after receipt of the certification from the Information, Tender and Consent Agent that the Requisite Consents have been obtained and upon receipt by the Trustee of an Officers' Certificate from the Issuer and opinions from counsel, as required by the Indenture. Although the Issuer and the Trustee will execute and deliver the Indenture Supplement on the Consent Date or promptly thereafter (subject to the conditions set forth in the preceding sentence), the Indenture Supplement and the Proposed Amendments will not become effective until the Notes validly tendered prior to the Expiration Date (and not validly withdrawn) are accepted for purchase pursuant to the terms of the Offer to Purchase and Consent Solicitation. The Indenture, without giving effect to the Proposed Amendments, will remain in effect until such time as the Indenture Supplement and the Proposed Amendments become effective. If the Offer to Purchase and the Consent Solicitation are terminated or withdrawn, or the Consents or Notes are not accepted for payment or purchase hereunder, the Indenture Supplement and the Proposed Amendments will not become effective. The Indenture Supplement, upon its effectiveness, shall make the Proposed Amendments effective and shall bind every Holder as of the date of effectiveness thereof. Following the Consent Date, Holders may no longer revoke previous Consents validly delivered or withdraw any Notes that have been validly tendered. Although the Indenture Supplement will be executed and delivered by the Issuer and the Trustee on the Consent Date or promptly thereafter, it will not become effective until all Notes that were validly tendered are accepted for purchase by the Issuer pursuant to the terms of the Offer to Purchase.

**The Proposed Amendments, upon effectiveness, will be binding on all Holders, including all non-consenting and non-tendering Holders; *provided, however*, that all non-tendering Holders will retain rights under the Indenture, as modified by the Indenture Supplement upon its effectiveness.**

Upon receipt of the Requisite Consents with respect to the adoption of the Proposals and the execution and delivery of the Indenture Supplement by the Issuer and the Trustee, the Requisite Consents and the Indenture Condition will be deemed satisfied. See "Conditions to the Offer to Purchase and Consent Solicitation."

**The Proposals constitute a single proposal and a tendering and consenting Holder must consent to the adoption of the Proposals as an entirety and may not consent selectively with respect to certain Proposals. Accordingly, a Consent purporting to consent only to some of the Proposals will not be valid and such Holder will be deemed not to have tendered Notes and not to have delivered a Consent, and will not be entitled to the Tender Consideration or the Total Consideration, as applicable, with respect to such Notes.**

## **CERTAIN SIGNIFICANT CONSEQUENCES TO NON-TENDERING AND NON-CONSENTING HOLDERS**

In deciding whether or not to tender Notes and deliver Consents, each Holder should consider carefully, in addition to the other information contained in this Offer to Purchase and Consent Solicitation Statement, the following:

### **Effect of the Proposals**

**If the Proposed Amendments become effective, Holders of Notes that are not validly tendered for purchase pursuant to the Offer to Purchase will no longer be entitled to the benefits of substantially all of the restrictive covenants currently contained in the Indenture. The elimination of these provisions would permit the Issuer and its Restricted Subsidiaries (as defined in the Indenture) to substantially increase their indebtedness levels and take actions (including the making of restricted payments and the disposal of assets and subsidiary stock) that could increase the credit risks faced by the Holders of any remaining Notes, adversely affect the market price of the remaining Notes and otherwise be materially adverse to the interests of the Holders of the remaining Notes. The effect of the Proposals on the market price for the Notes is impossible to predict and there can be no assurance that the Proposed Amendments would not adversely affect the market price of such Notes or otherwise be adverse to the interests of the Holders of such remaining Notes. The adoption of the Proposals may also result in a deemed exchange of the Notes for United States federal income tax purposes. See “Certain Material United States Federal Income Tax Consequences.”**

The Proposals will not relieve the Issuer from its obligations under the Indenture to make scheduled payments of principal and accrued interest on the Notes not purchased pursuant to the Offer to Purchase in accordance with the terms of the Indenture as currently in effect.

### **Limited Trading Market**

To the extent that Notes are tendered and accepted in the Offer to Purchase, the limited trading market for Notes may become more limited or non-existent. A bid for a debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may be lower than a bid for a comparable debt security with a greater float. Therefore, the market price for Notes not tendered or tendered but not accepted for purchase may be affected adversely to the extent that the number of Notes purchased pursuant to the Offer to Purchase reduces the float. The reduced float may also tend to make the trading price for the Notes more volatile. Holders of unpurchased Notes may attempt to obtain quotations for the Notes from their brokers; however, there can be no assurance that any trading market will exist for the Notes following the Offer to Purchase. The extent of the public market for the Notes following consummation of the Offer to Purchase would depend upon the number of Holders remaining at such time, the interest in maintaining a market in the Notes on the part of securities firms and other factors.

### **Certain Terms of the Notes**

The Notes were issued by the Issuer. As of the date hereof, there is U.S.\$354,000,000 principal amount of the Notes outstanding. The Notes bear interest at a rate of 8.800% per annum, payable on a semi-annual basis on January 30 and July 30 of each year. The Indenture contains certain covenants, including those outlined in “The Proposals” (most of which will be eliminated in their entirety if the Proposals are adopted), and events of defaults, including those outlined in the “The Proposals.”

The above description of the terms of the Notes is qualified in its entirety by reference to the full and complete terms contained in the Indenture, copies of which are available upon request without charge from the Information, Tender and Consent Agent.

## PRINCIPAL TERMS OF THE OFFER TO PURCHASE AND THE CONSENT SOLICITATION

### General

Subject to the receipt of the Requisite Consents and the satisfaction or waiver of all of the other conditions to the Offer to Purchase and Consent Solicitation, the Issuer offers to purchase for cash all of the outstanding Notes, upon the terms and subject to the conditions set forth in this Offer to Purchase and Consent Solicitation Statement. In conjunction with the Offer to Purchase, subject to the receipt of the Requisite Consents and the satisfaction or waiver of all the other conditions to the Offer to Purchase and Consent Solicitation, the Issuer hereby solicits from the Holders Consents to the Proposals.

The Total Consideration for each U.S.\$1,000 principal amount of Notes validly tendered at or prior to the Consent Date (and not validly withdrawn) and accepted for payment pursuant to the Offer to Purchase will be an amount equal to:

- (i) the Tender Consideration, in the amount of U.S.\$1,082.50 per U.S.\$1,000 principal amount of the Notes tendered, plus
- (ii) the Consent Payment, in the amount of U.S.\$35.00 per U.S.\$1,000 principal amount of the Notes in connection with which Consents are delivered.

Upon the terms and subject to the conditions to the Offer to Purchase and Consent Solicitation, the Issuer will pay the Total Consideration to Holders that validly tender their Notes and validly deliver their Consents, at or prior to the Consent Date, provided that such Holders do not validly withdraw their Notes or revoke their Consents. Such Holders are expected to receive payment of the Total Consideration on the Payment Date if the Issuer accepts the tendered Notes for purchase. Holders that validly tender their Notes and validly deliver their Consents after the Consent Date but at or prior to the Expiration Date (and do not validly withdraw such Notes or revoke such Consents) and whose tendered Notes are accepted for purchase by the Issuer will receive the Tender Consideration. Payments of the Tender Consideration for such Notes validly tendered (and not validly withdrawn) are expected to be made on the Payment Date, if the Issuer accepts the tendered Notes for purchase. The Issuer will be deemed to have accepted validly tendered Notes in the Offer to Purchase when, as and if the Issuer has given oral or written notice thereof to the Information, Tender and Consent Agent.

Holders that validly tender Notes and whose Notes are accepted for purchase will receive on the Payment Date accrued interest up to, but not including, the Payment Date.

To the extent permitted by applicable law, the Issuer reserves the right to extend, delay, accept, amend or terminate the Offer to Purchase and the Consent Solicitation. To the extent permitted by applicable law, the Issuer may waive any or all of the conditions (other than the condition to obtain the Requisite Consents) to the Offer to Purchase and the Consent Solicitation.

**All Holders that tender their Notes pursuant to the Offer to Purchase and in accordance with the procedures described in this Offer to Purchase and Consent Solicitation Statement and the accompanying Consent and Letter of Transmittal will be deemed to have delivered their Consents pursuant to the Consent Solicitation. Holders may not (i) deliver Consents without tendering Notes or (ii) tender Notes without delivering Consents.**

Notes may be tendered and will be accepted for payment only in denominations of U.S.\$100,000 and any integral multiple U.S.\$1,000 in excess thereof. Payment of cash consideration to tendering Holders will be paid by the Issuer directly to DTC for further credit to the cash accounts of such tendering Holders. In the event the Issuer increases the consideration offered for Notes in the Offer to Purchase, such amended consideration will be paid with regard to all Notes accepted in the Offer to Purchase, including those accepted before the announcement of any such increase.

Holders that tender in the Offer to Purchase will not be required to pay brokerage commissions to the Dealer Manager and Solicitation Agent or the Information, Tender and Consent Agent or fees or, subject to the instructions of the relevant clearing systems, other transfer taxes with respect to the tender of Notes pursuant to the

Offer to Purchase. If Notes are held through a nominee, Holders should contact such nominee to determine whether any transaction costs are applicable. See “Fees and Expenses.”

No appraisal rights are available to Holders in connection with the Offer to Purchase or the Consent Solicitation.

### **The Consent Solicitation**

The Issuer is soliciting Consents from Holders to the adoption of the Proposals.

