

PRESS RELEASE

NATIONAL TREASURY OF BRAZIL ANNOUNCES THE REVISION OF THE ANNUAL BORROWING PLAN FOR 2008

The Brazilian National Treasury announces the revision of three of the eight targets of the Federal Public Debt for 2008, defined in its Annual Borrowing Plan. Some factors justify such revision. If, on the one hand, one can observe the deepening of the instability in the international scenario throughout the year and its effects over the domestic financial market, on the other, the strengthen of the main Brazilian economic indicators, in particular the robust fiscal results, allows more flexibility in public debt management. The new limits are shown below:

Federal Public Debt - DPF

Indicators	Dec/07	Previous Limits	New Limits
Stock (in R\$ billion)	1,333.8	1,480 - 1,540	1,360 - 1,420
Composition (%)			
<i>Fixed Rate</i>	35.1	35 - 40	29 - 32
<i>Inflation Linked</i>	24.1	25 - 29	25 - 29
<i>Floating Rate</i>	30.7	25 - 30	31 - 34
<i>Exchange Rate</i>	8.2	7 - 9	7 - 9
<i>Others</i>	1.9	1 - 3	1 - 3
Maturity Profile			
<i>Average Maturity (months)</i>	39.2	42 - 46	42 - 46
<i>% maturing in 12 months</i>	28.2	24 - 27	24 - 27

Source: National Treasury

As can be seen, only the references for the fixed rate and the floating rate debt shares have changed, as well as the Federal Public Debt stock. The references for the inflation linked and the exchange rate debt shares have not changed. Regarding the maturity profile, the average maturity, as well as the percentage maturing in 12 months, have also remained unchanged in relation to the original plan.

It is important to highlight that the general guidelines of the Federal Public Debt management will continue to lead the actions of the National Treasury. In this sense, the Treasury will aim to increase the fixed rate and the inflation linked share in the debt, as well as reducing the floating rate portion, always observing market conditions on a continuous basis. Beyond that, the public debt management will keep targeting the lengthening of the average maturity and the reduction of the debt maturing in 12 month.