

Porto Alegre, December 14th, 2018.



BNDES approves BRL 1.25 billion financing to Fraport Brasil - Porto Alegre

- *Construction works at Porto Alegre Airport include the expansion of passenger terminal 1, with an estimated annual traffic of 9 million passengers by 2023*
- *The expansion of the runway will allow the airport to receive larger aircrafts and thus offer a greater number of international flights from Porto Alegre*

The Brazilian National Bank for Economic and Social Development (BNDES) approved a BRL 1.25 billion financing to Fraport Brasil - Porto Alegre for the expansion, modernization and maintenance of the infrastructure of Porto Alegre Airport. The operation is intended to support the investments provided for in the Concession Agreement entered into between the company and the National Civil Aviation Agency (ANAC).

The financing deal is in the Project Finance category and accounts for over 60% of the total investments of approximately BRL 1.8 billion, which include hiring a consortium, purchasing equipment, and developing and managing the project. The main infrastructure works include the expansion of passenger terminal 1, with an estimated annual traffic of 9 million passengers by 2023; improvements to the taxiways; improvements of the draining system, and building a parking garage. The runway will also be extended from 2,280 meters to 3,200 meters.

The Porto Alegre Airport concession was the result of the fourth round of airport concessions (Notice No. 01/2016 published by ANAC) and requires mandatory investments by the end of October 2019 (except for the extension of the runway, with the deadline expiring in December 2021). The BNDES financing will have a 20-year term.

The airport - Porto Alegre Airport is the 9th largest in Brazil and the largest in the country's South Region (by passenger traffic). In 2017, over 7.9 million passengers traveled through the airport, with 7.5 million domestic passengers and just over 400.000 international passengers. The expansion of the runway will allow the airport to receive larger aircrafts and thus offer a greater number of international flights from Porto Alegre.

The improvement of the airport infrastructure will bring benefits to the regional economy as it will increase the operational capacity of the airport of the main city of Rio Grande do Sul, as the current capacity of the region is nearing its limit and will be insufficient for the estimated future demand.

The company - Fraport Brasil - Porto Alegre is a Special Purpose Entity created for the expansion, modernization and maintenance of the infrastructure of Porto Alegre Airport. The Concession Agreement has a 25-year term from August 29th, 2017, and the Concessionaire fully took over the operations of the airport in January 2018.

The company is a subsidiary of Fraport AG Frankfurt Airport Services Worldwide, an airport operator that controls Frankfurt Airport, Germany's largest and one of Europe's five largest airports. Additionally, the Group counts with more than thirty other airports around the world. Together with Fortaleza Airport, which was also awarded in the fourth round of airport concessions, Porto Alegre Airport marks the beginning of the Fraport Group operations in Brazil.