**Holders that tender their Notes at or prior to the Expiration Date pursuant to the Offer to Purchase and in accordance with the procedures described in this Offer to Purchase and Consent Solicitation Statement and the accompanying Consent and Letter of Transmittal will be deemed to have delivered their Consents pursuant to the Consent Solicitation. Holders may not deliver Consents without tendering their Notes in the Offer to Purchase. Holders that tender their Notes may not revoke their Consents without withdrawing from the Offer to Purchase the previously tendered Notes to which such Consents relate and in any event may not withdraw from the Offer to Purchase at or after the Consent Date except under certain limited circumstances in which the terms of the Offer to Purchase and the Consent Solicitation are materially modified or as otherwise required by law. After the Consent Date but at or prior to the Expiration Date, Notes may be tendered and Consents may be delivered, but any such valid tenders accepted for purchase and valid Consents accepted for payment will not be eligible for the Consent Payment.**

**Holders that tender their Notes and deliver their Consents after the Consent Date (assuming valid tender of Notes and valid delivery of Consents prior to the Expiration Date) will only be eligible to receive the Tender Consideration and will not receive the Consent Payment.**

Upon receipt of the Requisite Consents, the Issuer intends to cause the Information, Tender and Consent Agent to deliver written confirmation of the Requisite Consents to the Trustee and to the Holders who have tendered Notes and delivered Consents prior to such date. The Issuer will not be obligated to accept delivered Consents for payment or tendered Notes for purchase and to pay the Consent Payment, Tender Consideration or the Total Consideration, as applicable, pursuant to the Offer to Purchase and the Consent Solicitation unless, among other things, the Requisite Consents have been obtained and the Indenture Condition, the Financing Condition, the General Conditions and such other conditions as set forth herein shall have been satisfied or waived. In addition, Consents will not be counted if the tender of such Holder’s Notes is defective and such defect is not cured to the satisfaction of, or waived by, the Issuer, in its sole discretion. Assuming the Requisite Consents have been obtained, the Indenture Supplement providing for the Proposed Amendments will be executed and delivered by the Issuer and the Trustee on or promptly after the Consent Date, but the Indenture Supplement and the Proposed Amendments will not become effective until the Notes validly tendered prior to the Expiration Date (and not validly withdrawn) are accepted for purchase pursuant to the terms of the Offer to Purchase and Consent Solicitation. However, the Proposed Amendments, upon effectiveness, will be binding on all Holders, including all non-consenting and non-tendering Holders; *provided, however*, that all non-tendering Holders will retain rights under the Indenture, as modified by the Indenture Supplement upon its effectiveness.

### **Additional Amounts**

The Tender Consideration and the Consent Payment payable by (or on behalf of) the Issuer in connection with the Offer to Purchase and the Consent Solicitation will be made without withholding or deduction for or on account of any present or future taxes, duties, levies, assessments, imposts or other charges of whatsoever nature imposed or levied by or on behalf of any governmental or taxing authority (“**Taxes**”). If the Issuer is required by law to deduct or withhold any such amounts from Holders who are not residents of or domiciled in Brazil for Brazilian tax purposes, then the Issuer shall (i) pay such additional amounts (“**Additional Amounts**”) as may be necessary to ensure that the amounts received by any such Holder after such withholding or deduction (including any withholding or deduction with respect to such additional amounts) shall equal the amount that such Holder would have received in the absence of such withholding or deduction and (ii) indemnify and hold harmless (on a grossed-up basis) such Holder from any loss that may affect such Holder, including any payment which such Holder may have been obliged to make, in direct connection with any determination by Brazilian tax authorities that a withholding tax or deduction was applicable. The obligation to pay Additional Amounts shall not apply to any Tax that would not have been imposed but for the existence of any present or former, direct or indirect, connection

between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Holder, if such Holder is an estate, a trust, a partnership, a limited liability company or a corporation) and the Federative Republic of Brazil (or any political subdivision or governmental authority thereof or therein), other than the mere holding or ownership of a Note or the receipt of principal, interest, the Tender Consideration and the Consent Payment or other amounts in respect of the Note. In no event will the foregoing indemnification obligation of the Issuer apply in connection with the payment of any taxes other than Brazilian taxes.

### **Representations, Warranties and Covenants of Holders of Notes**

Upon tendering Notes, each tendering Holder or the beneficial owner of Notes on behalf of which the Holder has consented will be deemed to acknowledge, represent, warrant and agree that:

- it understands that the Notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- it has the full power and authority to make the representations, warranties and agreements in this Offer to Purchase and Consent Solicitation Statement and the Consent and Letter of Transmittal on behalf of each such account;
- it understands that any Notes that are not tendered and continue to be held by it may not be re-offered, resold, pledged or otherwise transferred except (i) to the Issuer or any of its subsidiaries, (ii) to a person who it reasonably believes is a QIB in a transaction exempt from registration under the U.S. securities laws, (iii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement;
- it (a) will not transfer any Notes that are not tendered and continued to be held by it to any person or entity, unless such person or entity could itself truthfully make each of the foregoing representations, warranties and covenants and (b) will provide notice of the transfer restrictions applicable to the Notes to any subsequent transferees; and
- it acknowledges that the Issuer and others will rely upon the truth and the accuracy of the foregoing acknowledgements, representations and agreements.

### **Acceptance for Payment and Payment for Consents and Notes**

Upon the terms of the Offer to Purchase and Consent Solicitation Statement and subject to the receipt of the Requisite Consents and the satisfaction or waiver of the Indenture Condition, the Financing Condition and the General Conditions, the Issuer will accept the Notes validly tendered (and not validly withdrawn) pursuant to the Offer to Purchase, and will accept all Consents validly delivered (and not validly revoked) pursuant to the Consent Solicitation. Subject to rules promulgated under the Exchange Act, the Issuer expressly reserves the right to delay acceptance of any of the Notes or Consents or to terminate the Offer to Purchase or the Consent Solicitation and not accept for purchase or payment any Notes or Consents not theretofore accepted if any of the conditions set forth under the heading “Conditions to the Offer to Purchase and Consent Solicitation” are not satisfied or waived by the Issuer. The Issuer will pay the Tender Consideration or the Total Consideration, as applicable, pursuant to the Offer to Purchase and the Consent Solicitation promptly after the acceptance for purchase or payment of Notes validly tendered (and not validly withdrawn) and Consents validly delivered (and not validly revoked). In all cases, the Issuer will purchase Notes accepted for purchase pursuant to the Offer to Purchase and pay for Consents received at or prior to the Consent Date and accepted for payment pursuant to the Consent Solicitation only after timely receipt by the Information, Tender and Consent Agent of (a) confirmation of satisfaction of DTC’s ATOP procedures set forth under “Procedures for Tendering Notes and Delivering Consents,” or (b) timely confirmation of the submission of valid Electronic Acceptance Instructions pursuant to the procedures of Euroclear or Clearstream, Luxembourg set forth under “Procedures for Tendering Notes and Delivering Consents,” and (c) any other documents required thereby.

For purposes of the Offer to Purchase and Consent Solicitation, the Issuer will be deemed to have accepted validly tendered (and not validly withdrawn) Notes and validly delivered (and not validly revoked) Consents, as applicable, when, as and if the Issuer gives oral or written notice thereof to the Information, Tender and Consent Agent. Payment for Notes accepted for purchase pursuant to the Offer to Purchase and Consents delivered at or prior to the Consent Date pursuant to the Consent Solicitation will be made by the Issuer depositing such payment

with DTC, which will act as agent for the consenting and tendering Holders for the purpose of receiving the Total Consideration or Tender Consideration, as applicable (and accrued and unpaid interest up to but not including the Payment Date), and transmitting such Total Consideration or Tender Consideration, as applicable (plus accrued and unpaid interest up to but not including the Payment Date), to such Holders. Under no circumstances will any additional amount be paid by the Issuer or the Information, Tender and Consent Agent by reason of any delay in making such payment.

If, for any reason whatsoever, acceptance for purchase or payment of any Notes tendered or Consents delivered pursuant to the Offer to Purchase or the Consent Solicitation is delayed, or the Issuer is unable to accept for purchase the Notes tendered or Consents delivered pursuant to the Offer to Purchase or the Consent Solicitation, then, without prejudice to the Issuer's rights set forth herein, the Information, Tender and Consent Agent may nevertheless, on behalf of the Issuer, and subject to rules promulgated under the Exchange Act, retain previously tendered Notes and delivered Consents, and such Notes may not be withdrawn and such Consents may not be revoked except to the extent that the Holder of such Notes and Consents is entitled to withdrawal and revocation rights as described herein. See "Withdrawal of Tenders and Revocation of Consents."

If any tendered Notes or delivered Consents are not accepted for purchase or payment because of an invalid tender or consent, the occurrence or non-occurrence of certain other events set forth herein or otherwise, then Notes tendered by book-entry transfer pursuant to the procedures of DTC's ATOP or Notes tendered pursuant to the procedures of Euroclear or Clearstream, Luxembourg, will be credited to the account maintained at the relevant clearing system from which such Notes were delivered promptly after the Expiration Date or the termination of the Offer to Purchase, and any Consents delivered in connection with such Notes will be deemed void.

No alternative, conditional or contingent tenders of Notes or deliveries of Consents will be accepted. A tendering and consenting Holder, by electronically transmitting its acceptance through ATOP or an Electronic Acceptance Instruction, as applicable, waives all rights to receive notice of acceptance of such Holder's Notes or Consent for purchase or payment.

