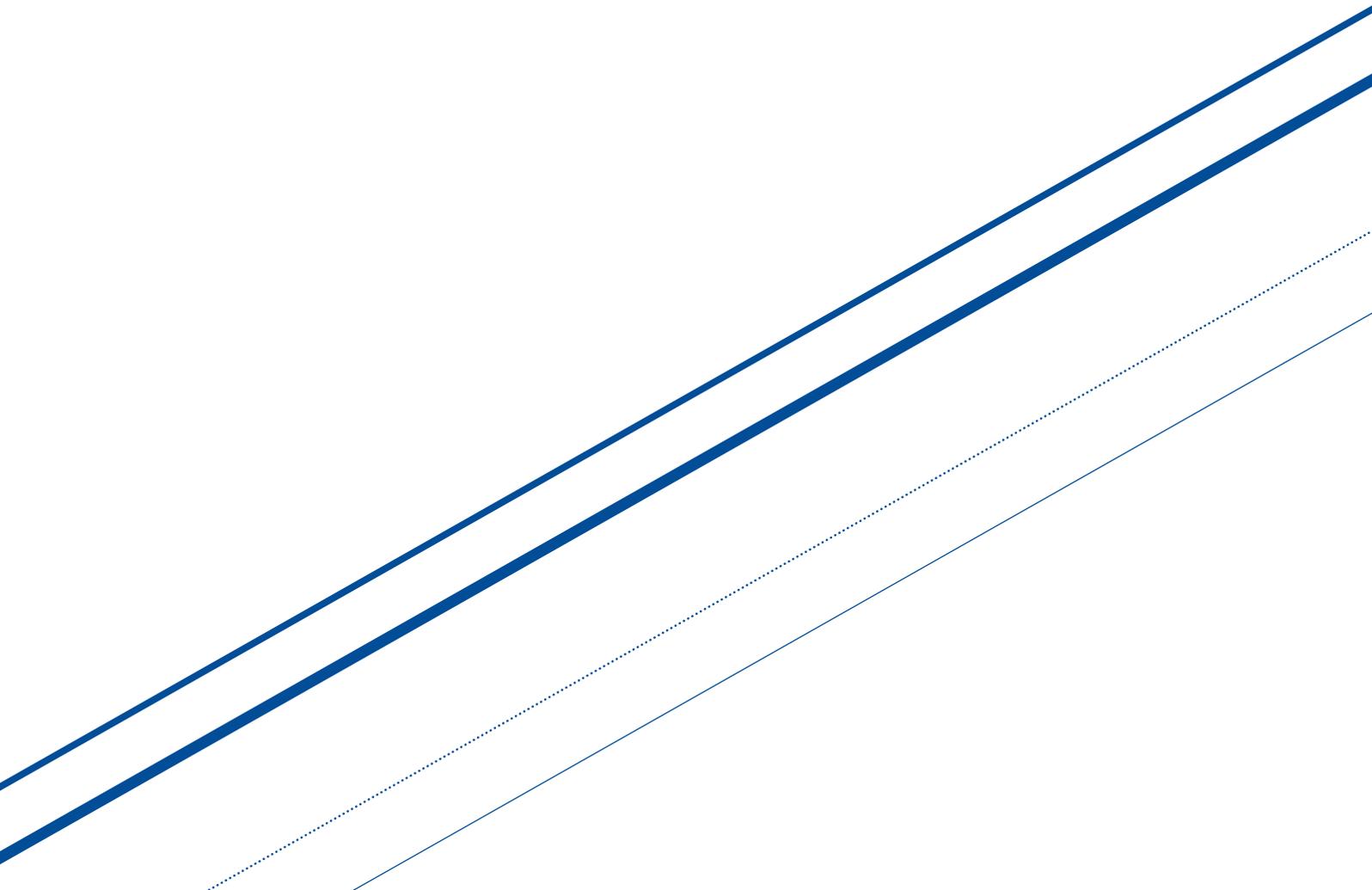




DEAL ADVISORY

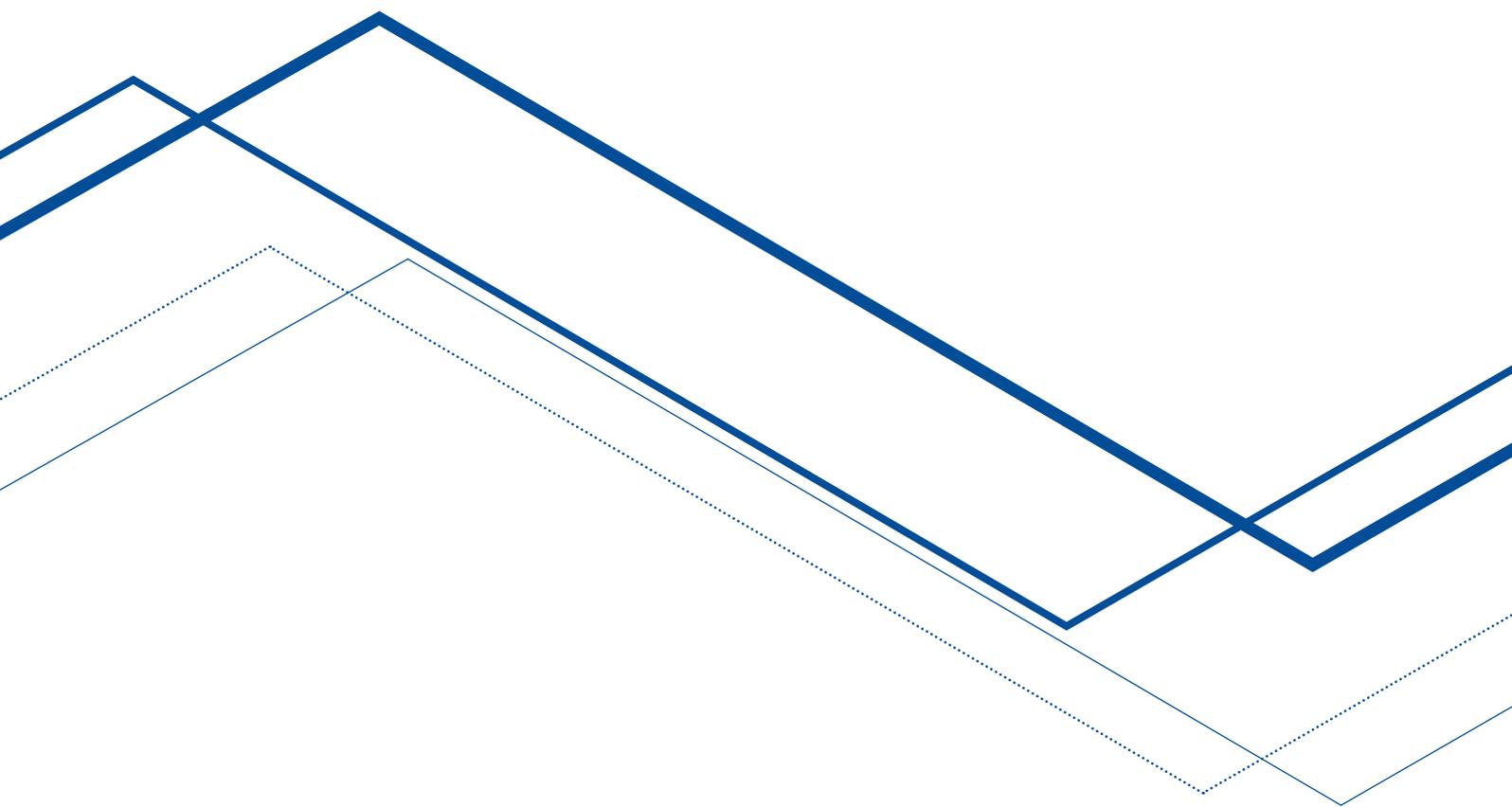
**Luxembourg:
a prime location
for bond listing
for Latin
American
companies**

kpmg.lu



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LUXEMBOURG: A PREMIUM MARKETPLACE



STRONG MARKET RECOGNITION FROM INTERNATIONAL ISSUERS:

Luxembourg boasts with a solid track record of handling international issues, with issuers from more than 100 countries and c. 40% of them coming from America and Asia

Multilingual workforce (Portuguese, English, German and French are largely spoken)



EFFICIENT, CUSTOMER-FOCUSED LISTING PROCESS WITH COMPETITIVE PRICING:

