



BRAZIL OPENS A NEW 30-YEAR BENCHMARK: THE COST REACHES ITS MINIMUM LEVEL IN THE HISTORY

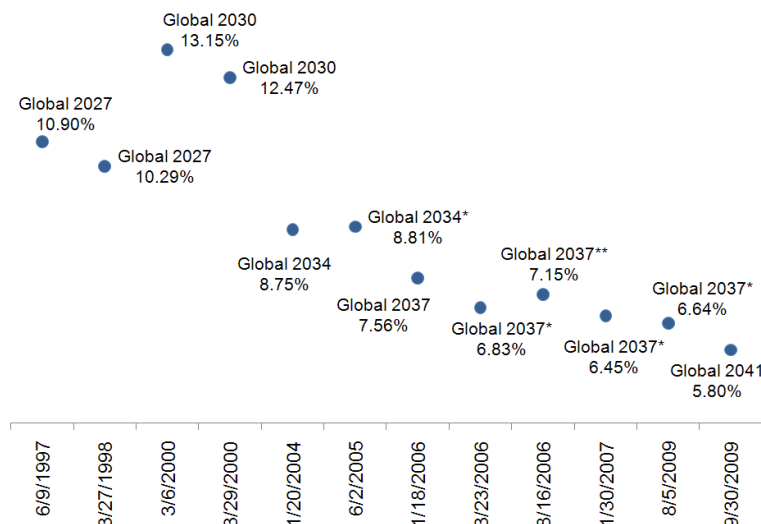
The Brazilian National Treasury issued, on September 30th, 2009, its new thirty-year benchmark, the Global 2041, amounting USD 1.275 bn, being USD 1.25 bn in the European and North America markets and USD 25 mn in the Asian market. This issuance was managed by HSBC and Barclays with Banco do Brasil Securities and Banco Itaú as co-managers.

The thirty-year bond was priced in 97.498% of its face value, with a 5.80% p.y. yield. Coupon payments reaching 5.625% p.y. will be paid semi-annually every January 7th and July 7th, up to its maturity in January 2041. The transaction was settled on October 7th. This operation had a 175 bps spread over the equivalent US Treasury Bond (May-2039).

Aiming at enlarging the investor base, the Brazilian National Treasury adopted, once again, the so called green shoe mechanism. According to this strategy, the Brazilian National Treasury launches the operation in the North America and European markets and can choose to extend the issuance in the Asian market at predetermined conditions.

This was the first issuance performed by the Republic after having received the investment grade by the three major credit rating agencies¹ and was characterized as the one with the lowest cost among thirty-year bond issuances made by the country. This event reflects the credibility of the Brazilian Government among the market participants and the positive expectations about the local economy, as a consequence of the moderate impact of the world financial crises in Brazil and its quick recovery.

Yield (% p.y.) at the issuance of 30-year bonds



Source: National Treasury

* Reopening

** Exchange Offer

¹ The last upgrade of Brazil's credit rating to investment grade was granted by Moody's, in September 22th, 2009. In April 30th, 2008, Standard and Poor's had already granted this condition to the country, followed by Fitch Ratings, in May 29th.

The success of the issuance can be regarded by the interest demonstrated by almost 300 investors of different types, reaching a demand much higher than the offer. The strong demand and the conditions of this issuance can be seen as an opportunity to potential issuances of the corporate sector, once government bonds are used as reference to companies that are interested in obtaining foreign resources.

This operation is part of the National Treasury's strategy of qualitative issuances, since it aims at improving the external debt profile and consolidating the US Dollar-denominated curve, by the maintenance of benchmarks in the foreign market.

Characteristics of the Global 2041, on 09/30/2009	
Term	30 years
Maturity	01/07/2041
Interest cupom	5.625% per year
Issuance price	97.498% of face value
Yield	5.80% per year
Spread	175 bps over the May-2039 US Treasury
Principal payment	single payment, at maturity
Interest payment	half-yearly payments

Source: National Treasury

Staff

Public Debt Strategic Planning Department

Investors Relations

Manager: André Proite
Deputy: Flávia Fernandes Rodrigues Barbosa
David Rebelo Athayde
Karla de Lima Rocha
Leandro Gonçalves de Brito
Leonardo Tavares Lameiro da Costa
Mathias Lenz Neto

E-mail: brazildebt@fazenda.gov.br