**Holders whose Notes are tendered and accepted for purchase pursuant to the Offer to Purchase will be entitled to accrued and unpaid interest on their Notes up to, but not including, the Payment Date.**

**The Proposals constitute a single proposal and a tendering or consenting Holder must consent to the adoption of the Proposals as an entirety and may not consent selectively with respect to certain Proposals. Accordingly, a Consent purporting to consent only to some of the Proposals will not be valid and such Holder will be deemed not to have tendered Notes and not to have delivered a Consent, and will not be entitled to the Tender Consideration or the Total Consideration, as applicable, with respect to such Notes.**

## PROCEDURES FOR TENDERING NOTES AND DELIVERING CONSENTS

**Holders that have tendered Notes and delivered Consents through DTC may not deliver Consents without tendering their Notes. Further, the tender of Notes pursuant to the Offer to Purchase and in accordance with the procedures described below also will be deemed to constitute delivery of a Consent with respect to the Notes tendered. Holders who tender their Notes pursuant to the Offer to Purchase are obligated and will be deemed to deliver their Consent to the Proposals and to the execution and delivery of the Indenture Supplement. Holders who validly tender their Notes pursuant to the Offer to Purchase will be deemed to have delivered their Consents with respect to the aggregate principal amount of Notes tendered by such Holder.** A defective tender of Notes or a defective delivery of Consents (which defect is not waived by the Issuer) will not constitute valid delivery of a Consent to the Proposals, will not be counted for purposes of determining whether the Requisite Consents have been obtained and will not entitle the Holder thereof to the Tender Payment or the Consent Payment unless the relevant defect is waived by the Issuer. Any beneficial owner whose Notes are registered in the name of a custodian or held through DTC and who wishes to tender its Notes and deliver a Consent should contact such custodian promptly and instruct such custodian to tender its Notes or deliver Consents on such beneficial owner's behalf.

The tender by a Holder of Notes and delivery of Consent (and subsequent acceptance of such tender and Consent by the Issuer) pursuant to one of the procedures set forth below will constitute a binding agreement between such Holder and the Issuer in accordance with the terms and subject to the conditions set forth in this Offer to Purchase and Consent Solicitation Statement and in the Consent and Letter of Transmittal.

The method of delivery of Notes and Consents and Letters of Transmittal, any required signature guarantees and all other required documents, including delivery through DTC and any acceptance of an Agent's Message (as defined below) transmitted through ATOP or electronic acceptance transmitted through any clearing system, is at the election and risk of the person tendering Notes and delivering Consents and Letters of Transmittal and, except as otherwise provided in the Consent and Letter of Transmittal, delivery will be deemed made only when actually received by the Information, Tender and Consent Agent. If delivery is by mail, it is suggested that the Holder use properly insured, registered mail with return receipt requested and that the mailing be made sufficiently in advance of the Consent Date or Expiration Date, as applicable, to permit delivery to the Information, Tender and Consent Agent at or prior to such date. If Notes are delivered via ATOP or electronic acceptance through any clearing system there is no need to deliver a Consent and Letter of Transmittal.

Any beneficial owner whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender such Notes and deliver Consents should contact its nominee promptly and instruct such nominee to tender Notes and deliver Consents on such beneficial owner's behalf. In the event such procedures are followed by a beneficial owner tendering Notes at or prior to the Consent Date, the beneficial owner may be required to sign a valid proxy pursuant to the Consent and Letter of Transmittal, because Notes may not be tendered without also consenting to the Proposed Amendments, and only registered Holders as of the date of delivery of the Consent and Letter of Transmittal are entitled to deliver Consents. If such beneficial owner wishes to tender such Notes and deliver Consents itself, such beneficial owner must, prior to completing and executing the Consent and Letter of Transmittal and delivering such Notes, make appropriate arrangements to register ownership of the Notes in such beneficial owner's name. The transfer of record ownership may take considerable time.

Only registered Holders of Notes are authorized to tender their Notes and deliver Consents pursuant to the Offer to Purchase. Accordingly, to properly tender Notes and deliver Consents or cause Notes to be tendered and Consents to be delivered, the following procedures must be followed:

### **Delivery of Consents and Tender of Notes Held through DTC**

The Offer to Purchase and the Consent Solicitation are eligible for ATOP. Accordingly, DTC participants may electronically transmit their acceptance of the Offer to Purchase and deliver their Consents and without tendering the related Notes by causing DTC to transfer their Notes and indicate delivery of their Consents to the Information, Tender and Consent Agent in accordance with DTC's ATOP procedures. DTC will then send an Agent's Message (as defined below) to the Information, Tender and Consent Agent.

The term “**Agent’s Message**” means a message transmitted by DTC, received by the Information, Tender and Consent Agent, and forming part of the Book-Entry Confirmation (as defined below), which states that DTC has received an express acknowledgment from the DTC participant delivering Consents and tendering Notes which are the subject of such Book-Entry Confirmation that such DTC participant (i) has received and agrees to be bound by the terms of the Offer to Purchase and the Consent Solicitation as set forth in this Offer to Purchase and Consent Solicitation Statement and that the Issuer may enforce such agreement against such participant, and (ii) consents to the Proposals and the execution and delivery of the Indenture Supplement as described in this Offer to Purchase and Consent Solicitation Statement. **Holders desiring to tender their Notes and deliver their Consents prior to the Consent Date or the Expiration Date should note that they must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such respective date. Tenders and Consents not received by the Information, Tender and Consent Agent prior to the Expiration Date will be disregarded and of no effect.**

**No Consent and Letter of Transmittal needs to be executed in relation to the Offer to Purchase or Consent Solicitation for Notes tendered or Consents delivered through DTC. The valid electronic tender of Notes and delivery of Consents in accordance with DTC’s ATOP procedures shall constitute a tender of Notes or delivery of Consents pursuant to the Offer to Purchase and Consent Solicitation.**

### **Book-Entry Transfer**

The Information, Tender and Consent Agent will establish and maintain one or more accounts with respect to the Notes at DTC promptly after the date of this Offer to Purchase and Consent Solicitation Statement (to the extent such arrangements have not been made previously by the Information, Tender and Consent Agent), and any financial institution that is a participant in DTC and whose name appears on a security position listing as the owner of the Notes may make book-entry delivery of Notes by causing DTC to transfer such Notes into the Information, Tender and Consent Agent’s account in accordance with DTC’s procedures for such transfer. The confirmation of a book-entry transfer of Notes into the Information, Tender and Consent Agent’s account at DTC as described above is referred to herein as a “**Book-Entry Confirmation.**” Delivery of documents to the DTC in accordance with such DTC procedures does not constitute delivery to the Information, Tender and Consent Agent.

### **Tender of Notes and Delivery of Consents through Euroclear or Clearstream, Luxembourg**

To tender Notes and deliver Consents with respect to Notes held through Euroclear or Clearstream, Luxembourg, a Holder who is not a direct participant in Euroclear or Clearstream, Luxembourg must arrange for a direct participant to deliver its Electronic Acceptance Instruction, which includes its Note Instructions (as defined below), to Euroclear or Clearstream, Luxembourg in accordance with the deadlines specified by Euroclear or Clearstream, Luxembourg at or prior to the Expiration Date. Only a direct participant in Euroclear or Clearstream, Luxembourg may submit an Electronic Acceptance Instruction to Euroclear or Clearstream, Luxembourg.

The term “**Note Instructions**” means, with respect to Notes held through Euroclear or Clearstream, Luxembourg, irrevocable instructions to: (i) block any attempt to transfer a Holder’s Notes at or prior to the Payment Date; and (ii) in the case of a tender, debit the Holder’s account on the Payment Date in respect of all of the Notes that have been tendered by the Holder, or in respect of such lesser portion of the Holder’s Notes as are accepted by the Issuer, upon receipt of an instruction from the Information, Tender and Consent Agent, subject in each case to the automatic withdrawal of the irrevocable instruction in the event that the Offer to Purchase is terminated by the Issuer prior to the Expiration Date, in each case as notified to Euroclear or Clearstream, Luxembourg by the Information, Tender and Consent Agent. Note Instructions can be delivered only by direct participants in Euroclear and Clearstream, Luxembourg.

A Holder’s Electronic Acceptance Instruction, which includes its Note Instructions, must be delivered and received by Euroclear or Clearstream, Luxembourg in accordance with the procedures established by them and at or prior to the deadlines established by each of those clearing systems. Holders are responsible for informing themselves of these deadlines and for arranging the due and timely delivery of Note Instructions to Euroclear or Clearstream, Luxembourg.

Beneficial owners that hold Notes through a custodian may not submit an Electronic Acceptance Instruction directly. Such Holders should contact their relevant custodians to submit an Electronic Acceptance Instruction on their behalf.

**No Consent and Letter of Transmittal needs to be executed in relation to the Offer to Purchase or the Consent Solicitation for Notes tendered or Consents delivered through Euroclear or Clearstream, Luxembourg. The valid submission of an Electronic Acceptance Instruction on or before the Expiration Date shall constitute a tender of Notes and delivery of Consents pursuant to the Offer to Purchase and Consent Solicitation.**

### **Submitting the Consent and Letter of Transmittal**

To participate in the Offer to Purchase, a Holder must, in addition to tendering its Notes, submit a properly completed, executed and notarized Consent and Letter of Transmittal to the Information, Tender and Consent Agent. The method of delivery of the Consent and Letter of Transmittal to the Information, Tender and Consent Agent is at the risk of the Holder. Holders should use an overnight or hand delivery service, properly insured.

The submission of a Consent and Letter of Transmittal by a Holder will constitute an acceptance of the Offer to Purchase and Consent to the Proposed Amendments as well as a binding agreement between that Holder and the Issuer upon the terms and subject to the Conditions to the Offer to Purchase and the Consent Solicitation described herein and in the Consent and Letter of Transmittal. The acceptance of the Offer to Purchase by a Holder will constitute the agreement by that Holder to deliver good and marketable title to the relevant Notes, free and clear of any and all liens, restrictions, charges, pledges, security interests, encumbrances or rights of any kind of third parties.

If a Holder holds global notes, such Holder is responsible for making itself aware of any and all procedures and deadlines established by DTC, the Clearing System, and any banks, brokers and custodians, in order for a Consent and Letter of Transmittal to be received by the Information, Tender and Consent Agent on or prior to the applicable deadlines. The additional time required for the submission of a valid Consent and Letter of Transmittal should be taken into account by such holder when tendering its global notes. None of the Issuer, the Dealer Manager and Solicitation Agent nor the Information, Tender and Consent Agent assumes any responsibility for any failure to deliver a Consent and Letter of Transmittal in time.