The full listing process is normally completed within a few weeks

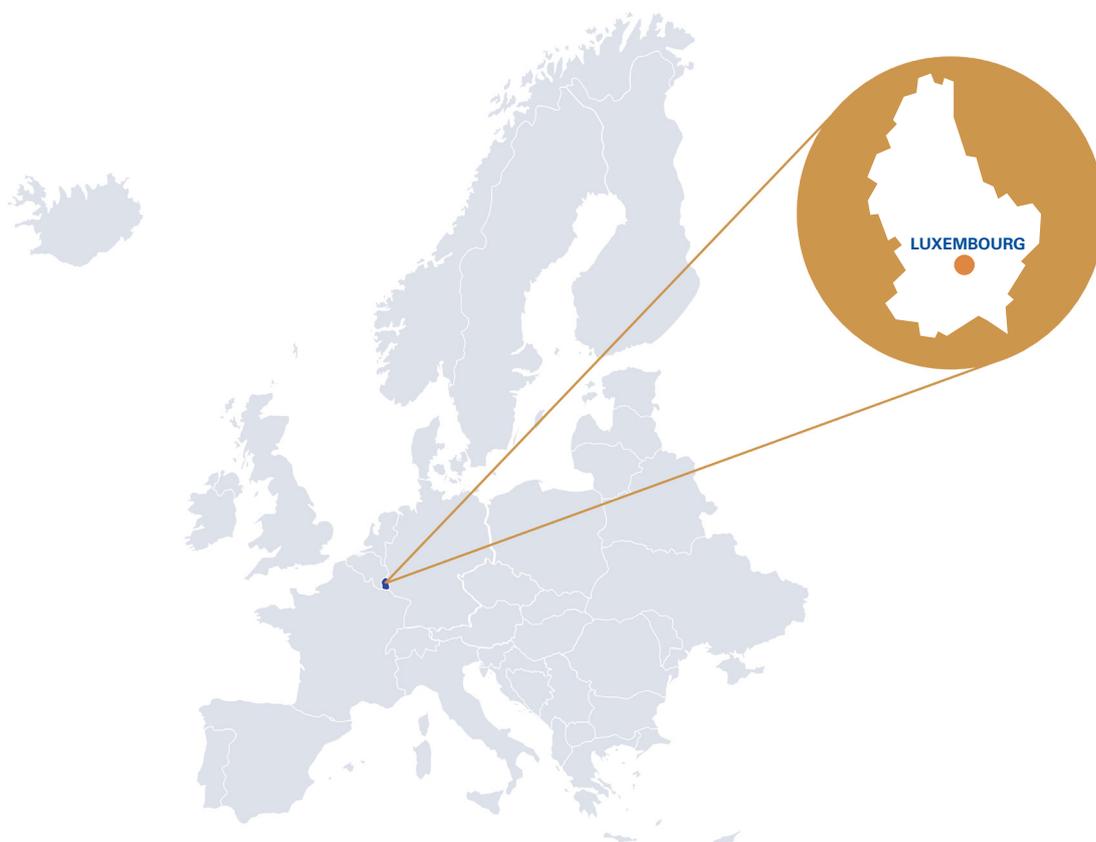
Focus on continuous innovation with the objective of meeting individual investor requirements



ADVANCED TRADING AND POST-TRADING INFRASTRUCTURE:

Securities traded on the Universal Trading Platform of Euronext

LCH Clearnet, Euroclear Bank, and Clearstream Banking Luxembourg are the platforms used for clearing and settlement



DUE TO ITS LOW GOVERNMENT YIELD RATES, EUROPE PRESENTS AN ATTRACTIVE GEOGRAPHY FOR BOND LISTING, COMPARED TO BRAZIL, INDIA OR CHINA



FLEXIBLE, YET STRONG REGULATORY FRAMEWORK:

Regulation is in line with the EU directives on securities market, ensuring market confidence, transparency and investor protection

Luxembourg is a gateway for listing in other EEA jurisdictions



TAX-FRIENDLY ENVIRONMENT:

Exemption regime for dividend income and capital gains

Companies benefit from double tax treaties with major Latin American countries (e.g. Brazil, Trinidad and Tobago, Panama and Barbados; tax treaties pending for Argentina and Uruguay)

