

The Current Situation of Water Supply and Business Opportunities in Pernambuco, Brazil

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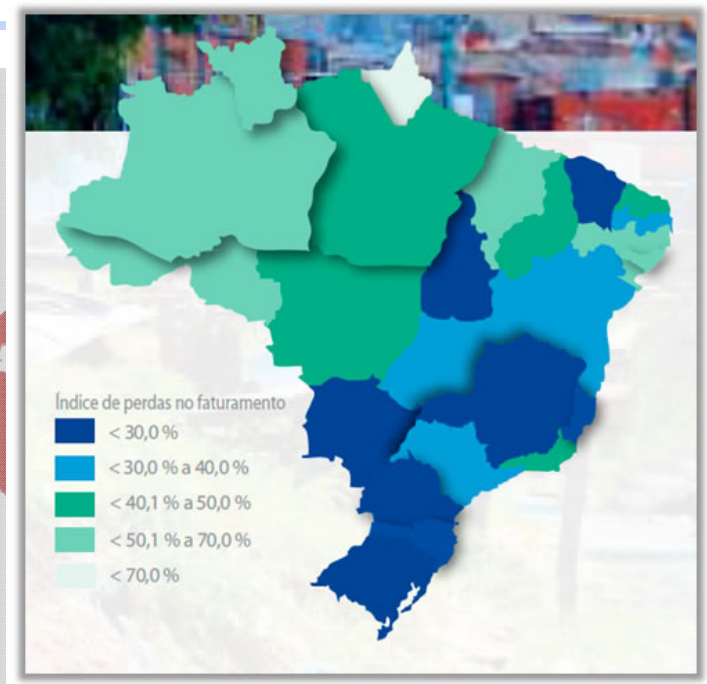
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November/2015



Brazil

Location



BRAZIL



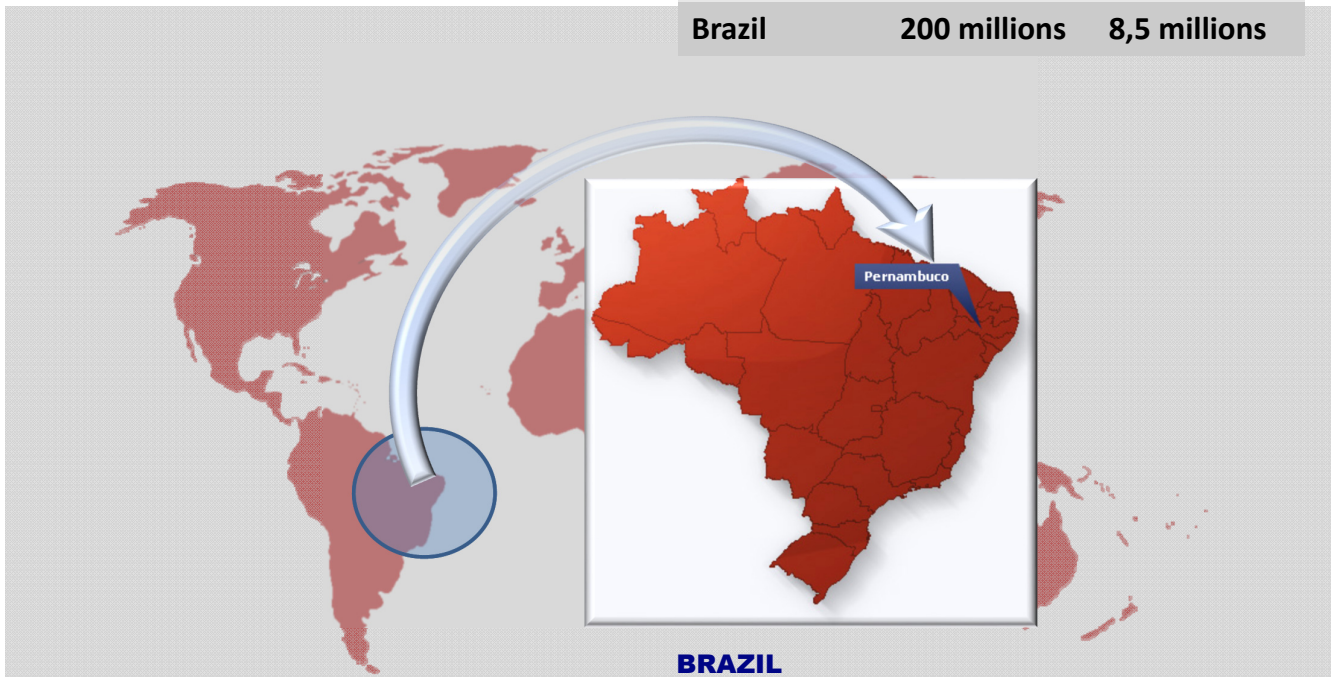
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Pernambuco State

Location

	Population	Area (km ²)
Pernambuco	9,2 millions	98.000
Japan	130 millions	378.000
Brazil	200 millions	8,5 millions