**No guaranteed delivery procedures are being offered in connection with the Offer to Purchase and the Consent Solicitation. Holders must tender their Notes and deliver their Consents at or prior to the Expiration Date in order to participate and receive the Tender Consideration or the Total Consideration, as applicable.**

Neither the Dealer Manager and Solicitation Agent nor the Information, Tender and Consent Agent will be responsible for communication of Consent and Letters of Transmittal by: (i) Holders to DTC, Euroclear or Clearstream, Luxembourg Participants through which they hold Notes, or (ii) Holders, DTC, Euroclear or Clearstream, Luxembourg Participants to the Information, Tender and Consent Agent. All tendering Holders, by execution of the Consent and Letter of Transmittal, waive any right to receive any notice of the acceptance of their Notes for purchase.

### **Defective or Rejected Tenders or Deliveries**

All questions regarding the validity, form and eligibility, including time of receipt or revision, of any tender of Notes or Consent and Letter of Transmittal, will be determined by the Issuer in its sole discretion, which determination will be final and binding. Neither the Issuer, the Dealer Manager and Solicitation Agent nor the Information, Tender and Consent Agent will be under any duty to give notice to any tendering Holder of any irregularities in the tender of Notes or the delivery of the Consent and Letter of Transmittal, nor will any of such parties incur any liability for the failure to give such notice.

No alternative, conditional, irregular or contingent Consent and Letter of Transmittal will be accepted. All questions as to the validity, form, eligibility (including time of receipt), and acceptance and withdrawal of Consent and Letter of Transmittal will be determined by the Issuer in its sole discretion, which determination will be final and binding. The Issuer reserves the absolute right to reject any and all Consent and Letters of Transmittal determined by the Issuer not to be in proper form or not to be timely or properly submitted or any Consent and Letter of Transmittal the acceptance of which would be, in our opinion, unlawful. The Issuer also reserves the right to waive, in its sole discretion, any defects, irregularities or conditions with respect to any particular Consent and Letter of Transmittal, whether or not waived with respect to other Consent and Letters of Transmittal. The Issuer's interpretation of the terms and conditions of the Offer to Purchase and the Consent Solicitation (including the instructions in the Consent and Letter of Transmittal) will be final and binding. Unless waived, any defects or irregularities in connection with the submission of any Consent and Letter of Transmittal must be cured within such time as the Issuer may determine.

Although the Issuer intends to notify the relevant Holders of defects or irregularities with respect to any Consent and Letter of Transmittal, neither the Issuer, the Dealer Manager and Solicitation Agent, the Information, Tender and Consent Agent, the Trustee, nor any other person will be under any duty to give such notification or shall incur any liability for failure to give any such notification. No Consent and Letter of Transmittal will be deemed to have been submitted until any such defects or irregularities have been cured or waived.

### **Other Matters**

Under no circumstances will any payment be made for any Consent delivered without the tender of the related Notes. Notwithstanding any other provision hereof, payment for Notes accepted for purchase pursuant to the Offer to Purchase and Consents accepted for payment pursuant to the Consent Solicitation will in all cases be made only after timely receipt by the Information, Tender and Consent Agent of (i) in the case of a tender through DTC, a timely Book-Entry Confirmation with respect to such Notes, or in the case of a tender through ATOP, an Agent's Message, or (ii) in the case of a tender through Euroclear or Clearstream, Luxembourg, an Electronic Acceptance Instruction, which includes its Note Instructions. Under no circumstances will interest be paid on the Tender Consideration or the Total Consideration as a result of any delay in making such payments.

Tenders of Notes and deliveries of Consents pursuant to any of the procedures described above and acceptance thereof by the Issuer will constitute a binding agreement between the Issuer and the tendering or consenting Holder of such Notes, upon the terms and subject to the conditions of the Offer to Purchase and Consent Solicitation.

Holders delivering Consents must acknowledge and agree that such Consent will remain in full force and effect until such Consent is revoked in accordance with the procedures set forth in this Offer to Purchase and Consent Solicitation Statement, which procedures are agreed to be applicable in lieu of any and all other procedures set forth in the Indenture, which are agreed to be waived.

The Holder, by tendering Notes in accordance with the procedures set forth in this section entitled "Procedures for Tendering Notes and Delivering Consents" and subject to and effective upon acceptance for purchase of, and payment for, the Notes tendered therewith: (i) irrevocably sells, assigns and transfers to or upon the order of the Issuer all right, title and interest in and to all the Notes tendered thereby pursuant to the Offer to Purchase; (ii) waives any and all other rights with respect to the Notes tendered pursuant to the Offer to Purchase (including the tendering Holder's waiver of any existing or past defaults and their consequences in respect of the Notes and the Indenture under which the Notes were issued); (iii) releases and discharges the Issuer from any and all claims such Holder may have now, or may have in the future, arising out of, or related to, the Notes tendered pursuant to the Offer to Purchase, including any claims that such Holder is entitled to receive additional principal or interest payments with respect to the Notes or to participate in any redemption or defeasance of the Notes; (iv) delivers such Holder's consent to the Proposals; and (v) irrevocably constitutes and appoints the Information, Tender and Consent Agent as the true and lawful agent and attorney-in-fact of such Holder with respect to any such tendered Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) transfer ownership of such Notes on the account books maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, together with all accompanying evidences of transfer and authenticity, to the Issuer, (b) present such Notes for transfer on the relevant security register, (c)

receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Information, Tender and Consent Agent will have no rights to, or control over, funds from the Issuer), and (d) deliver to the Issuer and the Information, Tender and Consent Agent evidence of the Holder's Consent to the Proposals and to the execution and delivery of the Indenture Supplement and as certification that consents to the Proposals duly executed by Holders have been received, all in accordance with the terms of the Offer to Purchase and Consent Solicitation.

The Holder will, upon request, execute and deliver any additional documents deemed by the Information, Tender and Consent Agent and the Issuer to be necessary or desirable to perfect the Holder's Consent to the Proposals or to complete the sale, assignment and transfer of the Notes tendered hereby and to complete the execution of the Indenture Supplement.

All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders of Notes and deliveries of Consents will be determined by the Issuer, in its sole discretion, the determination of which shall be final and binding. The Issuer reserves the absolute right, in its sole discretion, to reject any or all tenders of Notes or deliveries of Consents that are not in proper form or the acceptance of which, in the Issuer's opinion, would be unlawful. The Issuer also reserves the right to waive any defects, irregularities or conditions of tender as to particular Notes or of delivery as to particular Consents, whether or not similar defects or irregularities are waived in the case of other Holders. A waiver of any defect or irregularity with respect to tender or Consent of one Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender or Consent of any other Note.

The Issuer's interpretation of the terms and conditions of the Offer to Purchase and the Consent Solicitation will be final and binding.

Any defect or irregularity in connection with tenders of Notes or deliveries of Consents must be cured within such time as the Issuer determines, unless waived by the Issuer. Tendere of Notes and deliveries of Consents shall not be deemed to have been made until all defects and irregularities have been waived by the Issuer or cured. A defective tender of Notes or a defective delivery of Consents (which defect is not waived by the Issuer) will constitute neither a valid tender of Notes nor a valid Consent. None of the Issuer, the Information, Tender and Consent Agent, the Trustee, the Dealer Manager and Solicitation Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Notes or deliveries of Consents, nor will they incur any liability to Holders for failure to give any such notice.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, EACH HOLDER AND BENEFICIAL OWNER OF THE NOTES (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF EACH HOLDER AND BENEFICIAL OWNER OF THE NOTES) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTIONS DESCRIBED IN THIS STATEMENT AND ALL MATERIALS OF ANY KIND THAT ARE PROVIDED TO THE HOLDER OR BENEFICIAL OWNER OF A NOTE RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE (AS SUCH TERMS ARE DEFINED IN TREASURY REGULATION SECTION 1.6011-4). THE AUTHORIZATION OF TAX DISCLOSURE IS RETROACTIVELY EFFECTIVE TO THE COMMENCEMENT OF DISCUSSIONS WITH HOLDERS OR BENEFICIAL OWNERS OF NOTES REGARDING THE TRANSACTIONS CONTEMPLATED HEREIN.**

## WITHDRAWAL OF TENDERS AND REVOCATION OF CONSENTS

Holders who wish to exercise their right of withdrawal with respect to the Offer to Purchase and right of revocation with respect to the Consent Solicitation must give a properly transmitted “**Request Message**” through ATOP prior to the Consent Date or at such other permissible times as are described herein. In order to be valid, a Request Message must specify who deposited the Notes to be withdrawn or the name of the person as to which the Consent is to be revoked (the “**Depositor**”), the name of the participant in DTC whose name appears on the security position listing as the owner of such Notes, if different from that of the Depositor, and a description of the Notes to be withdrawn (including the principal amount of Notes to be withdrawn) to which the revocation relates. If certificates have been identified through confirmation of book-entry transfer of such Notes to the Information, Tender and Consent Agent, the name of the Holder and the certificate number or numbers relating to such Notes withdrawn must also be furnished to the Information, Tender and Consent Agent as aforesaid prior to the name and number of the account at DTC to be credited with withdrawn Notes for the Notes previously transferred by book-entry.

Any Holder that has tendered Notes and delivered Consents through Euroclear or Clearstream, Luxembourg may withdraw such Notes and revoke such Consents prior to the Consent Date (or at such other permissible times as are described herein) by submission of an electronic withdrawal instruction through Euroclear or Clearstream, Luxembourg. If the Holder has requested that a custodian submit an Electronic Acceptance Instruction on its behalf and wishes to withdraw its Electronic Acceptance Instruction, the Holder should contact such custodian prior to the Consent Date. The Holder should be aware, however, that the custodian may impose earlier deadlines for withdrawing or revising an Electronic Acceptance Instruction in accordance with its procedures.