Lowest VAT rate in Europe



STABLE ECONOMIC AND POLITICAL ENVIRONMENT, RESULTING IN:

Lower costs due to reduced market risk premium

Sustainable source of funding



LUXEMBOURG IS THE LARGEST STOCK EXCHANGE IN EUROPE FOR INTERNATIONAL BOND LISTINGS, OFFERING INVESTORS HIGH QUALITY AND EFFICIENCY OF THE LISTING SERVICES

CHOICE OF TWO MARKETS

THE LUXEMBOURG STOCK EXCHANGE OPERATES TWO DIFFERENT MARKETS – THE BOURSE DE LUXEMBOURG AND THE EURO MTF. BOTH MARKETS USE THE SAME TRADING PLATFORM, OFFER IDENTICAL LISTING FEES, AND HAVE NO RESTRICTIONS WITH REGARDS TO INVESTOR TYPE AND ISSUE SIZE

BOURSE DE LUXEMBOURG	EURO MTF
RESPONSIBLE BODY The responsible body in charge is the local regulator Commission de Surveillance du Secteur Financier (CSSF).	The responsible body in charge is the Luxembourg Stock Exchange.
ACCESS TO OTHER EUROPEAN JURISDICTIONS The Bourse de Luxembourg provides a European Passport for admission to trading in other EEA (European Economic Area) member states without further application or disclosure requirements, minimising regulatory arbitrage and providing a single market framework.	New application must be submitted for listing in other EEA member states.
ACCOUNTING STANDARDS Issuers must provide financial data in compliance with IFRS standards.	Issuers can provide financial data in compliance with either IFRS or local GAAP standards.
REGULATION European Union regulations on Transparency and Market Abuse apply. Prospectus must meet the Law of 10 July 2005 on Prospectuses for Securities (Prospectus Law).	Luxembourg Stock Exchange rules and regulations apply. No requirement for compliance with European prospectus and transparency regulation, resulting in less stringent requirements.



LUXEMBOURG OFFERS A QUICK AND CUSTOMER-FOCUSED LISTING PROCESS, PROVIDING INVESTORS WITH FLEXIBILITY AND CHOICE TO LIST ON TWO DIFFERENT MARKETS IN ORDER TO MEET THEIR SPECIFIC FUNDING NEEDS

LISTING BONDS IN LUXEMBOURG

Continuous innovation

The Luxembourg Stock Exchange underscores the importance of continuous innovation in order to provide the flexibility required by each individual investor to meet their financing needs.

Currently, Luxembourg boasts with more than 1,200 bonds quoted daily. Diversity of the instruments issued is a key focus of the stock exchange. For instance, some of the debt instruments listed comprise indexed bonds, high-yield bonds, Eurobond, Sukuk (Shariah-compliant), Dim Sum (RMB denominated) bonds, etc.

Moreover, debt instruments are listed in more than 16 currencies, providing further flexibility to investors to meet their specific funding needs. Luxembourg is a specialist in listing Eurobonds, holding the lead position in Europe.

That is why Luxembourg remains the preferred market for supranational debt issuers, such as the European Investment Bank, World Bank, and the European Bank for Reconstruction and Development.

Beneficial current market environment

The current market conditions of low interest rates and declining sovereign bond yields create exciting opportunities within the corporate bond issuance segment.

Corporates are becoming more interested in debt issuance as it provides low-cost external financing.

At the same time, investors are increasingly interested in corporate bonds as they provide an avenue for capturing higher yields and access to more finance pools via diversified instruments.

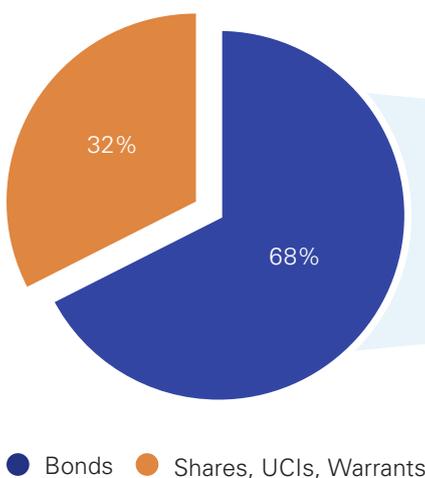
Bond listing in Luxembourg

Despite the negative impact of the Eurozone debt crisis on bond markets, Luxembourg witnessed a very sustainable bond market development since 2009, with a steady 2% annual growth in the number of listed debt securities.

