

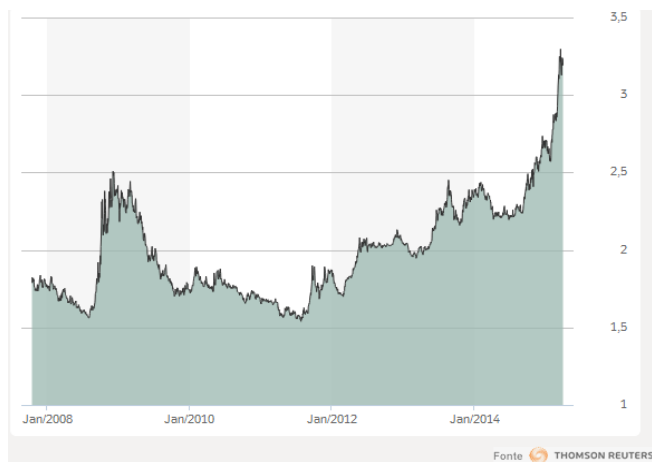
Brazilian Economic Storm: Perfect Time to take Advantage of the Crisis

The gathering clouds of a perfect economic storm looms already on Brazil's horizon: economic downturn, fiscal retrenchment, rising unemployment, exchange rates climbing to unprecedented levels and multimillion-dollar corruption scandals indicate that Brazilians have been plunged into a deep crisis. What this tenebrous portrait of Brazil's current situation means to international investors? Simply that they have an outstanding time to do business there.

Only in the last two years, several companies of the main players from different sectors of the Brazilian economy filed for judicial reorganization under bankruptcy law. Well-known names have already brought or are about to bring lawsuits aiming to avoid bankruptcy. This will presently trigger the sale of equity in companies controlling important businesses and public concessions such as the São Paulo airport, Rio de Janeiro's subway system operation, operation of several key federal and state roads, shipyards, residential development and construction, water supply, treatment and distribution, sewage and industrial waste management, charter and operation of vessels and platforms for the oil & gas industry, brand new FIFA World Cup stadiums, power generation, mining, real estate, logistics, retail, agroindustry etc.

Investors, national and foreign alike, interested in acquiring equity or assets under judicial reorganization have a huge incentive granted by the Brazilian legislation, which is the absence of any kind of legal succession. Notwithstanding, there is any sort of liability from the acquirer, as, for instance, the duty to pay debt taxes or to pay the company's creditors.

In addition, another factor to consider is that Brazil's currency depreciation against US Dollar and other currencies sped up this year, reaching the lowest level in more than a decade, as shown in graph below:



Exchange Rates Graph (USD, BRL)

According to plenty of economic specialists, the Brazilian Real will continue to depreciate in the coming months on the back of US dollar strength. Under this scenario, investment opportunities become cheaper and potentially lucrative to foreign investors.

If it's always darkest before the dawn then this is a great moment to take advantage of the Brazilian crisis. Among many other advantages, Brazil is well known for its huge consumer market and the existence of plenty of natural resources. Its democratic regime is undoubtedly stable. In spite of the regional economic imbalances, this South American powerhouse has several islands of prosperity with more than adequate logistics and qualified workforce.

In short, Brazil has all elements to resume strong and steady growth as early as 2016, which makes the current problematic scenario of 2015 the perfect timing to invest.

Fraga, Bekierman & Cristiano Advogados team is actively engaged in several transactions linked to this new scenario and will be glad to assist you in any way possible

Attention

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