Any permitted withdrawal of tenders of Notes and revocation of Consents may not be rescinded, and any Notes validly withdrawn will thereafter be deemed not validly tendered and any Consents revoked will be deemed not validly delivered for purposes of the Offer to Purchase and Consent Solicitation; *provided, however*, that withdrawn Notes may be re-tendered and revoked Consents may be re-delivered by again following one of the appropriate procedures described herein at any time at or prior to the Consent Date or the Expiration Date. A valid withdrawal of tendered Notes before the Consent Date will be deemed a revocation of the related Consent.

**A Holder who has tendered its Notes may not validly revoke a Consent except by validly withdrawing such Holder’s previously tendered Notes, and the valid withdrawal of a Holder’s Notes will constitute the concurrent valid revocation of such Holder’s Consent. As a result, a Holder who validly withdraws previously tendered Notes will not receive the Total Consideration or the Tender Consideration unless such Notes are re-tendered and the Consents with respect to such Notes are re-delivered by the Consent Date (with respect to the Total Consideration) or the Expiration Date (with respect to the Tender Consideration), as applicable, in accordance with the procedures and deadlines described in this Offer to Purchase and Consent Solicitation Statement. Any Notes validly tendered and Consents validly delivered prior to the Consent Date may not be withdrawn or revoked after such Consent Date, except under certain limited circumstances in which the terms of the Offer to Purchase and the Consent Solicitation are materially modified, including, without limitation, if the Issuer reduces the amount of consideration that it is paying in respect of the Consent Payment or the Tender Consideration or as otherwise required by law. A Holder who has tendered its Notes after the Consent Date but prior to the Expiration Date may not withdraw such Notes (except under certain limited circumstances in which the terms of the Offer to Purchase are materially modified or as otherwise required by law), will be eligible to receive only the Tender Consideration in respect of such tendered Notes that have been accepted for purchase by the Issuer.**

For a withdrawal of tendered Notes to be effective, when such withdrawal is permitted under the circumstances described above, a written or facsimile transmission notice of withdrawal must be received by the Information, Tender and Consent Agent during any period in which withdrawals are allowed at its address set forth on the back cover page of this Offer to Purchase and Consent Solicitation Statement. Any such notice of withdrawal must (i) specify the name of the Holder who tendered the Notes to be withdrawn, (ii) contain the aggregate principal amount represented by such Notes, and (iii) be signed by the Holder of the Notes in the same manner as the original signature on the Consent and Letter of Transmittal. If the Notes to be withdrawn have been delivered or otherwise identified to the Information, Tender and Consent Agent, a signed notice of withdrawal will be effective immediately upon written or facsimile notice of that withdrawal even if physical release is not effected.

For a withdrawal of a tender of global notes to be effective, the Information, Tender and Consent Agent must receive an ATOP withdrawal instruction with respect to any global notes tendered through the ATOP system. Holders must also withdraw their Consent and Letter of Transmittal.

Any withdrawal of a Consent and Letter of Transmittal must be effected by the same Holder or DTC participant who submitted the original Consent and Letter of Transmittal or be accompanied by evidence satisfactory to us that the person withdrawing the Consent and Letter of Transmittal has succeeded to entire right, title and interest as the Holder of the Notes in such Notes.

Withdrawals of tenders of Notes may not be rescinded, and any Notes properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer to Purchase and Consent Solicitation. Upon any permitted withdrawal of tendered Notes by a Holder, such Holder will cease to be a party to the Offer to Purchase and the Consent Solicitation and shall have no further rights or obligations under the Offer to Purchase and the Consent Solicitation and the Issuer shall not have any further obligation to such Holder under the terms of the Offer to Purchase and Consent Solicitation. Properly withdrawn Notes may, however, be resubmitted, by again following one of the appropriate procedures described in "Procedures for Tendering Notes and Delivering Consents," at any time on or prior to the Expiration Date. Notwithstanding the foregoing, Holders will also have the right to withdraw from the Offer to Purchase and the Consent Solicitation to the extent required under U.S. law.

All questions as to the form and validity (including time of receipt) of any tender of a Note or delivery of a Consent or withdrawal or revocation of tender of a Note or delivery of a Consent will be determined by the Issuer, in its sole discretion, which determination shall be final and binding on the Holder. The Issuer also reserves the right to waive any defects, irregularities or conditions of delivery as to particular Consents. None of the Issuer, the Trustee, the Information, Tender and Consent Agent, the Dealer Manager and Solicitation Agent or any other person will be under any duty to give notification of any defect or irregularity in any delivery or revocation of a Consent or incur any liability for failure to give any such notification.

If the Issuer is delayed or unable to accept for purchase or payment the Notes or the Consents pursuant to the Offer to Purchase or the Consent Solicitation for any reason, then, without prejudice to the Issuer's rights hereunder, tendered Notes or delivered Consents may be retained by the Information, Tender and Consent Agent on behalf of the Issuer.

## CONDITIONS TO THE OFFER TO PURCHASE AND CONSENT SOLICITATION

### Requisite Consents, the Indenture Condition and the Financing Condition

Notwithstanding any other provision of the Offer to Purchase and Consent Solicitation, the Issuer's obligation to accept for payment or purchase, and to pay the Total Consideration or the Tender Consideration, as applicable, for Notes validly tendered and Consents validly delivered pursuant to the Offer to Purchase and the Consent Solicitation is in each case subject to, and conditioned upon, the receipt by the Issuer of the Requisite Consents and, unless waived, the Indenture Condition, the Financing Condition and the General Conditions (each, as described below) at or prior to the Expiration Date.

### General Conditions

**Subject to all applicable securities laws and the terms set forth in the Offer to Purchase and the Consent Solicitation, the Issuer reserves the right (i) to waive prior to the Expiration Date any and all conditions (other than the condition to obtain the Requisite Consents) to the Offer to Purchase or the Consent Solicitation, (ii) to extend, terminate or not proceed with the Offer to Purchase or the Consent Solicitation or (iii) otherwise to amend the Offer to Purchase or the Consent Solicitation in any respect, in each case in the Issuer's sole discretion.**

Notwithstanding any other provision of the Offer to Purchase and the Consent Solicitation and in addition to (and not in limitation of) the Issuer's rights to extend and/or amend the Offer to Purchase and Consent Solicitation, the Issuer shall not be required to accept for payment, purchase or pay for, and may delay the acceptance for payment of, any tendered Notes or delivered Consents and may terminate the Offer to Purchase and Consent Solicitation, if any of the following have occurred (the "**General Conditions**"):

(1) there shall have been instituted, threatened or be pending any action or proceeding (or there shall have been any material adverse development to any action or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with the Offer to Purchase and the Consent Solicitation that, in the sole judgment of the Issuer, either (a) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the Issuer and any of its subsidiaries, taken as a whole, or (b) would or might prohibit, prevent, restrict or delay consummation of the Offer to Purchase or the Consent Solicitation;

(2) an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the sole judgment of the Issuer, either (a) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the Issuer and any of its subsidiaries, taken as a whole, or (b) would or might prohibit, prevent, restrict or delay consummation of the Offer to Purchase or the Consent Solicitation;

(3) there shall have occurred or be likely to occur any event affecting the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the Issuer and any of its subsidiaries, taken as a whole, that, in the sole judgment of the Issuer, would or might prohibit, prevent, restrict or delay consummation of the Offer to Purchase or the Consent Solicitation;

(4) the Trustee shall have objected in any respect to, or taken action that could, in the sole judgment of the Issuer, adversely affect the consummation of, the Offer to Purchase or the Consent Solicitation or shall have taken any action that challenges the validity or effectiveness of the procedures used by the Issuer in the making of the Offer to Purchase and the Consent Solicitation or the acceptance of, or payment for, the Notes or Consents; or

(5) there has occurred (a) any general suspension of, or limitation on prices for, trading in securities in the United States, Brazilian or Luxembourg securities or financial markets, (b) any significant adverse change in the price of the Notes in the United States, Brazil, Luxembourg or other major securities or financial markets, (c) a material impairment in the trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, Brazil, Luxembourg or other major financial markets, (e) any limitation (whether or not mandatory) by any government or governmental, administrative or

regulatory authority or agency, domestic or foreign, or other event that, in the reasonable judgment of the Issuer, might affect the extension of credit by banks or other lending institutions, (f) a commencement of a war, armed hostilities, acts of terrorism or other national or international crisis directly or indirectly involving the United States, Brazil or Luxembourg or (g) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof.

The foregoing conditions are for the sole benefit of the Issuer and may be asserted by the Issuer regardless of the circumstances giving rise to any such condition (including any action or inaction by the Issuer) and may be waived by the Issuer in whole or in part, at any time and from time to time, in the sole discretion of the Issuer. All conditions to the Offer to Purchase and the Consent Solicitation will be either satisfied or waived by the Issuer prior to the expiration of the Offer to Purchase and the Consent Solicitation at the Expiration Date (as such may be extended). The failure by the Issuer at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

Notwithstanding any of the foregoing, if the Issuer (i) accepts for purchase Notes validly tendered (and not validly withdrawn) and (ii) accepts for payment any Consent validly delivered (and not validly revoked) prior to the Consent Date, then, to the extent required to comply with applicable law, it will waive any conditions for Notes tendered or Consents delivered after the Consent Date other than valid tender or consent.

### **Expiration Date; Consent Date; Extensions; Termination; Amendments**

The Offer to Purchase and the Consent Solicitation will expire on the Expiration Date. The Offer to Purchase and Consent Solicitation, the Consent Date and the Expiration Date may be extended by the Issuer in its sole discretion. The Issuer shall notify the Information, Tender and Consent Agent of any extension by oral or written notice and shall make a public announcement thereof, each before 9:00 a.m., New York City time, on the next business day after the previously scheduled Consent Date or Expiration Date, as applicable. There can be no assurance that the Issuer will exercise its right to extend the Offer to Purchase or the Consent Solicitation.