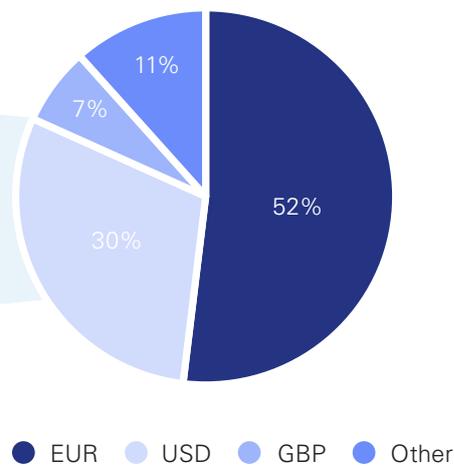
Furthermore, 2013 has proved to be a particularly strong year for the Luxembourg bond market with a 7% increase in the number of debt securities listed, compared to 2012.

Therefore, now more than ever before, bond listing in Luxembourg is emerging as an attractive opportunity for corporates to access a highly liquid financial market with sustainable growth prospects.

Newly listed securities in 2013



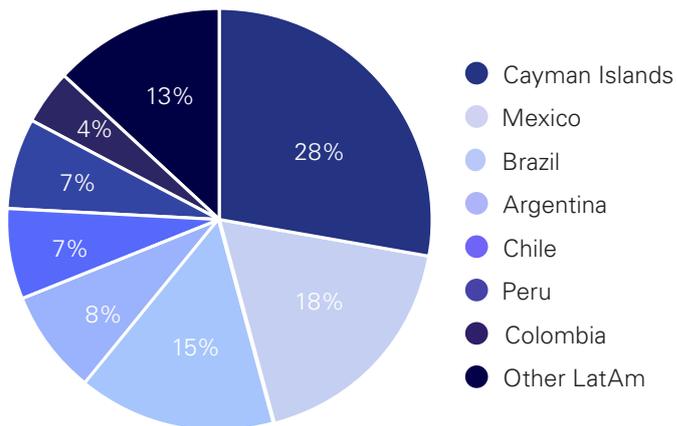
Newly listed bonds in 2013



THE LUXEMBOURG STOCK EXCHANGE IS BECOMING AN INCREASINGLY ATTRACTIVE MARKETPLACE FOR INVESTORS, UNDERPINNED BY A 7% INCREASE IN THE VOLUME OF NEW BOND ISSUANCE IN 2013

THE LUXEMBOURG STOCK EXCHANGE HAS WITNESSED A SIGNIFICANT INTEREST FOR BOND LISTING FROM MAJOR LATIN AMERICAN COMPANIES WITH CURRENTLY 1,255 LISTED DEBT INSTRUMENTS

Number of debt instruments listed as at January 2015



Note: UDI is an inflation-based indexed unit created by the Central Bank of Mexico



LUXEMBOURG PROVIDES LATIN AMERICAN COMPANIES WITH ACCESS TO POOLS BY ISSUING DEBT INSTRUMENTS OF VARIOUS NATURE, MEETING BOTH THE ISSUER NEEDS AND INVESTOR DEMAND

KPMG LUXEMBOURG: YOUR BOND LISTING PARTNER

THE KPMG LUXEMBOURG CAPITAL MARKET ADVISORY TEAM PROVIDES A COMPREHENSIVE RANGE OF SERVICES RELATED TO BOND LISTING, SUCH AS PROVISION OF ADVICE ON MARKET AND LISTING STRATEGY, PROSPECTUS PREPARATION AND COMMUNICATION WITH ALL STAKEHOLDERS. FURTHERMORE, THE KPMG LUXEMBOURG LATIN AMERICAN DESK IS COMPRISED OF MULTILINGUAL SEASONED PROFESSIONALS WHO CAN UTILISE THEIR EXPERIENCE AND CREDIBILITY TO DEVELOP STRONG RELATIONSHIPS WITH AUTHORITIES AND BUSINESSES IN LUXEMBOURG



REGULATORY

- Communication with regulatory bodies to help ensure compliance
- Assistance with regulatory and compliance issues
- Analysis of potential impacts resulting from changes in local and / or international legislation