During any extension of the Offer to Purchase and Consent Solicitation, all Notes previously tendered and Consents previously delivered pursuant thereto and not validly withdrawn or revoked will remain subject to the Offer to Purchase and the Consent Solicitation and may be accepted for purchase or payment, as applicable, at the expiration of the Offer to Purchase and Consent Solicitation, subject to the right, if any, of a Holder to withdraw its tender of Notes or revoke its Consent. See “Withdrawal of Tenders and Revocation of Consents.”

The Issuer also expressly reserves the right, in its sole discretion, subject to applicable law, (a) to terminate the Offer to Purchase and the Consent Solicitation at any time at or prior to the Expiration Date and not accept for purchase or payment any Notes or Consents not theretofore accepted for purchase or payment, (b) to delay the acceptance for purchase of any Notes and payment of Consents or, regardless of whether such Notes or Consents were theretofore accepted for purchase or payment, to delay the purchase or payment of any Notes or Consents pursuant to the Offer to Purchase and the Consent Solicitation, by giving oral or written notice of such delay to the Information, Tender and Consent Agent, and (c) at any time, or from time to time, to amend the Offer to Purchase or Consent Solicitation in any respect. Except as otherwise provided herein or otherwise required by law, withdrawal or revocation rights with respect to Notes tendered or Consents delivered pursuant to the Offer to Purchase and the Consent Solicitation will not be extended or reinstated as a result of an extension or amendment of the Offer to Purchase and Consent Solicitation. See “Withdrawal of Tenders and Revocation of Consents.”

Any extension, delay, termination or amendment of the Offer to Purchase and the Consent Solicitation will be followed promptly by a public announcement thereof. Without limiting the manner in which the Issuer may choose to make a public announcement of any extension, delay, termination or amendment of the Offer to Purchase and Consent Solicitation, the Issuer shall have no obligation to publish, advertise or otherwise communicate any such public announcement, other than by publishing a release on the website of the Luxembourg Stock Exchange, except in the case of an announcement of an extension of the Offer to Purchase or Consent Solicitation, in which case the Issuer shall have no obligation to publish, advertise or otherwise communicate such announcement other than by issuing a notice of such extension by press release or other public announcement, which notice shall be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Consent Date or Expiration Date, as applicable.

If the Issuer decides to increase or decrease the consideration offered to Holders of Notes in the Offer to Purchase or the Consent Solicitation, the Issuer will, to the extent required by applicable law, cause the Offer to Purchase and the Consent Solicitation to be extended, if necessary, so that the Offer to Purchase remains open at least until the expiration of 10 business days from the date that such notice is first published, sent or given by the Issuer.

If the Issuer makes a material change in the terms of the Offer to Purchase or Consent Solicitation (including any change in the amount of the Consent Payment or Tender Consideration) or the information concerning the Offer to Purchase or Consent Solicitation, or waives any condition to the Offer to Purchase that results in a material change to the circumstances of the Offer to Purchase or the Consent Solicitation, then the Issuer will disseminate additional materials to the extent required under the Exchange Act and will extend the Offer to Purchase or the Consent Solicitation to the extent required in order to permit Holders of Notes adequate time to consider such materials. The minimum period during which the Offer to Purchase or Consent Solicitation must remain open following material changes in the terms of the Offer to Purchase or the Consent Solicitation or information concerning the Offer to Purchase or the Consent Solicitation, other than a change in Consent Payment, Tender Consideration or percentage of Notes sought, will depend upon the specific facts and circumstances, including the relative materiality of the terms or information.

## CERTAIN MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

**TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (1) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN BY US TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY HOLDERS, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE CODE; (2) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (3) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM THEIR OWN INDEPENDENT TAX ADVISORS.**

The following discussion is a summary of certain anticipated material United States federal income tax consequences to Holders of the Offer to Purchase and Consent Solicitation. This discussion is general in nature and does not discuss all aspects of United States federal income taxation that may be relevant to a particular Holder in light of the Holder's particular circumstances or to certain types of Holders subject to special treatment under United States federal income tax laws (such as insurance companies, expatriates, tax-exempt organizations, partnerships or other pass-through entities, persons holding Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, financial institutions, brokers, dealers in securities or currencies, traders that elect to mark-to-market their securities, persons that acquire Notes in connection with employment or other performance of services, persons that have a functional currency other than the U.S. dollar and persons who have ceased to be United States citizens or to be taxed as resident aliens). In addition, the discussion does not consider the effect of any alternative minimum taxes or foreign, state, local or other tax laws, or any United States tax considerations (e.g., estate or gift tax) other than United States federal income tax considerations, that may be applicable to particular Holders. Further, this summary assumes that Holders hold their Notes as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code").

If a partnership holds Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Holders that are partnerships holding Notes (and partners in such partnerships) are urged to consult their tax advisors.

This summary is based on the Code and applicable U.S. Treasury regulations, rulings, administrative pronouncements and judicial decisions thereunder as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect.

As used herein, a "U.S. Holder" means a beneficial owner of a Note that is for United States federal income tax purposes (1) a citizen or resident of the United States, (2) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof, (3) an estate the income of which is subject to United States federal income taxation regardless of its source or (4) a trust (a) that is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons as described in Section 7701(a)(30) of the Code or (b) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

As used herein, a "Non-U.S. Holder" means a beneficial owner of a Note that is neither a partnership (or other entity treated as a partnership for United States federal income tax purposes) nor a U.S. Holder.

**EACH HOLDER OF NOTES IS URGED TO CONSULT ITS TAX ADVISORS REGARDING THE POTENTIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE ADOPTION OF THE PROPOSED AMENDMENTS AND THE SALE OF THE NOTES IF SUCH HOLDER TENDERS NOTES IN THE OFFER TO PURCHASE AND CONSENT SOLICITATION AND CONSENTS TO THE PROPOSED AMENDMENTS, INCLUDING THE EXTENT TO WHICH SUCH HOLDER'S INDIVIDUAL CIRCUMSTANCES MAY AFFECT THE GENERAL RESULTS OUTLINED HEREIN, AS WELL AS THE CONSEQUENCES OF THE TAX LAWS OF ANY FOREIGN, STATE OR LOCAL TAXING JURISDICTION.**

## **Tax Consequences for U.S. Holders**

A sale of Notes by a U.S. Holder pursuant to the Offer will be a taxable transaction for United States federal income tax purposes. A U.S. Holder will generally recognize gain or loss on the sale of a Note in an amount equal to the difference between (1) the amount of cash received for the Note (less any portion of the cash that is treated as a payment of accrued but unpaid interest) and (2) the U.S. Holder's adjusted tax basis in the Note tendered at the time of sale. Any amount attributable to accrued and unpaid interest will be treated as ordinary income for United States federal income tax purposes to the extent it was not previously included in income. A U.S. Holder's adjusted tax basis in a Note will generally equal the price that the U.S. Holder paid for the Note. If applicable, a U.S. Holder's adjusted tax basis in a Note will be increased by any market discount previously included in income by the U.S. Holder with respect to the Note (pursuant to an election to include market discount in gross income currently as it accrues) and reduced (but not below zero) by any bond premium allowed as an offset against interest income with respect to the Note. Any gain or loss recognized will be capital gain or loss and will be long-term capital gain or loss if, on the date of the sale, the Note has been held for more than one year. The deductibility of capital losses is subject to limitation. However, in the case of a U.S. Holder that acquired a Note at a market discount (subject to a de minimis exception), any gain recognized upon the sale of the Note will be treated as ordinary income to the extent of the market discount that accrued during the period the U.S. Holder held the Note, unless the U.S. Holder had previously elected to include the accrued market discount in the U.S. Holder's income on a current basis. Market discount generally equals the excess of the face amount of a Note over a U.S. Holder's tax basis in the Note immediately after its acquisition (other than at original issuance).

The tax treatment of the Consent Payment is uncertain. The Consent Payment may be treated as additional consideration received in exchange for the tendered Notes, in which case the Consent Payment would be taken into account in determining the amount of gain or loss on the exchange. Alternatively, the Consent Payment may be treated as a separate fee for consenting to the Proposed Amendments or as interest, in which case the Consent Payment would be treated as ordinary income to recipient U.S. Holders. While the proper treatment of the Consent Payment is not free from doubt, we intend to treat the Consent Payment as additional consideration paid in exchange for the tendered Notes, although it is possible that the Consent Payment could be treated as a separate fee for consenting to the Proposed Amendments.

Subject to certain restrictions and limitations, a U.S. Holder might be entitled to deduct or credit foreign taxes imposed with respect to any amount attributable to accrued but unpaid interest. Gain or loss realized on the sale of a Note will generally be treated as U.S. source gain or loss, and, consequently, a U.S. Holder may not be able to claim a credit for any foreign taxes (if any) imposed upon the exchange unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. The treatment of the Consent Payment as additional consideration, or as a separate fee or as interest, would also affect the source of such payment, and, accordingly, the U.S. Holder's ability to credit foreign taxes (if any) imposed on such payment. The rules governing the foreign tax credit are complex. U.S. Holder should consult their independent tax advisor as to their eligibility for a foreign tax credit for foreign taxes paid with respect to the Notes.

If the Proposed Amendments are not adopted because the Requisite Consents are not obtained, then a U.S. Holder will not recognize gain or loss for United States federal income tax purposes and will retain its Notes with an unchanged tax basis and holding period.

If the Proposed Amendments are adopted because the Requisite Consents are obtained, the tax consequences to a U.S. Holder that does not tender its Notes (or all its Notes) is uncertain. Generally, the modification of the terms of a debt instrument is treated, for United States federal income tax purposes, as a deemed exchange of an old debt instrument for a new debt instrument if such modification is "significant" as specially determined for United States federal income tax purposes. For these purposes, a modification of the terms of a debt instrument is significant if, based on all the facts and circumstances and taking into account certain modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered is economically significant. A significant modification includes a modification that alters credit enhancements for a recourse debt instrument if the modification results in a change in payment expectations. Although the matter is not free from doubt, we believe that the adoption of the Proposed Amendments should not constitute a significant modification of the terms of the Notes for United States federal income tax purposes because the Proposed Amendments should not result in a change in payment expectations. In such case, a U.S. Holder that does not tender its Notes pursuant to the Offer to Purchase and Consent Solicitation would not realize any gain or loss for United States federal income tax purposes as a result of the adoption of the Proposed Amendments, and such

U.S. Holder would continue to have the same tax basis and holding period with respect to the Notes as it had before the adoption of the Proposed Amendments.

If the Internal Revenue Service (“IRS”) were to successfully assert, however, that the adoption of the Proposed Amendments constituted a significant modification of the Notes, a non-tendering U.S. Holder would be treated for United States federal income tax purposes as if it had exchanged its existing Notes for new Notes. Such deemed exchange generally would be treated as a tax-free recapitalization, in which case a non-tendering U.S. Holder would not recognize any gain or loss, if both the existing Notes and the deemed new Notes were characterized as “securities” for United States federal income tax purposes. There is no precise definition under United States federal income tax law of the term “security”, and all facts and circumstances pertaining to a debt instrument must be considered in determining whether it constitutes a “security”. Generally corporate debt obligations with original terms to maturity of less than five years do not constitute securities and corporate debt obligations with original terms to maturity of ten years or more do constitute securities.

If, on the other hand, the adoption of the Proposed Amendments were considered to bring about a significant modification of the Notes resulting in a deemed exchange, and the deemed exchange were not treated as a recapitalization for United States federal income tax purposes, a non-tendering U.S. Holder would recognize gain or loss in an amount equal to the difference, if any, between the “issue price” (explained below) of the new Notes deemed to be received by such U.S. Holder in the deemed exchange and the U.S. Holder’s adjusted tax basis in the Notes deemed to be exchanged. Any such gain or loss would be capital gain or loss (except to the extent any gain represented accrued market discount not previously included in the U.S. Holder’s income). The deductibility of capital losses is subject to limitations. In addition, the U.S. Holder’s holding period in the new Notes that are deemed to be received would begin on the day after the deemed exchange and the U.S. Holder’s tax basis in the new Notes would be equal to the amount realized by the U.S. Holder in the deemed exchange. The new Notes deemed to be received could also subject a U.S. Holder to different tax treatment than the old Notes.

As stated above, the issue price of the deemed new Notes would be relevant if the deemed exchange were not treated as a recapitalization for United States federal income tax purposes. In this event, under applicable principles, the issue price of the deemed new Notes would depend upon whether the Notes or deemed new Notes are “publicly traded” property for U.S. federal income tax purposes. If neither the Notes nor the deemed new Notes were publicly traded property, the issue price of the deemed new Notes would equal the stated principal amount of the deemed new Notes. If the deemed new Notes were publicly traded property, the issue price of the deemed new Notes would equal the fair market value of the deemed new Notes on the date of the deemed exchange. If the deemed new Notes were not, but the Notes were, publicly traded property, the issue price of the deemed new Notes would be the fair market value of the Notes on the date of the deemed exchange.

For this purpose, the Notes or the deemed new Notes generally should be considered “publicly traded” property if, at any time during the 60-day period ending 30 days after the date of the deemed exchange (i) they are listed on a national or certain foreign securities exchanges or certain inter-dealer quotation systems; (ii) they appear on a system of general circulation that provides a reasonable basis to determine the fair market value of the Notes or the deemed new Notes by disseminating either actual prices (including rates, yields, or other pricing information) of recent sales transactions or recent price quotations (including rates, yields, or other pricing information) of one or more brokers, dealers, or traders; or (iii) price quotations are readily available from brokers, dealers, or traders.

U.S. Holders that do not tender all of their Notes in the Offer to Purchase and Consent Solicitation are urged to consult their tax advisors concerning the tax consequences applicable to them.

See “Information Reporting and Backup Withholding” below for a discussion of information reporting and backup withholding rules applicable to U.S. Holders.

### **Tax Consequences for Non-U.S. Holders**

Gain realized by a Non-U.S. Holder on the sale of a Note pursuant to the Offer to Purchase and Consent Solicitation generally will not be subject to United States federal income tax unless (1) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if a treaty applies, the gain is attributable to a United States permanent establishment maintained by such Non-U.S. Holder) or (2) in the case of gain realized by a Non-U.S. Holder that is an individual, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met (for purposes

of the first proviso, gain shall include any amount attributable to accrued and unpaid interest). If the first proviso applies, gain on the Notes that is effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States (and, if an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Holder) will be subject to U.S. federal income tax on a net income basis at the rates applicable to U.S. persons generally (and, with respect to corporate Non-U.S. Holders, may also be subject to a 30% branch profits tax or such lower rate as may be specified by an applicable income tax treaty). If the second proviso applies, the Non-U.S. holder generally will be subject to tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on such Holder's net U.S. source capital gain.

We intend to treat the Consent Payment as additional consideration paid in exchange for the tendered Notes. If, however, the Consent Payment were instead treated as a separate fee for consenting to the Proposed Amendments, we believe that a Non-U.S. Holder would not be subject to any U.S. federal income tax liability on the receipt of the Consent Payment, provided the Non-U.S. Holder provides the applicable IRS Form W-8 establishing that the Non-U.S. Holder is a foreign person, unless the Non-U.S. Holder is engaged in the conduct of a trade or business in the United States to which the receipt of the Consent Payment is effectively connected. In such circumstances, any Consent Payment treated as a fee or as interest would be subject to U.S. federal income tax on a net income basis at the rates applicable to U.S. persons generally (subject to reduction by an applicable income tax treaty) and, with respect to corporate Non-U.S. Holders, may also be subject to a 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty). Non-U.S. Holders are urged to consult their tax advisors regarding the proper characterization and treatment of the Consent Payment for U.S. federal income tax purposes.

Non-U.S. Holders that do not tender their Notes will generally not be subject to United States federal income tax, unless the adoption of the Proposed Amendments gives rise to a deemed exchange of "old" Notes for "new" Notes that does not qualify as a tax-free recapitalization as described in "Tax Consequences for U.S. Holders", in which case any gain therefrom will be subject to U.S. federal income tax only under the circumstances described in the second preceding paragraph. Non-U.S. Holders are encouraged to consult their tax advisors regarding the potential tax consequences of not tendering their Notes pursuant to the Offer to Purchase and Consent Solicitation.

See "Information Reporting and Backup Withholding" below for a discussion of information reporting and backup withholding rules applicable to Non-U.S. Holders.

### **Information Reporting and Backup Withholding**

In general, information reporting requirements will apply to payments received by U.S. Holders with respect to the Notes (including the Consent Payment). Certain U.S. Holders may be subject to backup withholding at a current rate of 28% on payments received with respect to the Notes (including the Consent Payment) unless such U.S. Holder (1) comes within certain exempt categories and demonstrates this fact or (2) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Each U.S. Holder will be asked to provide such Holder's correct taxpayer identification number and certify that such Holder is not subject to backup withholding by completing the Substitute Form W-9 that is included in the Consent and Letter of Transmittal.

If the Notes are held by a Non-U.S. Holder through a non-U.S. (and non-U.S. related) broker or financial institution, backup withholding and related information reporting generally will not be required. Information reporting, and possibly backup withholding, may apply to payments received with respect to the Notes if the Notes are held by a Non-U.S. holder through a U.S. (or U.S. related) broker or financial institution and the Non-U.S. holder fails to provide appropriate information or otherwise establish an exemption. Each Non-U.S. Holder will be asked to provide an IRS Form W-8BEN or other Form W-8 appropriate to the Non-U.S. Holder's circumstances.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or credit against your United States federal income tax liability, provided the requisite information is timely furnished to the IRS.

**THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO PARTICULAR HOLDERS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATIONS. HOLDERS SHOULD**

**CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES APPLICABLE TO THEM OF THE OFFER TO PURCHASE AND CONSENT SOLICITATION, INCLUDING THE EFFECT OF ANY FEDERAL, STATE, LOCAL, FOREIGN OR OTHER TAX LAWS.**

## CERTAIN MATERIAL BRAZILIAN TAX CONSIDERATIONS

**HOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS IF SUCH HOLDERS TENDER THEIR NOTES OR DELIVER THEIR CONSENTS IN THE OFFER TO PURCHASE AND THE CONSENT SOLICITATION, REGARDING, WITHOUT LIMITATION, THE CONSEQUENCES OF THE BRAZILIAN TAX LAWS AND THE TAX LAWS OF ANY APPLICABLE FOREIGN, STATE OR LOCAL JURISDICTION.**

*The following is a general description of certain material Brazilian tax considerations relating to the Tender Consideration and the Consent Payment. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Holders of the Notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Brazil of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Offer to Purchase and Consent Solicitation Statement and is subject to any change in law that may take effect after such date.*

Payments with respect to interest (including accrued and unpaid interest paid under the Tender Consideration), fees (including the Consent Payment) and commissions made by a Brazilian obligor to an individual, entity, trust or organisation domiciled outside Brazil in respect of debt obligations such as the Notes is currently subject to income tax withheld (“**WHT**”) at source.