FINANCIAL ADVISORY

- Identification of strategic partners for capital fundraising, market assessment and advice on listing strategy
- Alignment of the company and potential investor objectives
- Financial and business due diligence reviews
- Advice on prospectus preparation

TAX

- Determining and structuring the optimal listing vehicle to achieve the most tax neutral structure
- Design the most efficient tax plan to control and minimize tax exposure
- Assessment of tax compliance with existing local regulations and other foreign jurisdictions
- Tax planning advice for investment, restructuring and re-domiciliation of off-shore funds in Luxembourg

AUDIT

- Review of the underlying data necessary for the preparation of the long-form report, the working capital report, the accountant's report on historical and pro-forma financial information and any other comfort letters requested by third parties
- Assistance with ongoing post-issuance reporting and information distribution

KPMG UNDERTAKES A HOLISTIC APPROACH, UNDERPINNED BY LOCAL MARKET INSIGHT AND A WORLDWIDE NETWORK OF EXPERTS IN ORDER TO PROVIDE SUPPORT AND GUIDANCE IN EVERY STEP OF THE LISTING PROCESS

KPMG LUXEMBOURG: YOUR BOND LISTING PARTNER

THE KPMG LUXEMBOURG CAPITAL MARKETS ADVISORY TEAM CAN ASSIST YOU BY PROVIDING FINANCIAL ADVICE AND COORDINATING THE ENTIRE BOND LISTING PROCESS IN ORDER TO ACHIEVE A SUCCESSFUL AND TIMELY LISTING



1

PREPARATORY ANALYSIS:

- Analysis of the issuer's short- and long-term financial needs and capital requirements
- Acting as project coordinator between all stakeholders and monitoring work streams (legal advisers, co-arranger, other related parties)
- Identification of targeted investor type
- Analysis of local and legal regulatory requirements with regards to enforcement and bond structuring
- Comparison of listing requirements and benefits of Bourse de Luxembourg and Euro MTF market
- Identification and review of the terms of the selected bond type (par value or face amount, term/tenor or maturity, coupon/interest calculation, currency, convertible bonds, call options, restrictive or protective covenants, etc.)
- Bond repayment cash flow modelling

2

ADVICE ON BOND PROSPECTUS PREPARATION AND DOCUMENT SUBMISSION:

- Analysis of corporate governance issues
- Detailed commercial and financial due diligence
- Identification and mitigation of risk factors
- Prospectus review
- Submission of application to the Bourse de Luxembourg for admission to exchange and trading (acting as a listing agent)

3

ISSUANCE EXECUTION:

- Coordination of communication with all stakeholders and monitoring of workstreams
- Publish and file regulated information through the Officially Appointed Mechanism of Bourse de Luxembourg in accordance with local regulation on transparency

4

CONTINUING OBLIGATIONS ASSISTANCE:

- Assistance with any continuing obligations following the debt instrument listing, for example, disclosure of major holdings and shareholders and dissemination of information

ABOUT US

CAPITAL MARKETS ADVISORY



39, Avenue John F. Kennedy
L-1855 Luxembourg



Zia Hossen
Bond listing leader
+352 22 51 51 7238
zia.hossen@kpmg.lu



Olivier Lacour
Bond listing coordinator
+352 22 51 51 6736
olivier.lacour@kpmg.lu

LATAM DESK



Bastien Voisin
Partner, Tax
+352 22 51 51 5442
bastien.voisin@kpmg.lu



Thomas Feld
Partner, Audit
+352 22 51 51 6229
thomas.feld@kpmg.lu



Nilton Constantino
Senior Manager, Audit
+352 22 51 51 6686
nilton.constantino@kpmg.lu

KPMG LUXEMBOURG

KPMG has been active in Luxembourg since 1970 and currently employs some 1,250 people.

We offer you our deep experience on local and international transactions in various industries through the provision of high value-added services. In addition to our expertise in Deal Advisory, we can assist you with various corporate issues you might be faced with through our expertise in Management Consulting, Risk Consulting, Information Risk and Compliance, Forensic, Audit and Tax.

Our team is ready to assist you in Portuguese, Spanish, English, German and French.



FOLLOW KPMG LUXEMBOURG ON:



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