The rate of the WHT with respect to debt obligations is generally 15 percent. However, in the event that the beneficiary of such payments is domiciled in a low tax jurisdiction – “LTJ”, such payments are subject to the WHT at the rate of 25 percent. A LTJ is a jurisdiction that does not impose any tax on income or which imposes such tax at a maximum effective rate lower than 20%. On June 24, 2008, Law 11,727 was enacted with effect from January 1, 2009, establishing that a jurisdiction where local legislation imposes restrictions on disclosing the shareholding composition or the ownership of an investment is also considered as a LTJ. Notwithstanding, payments made to beneficiaries that are located in LTJs remains subject to the WHT at the rate of 15 percent if made with respect to international debt securities (such as the Notes) registered with the Brazilian Central Bank, as provided for in Section 10 of Normative Instruction No. 252 of December 3, 2002 issued by the Brazilian Revenue Service.

A lower withholding rate may be applicable where there is a tax treaty between Brazil and the country where the effective beneficiary of the payment has its domicile. In this regard, Brazil and Japan are signatories to a treaty for the avoidance of double taxation, or the Brazil-Japan Treaty. Under the Brazil-Japan Treaty, entities incorporated in Japan (or a branch thereof) will be subject to Brazilian withholding tax at a rate of 12.5% with respect to interest payable with respect to debt obligations of a Brazilian company. We believe and intend to take the position for tax purposes that, as long as the Principal Paying Agent for the Notes is an entity incorporated in Japan (or a full branch thereof for the purposes of Japanese laws, duly licensed to operate as such by the applicable laws), and as long as payments of interest on, and principal of, the Notes are made to such Principal Paying Agent, interest paid with respect to the Notes (and under the Paying Agency Agreement) will likely be subject to Brazilian tax at a rate of 12.5% pursuant to the Brazil-Japan Treaty. For this purpose, the Principal Paying Agent must be granted discharge powers and be authorized to receive payments on behalf of the holders of the Notes, which would release the Brazilian debtor from the payment obligations.

In any event, the Issuer shall pay in U.S. dollars certain Additional Amounts as will result in the payment with respect to the Tender Consideration and the Consent Payment after such WHT deduction of the U.S. dollar amount that would otherwise have been owed in the absence of such WHT. For a discussion of Additional Amounts, see “Principal Terms of the Offer to Purchase and the Consent Solicitation—Additional Amounts.”

Pursuant to Decree No. 6,306 of December 14, 2007, as amended, the conversion of foreign currency into Brazilian reais and the conversion of, Brazilian reais into foreign currency is subject to tax on foreign exchange transactions, or IOF/Exchange. Currently, the rate of IOF/Exchange is 0.38% for almost all foreign exchange transactions. According to Section 15, XIX of the Decree No. 6,306, the liquidation of exchange transactions in connection with foreign financings or loans, for both inflow and outflow of proceeds into and from Brazil, related to proceeds raised as from October 23, 2008, are subject to IOF/Exchange at a zero percent rate. It is important to emphasize that there is a controversy regarding whether the interest paid in connection with foreign-source financings or loans should fall under the scope of this IOF exemption. In any case, the IOF tax shall be paid and born exclusively by the Issuer.

## **DEALER MANAGER AND SOLICITATION AGENT AND INFORMATION, TENDER AND CONSENT AGENT**

In connection with the Offer to Purchase and Consent Solicitation, the Issuer has retained HSBC Securities (USA) Inc. to act as the Dealer Manager and Solicitation Agent and Global Bondholder Services Corporation to act as Information, Tender and Consent Agent, each of which will receive customary fees for their services. The Issuer has agreed to reimburse the Dealer Manager and Solicitation Agent and the Information, Tender and Consent Agent for their reasonable out-of-pocket expenses.

At any time, the Dealer Manager and Solicitation Agent may trade the Notes for its own account or for the accounts of customers and, accordingly, may hold a long or short position in the Notes. In addition, the Dealer Manager and Solicitation Agent may contact Holders regarding the Offer to Purchase and the Consent Solicitation and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Offer to Purchase and Consent Solicitation Statement and related materials to beneficial owners of Notes.

The Issuer has agreed to indemnify the Dealer Manager and Solicitation Agent against certain liabilities, including certain liabilities under federal and state law or otherwise caused by, relating to or arising out of the Offer to Purchase and the Consent Solicitation. The Dealer Manager and Solicitation Agent and its affiliates have provided in the past, and are currently providing, investment banking and financial advisory services to the Issuer and its respective affiliates. The Dealer Manager and Solicitation Agent and its affiliates have and will receive customary fees for such services.

Neither the Dealer Manager and Solicitation Agent nor the Information, Tender and Consent Agent assume any responsibility for the accuracy or completeness of the information concerning the Issuer contained in this Offer to Purchase and Consent Solicitation Statement or for any failure by the Issuer to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Dealer Manager and Solicitation Agent in the ordinary course of its business purchases and/or sells securities of the Issuer, including the Notes, for its own account and for the account of its customers. As a result, the Dealer Manager and Solicitation Agent at any time may own certain of the Issuer's equity or debt securities, including the Notes. In addition, the Dealer Manager and Solicitation Agent may tender Notes in the Offer to Purchase for its own account.

Any Holder that has questions concerning the terms of the Offer to Purchase or the Consent Solicitation may contact the Dealer Manager and Solicitation Agent at its address and telephone numbers set forth on the back cover page of this Offer to Purchase and Consent Solicitation Statement. Questions and requests for assistance or additional copies of this Offer to Purchase and Consent Solicitation Statement may be directed to the Information, Tender and Consent Agent at its address and telephone numbers set forth on the back cover page of this Offer to Purchase and Consent Solicitation Statement. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer to Purchase and the Consent Solicitation.

All correspondence in connection with the Offer to Purchase and the Consent Solicitation should be sent or delivered by each Holder or a beneficial owner's broker, dealer, commercial bank, trust company or other nominee to the Information, Tender and Consent Agent at its address or facsimile number set forth on the back cover page of this Offer to Purchase and Consent Solicitation Statement. Any Holder or beneficial owner that has questions concerning tender procedures should contact the Information, Tender and Consent Agent at the telephone number set forth on the back cover of this Offer to Purchase and Consent Solicitation Statement.

## **FEES AND EXPENSES**

The Issuer will pay the Trustee, brokerage houses and other custodians, securities dealers (including the Dealer Manager and Solicitation Agent), nominees and fiduciaries the reasonable out-of-pocket expenses that they incur in forwarding copies of the materials related to the Offer to Purchase and the Consent Solicitation to the beneficial owners of the Notes. No fees or commissions have been or will be paid to any broker, dealer or other person, other than the Dealer Manager and Solicitation Agent and its agents and advisors and the Information, Tender and Consent Agent, in connection with the Offer to Purchase and Consent Solicitation.

The Issuer will pay all transfer taxes, if any, with respect to the Notes, subject to the instructions provided by the relevant clearing systems. However, if Notes for principal amounts not accepted for tender are to be delivered to, or are to be registered or issued in the name of, any person other than the Holder of the Notes, or if tendered Notes are to be registered in the name of any person other than the person electronically transmitting acceptance through ATOP, or if a transfer tax is imposed for any reason other than the purchase of Notes pursuant to the Offer to Purchase, then the amount of any such transfer tax (whether imposed on the Holder or any other person) will be payable by the tendering Holder. If satisfactory evidence of payment of such tax or exemption therefrom is not submitted, then the amount of such transfer tax will be deducted from the Total Consideration or Tender Consideration, as applicable, otherwise payable to such tendering Holder. Any remaining amount will be billed directly to such tendering Holder.

## **MISCELLANEOUS**

The Issuer is not aware of any jurisdiction in which the making of the Offer to Purchase or the Consent Solicitation is not in compliance with applicable law. If the Issuer becomes aware of any jurisdiction in which the making of the Offer to Purchase and the Consent Solicitation would not be in compliance with applicable law, the Issuer will make a good faith effort to comply with any such law. If, after such good faith effort, the Issuer cannot comply with any such law, the Offer to Purchase and the Consent Solicitation will not be made to (nor will tenders of Notes and deliveries of Consents be accepted from or on behalf of) the owners of Notes residing in such jurisdiction.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase and Consent Solicitation Statement and, if given or made, such information or representation may not be relied upon as having been authorized by the Issuer, the Trustee or the Dealer Manager and Solicitation Agent.

*The Tender and Consent Agent for the Offer to Purchase and the Consent Solicitation is:*

**Global Bondholder Services Corporation**

*By Facsimile Transmission:*  
(For Eligible Institutions Only)  
(212) 430-3775

*Confirm Facsimile Transmission by Telephone:*  
(212) 430-3774

*By Mail, Overnight Courier or by Hand:*  
Global Bondholder Services Corporation  
65 Broadway, Suite 723  
New York, New York 10006

*The Information Agent for the Offer to Purchase and the Consent Solicitation is:*

**Global Bondholder Services Corporation**

65 Broadway, Suite 723  
New York, New York 10006  
Banks and Brokers, Call: (212) 430-3774  
All Others, Call Toll Free: (866) 873-6300

Any questions or requests for assistance may be directed to the Dealer Manager and Solicitation Agent at the address and telephone numbers set forth below. Additional copies of this Offer to Purchase and Consent Solicitation Statement may be obtained from the Information, Tender and Consent Agent at the address or telephone numbers set forth above or from the Dealer Manager and Solicitation Agent at the address and telephone numbers set forth below. A Holder may also contact such Holder's broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer to Purchase and Consent Solicitation.

*The Dealer Manager for the Offer to Purchase and the Solicitation Agent for the Consent Solicitation is:*

**HSBC Securities (USA) Inc.**

452 Fifth Avenue  
New York, New York 10018  
Attention: Global Liability Management Group

In the United States, call toll free: +1 (888) HSBC-4LM  
Outside the United States, call collect: +1 (212) 525-5552  
E-mail: [liability.management@hsbcib.com](mailto:liability.management@hsbcib.com)