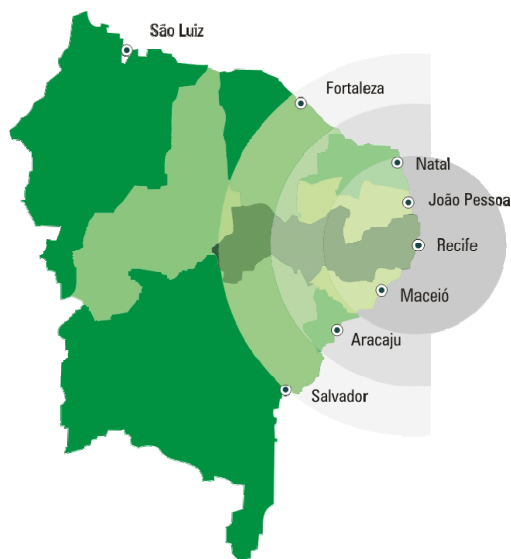


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Pernambuco State

Strategic Location



Within 700 km radius:

- 7 state capitals
- 7 Public Water Companies
- 5 international airports
- 6 international ports
- 20 million inhabitants
- 90% of Northeast GDP



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Pernambuco State

Main Data

Capital

Recife

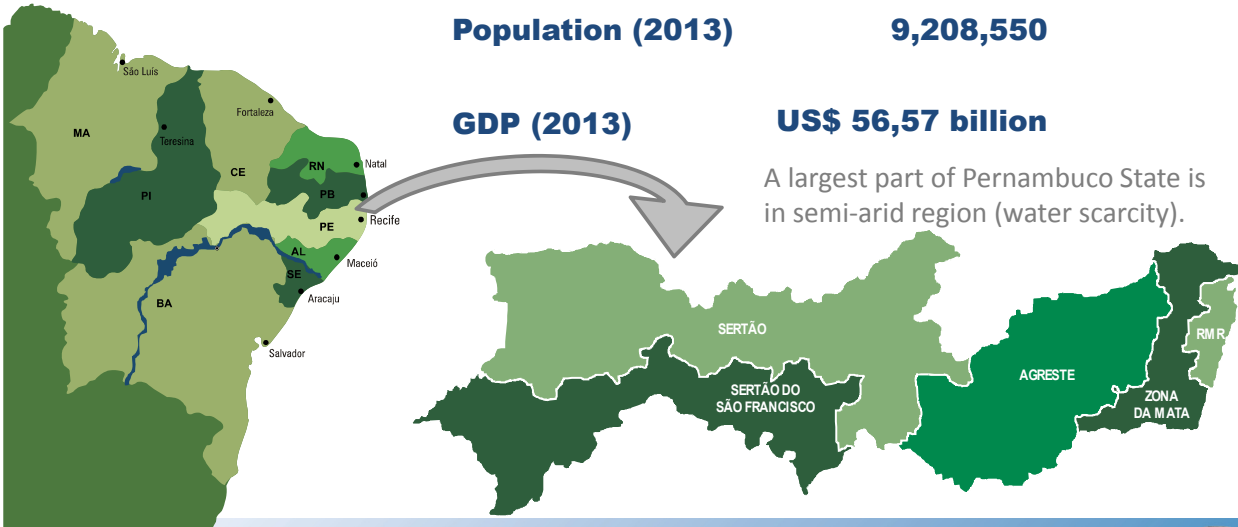
Population (2013)

9,208,550

GDP (2013)

US\$ 56,57 billion

A largest part of Pernambuco State is in semi-arid region (water scarcity).



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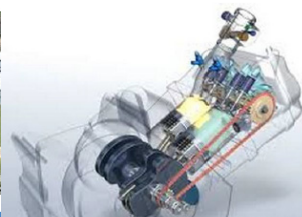
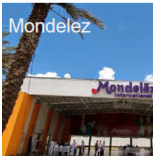


Pernambuco State

Main Data

**Industria
(Newly opened)**

Japanese Companies in Pernambuco



Company
Brasil Kirin
Nissin Ajinomoto
Musashi
Sumitomo
Toyota
Honda
IHI Ishikawajima - Harima
Niagro
Denso



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Pernambuco State

Main Data - Recife's Metropolitan Area

North Metropolitan Water supply well



South Metropolitan Water supply for surface water source



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Pernambuco State

Main Data

Financial Times Ranking

South American
States of the Future
2014/15



TOP 10 MAJOR SOUTH AMERICAN STATES –
INFRASTRUCTURE

RANK	STATE	COUNTRY
1	Buenos Aires Province	Argentina
2	Rio de Janeiro	Brazil
3	Metropolitana de Santiago	Chile
4	São Paulo	Brazil
5	Bahia	Brazil
6	Pará	Brazil
7	Pernambuco	Brazil
8	Rio Grande do Sul	Brazil
9	Paraná	Brazil
10	Antioquia	Colombia

Pernambuco: Great place to live.



Cultural;
Hand Craft;
Beaches;
Gastronomy;
Medical Cluster.



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Agenda

- **Getting to Know Pernambuco**
- **Getting to Know Compesa**
- **Main Ongoing Projects**
- **Future Prospects and Business Opportunities**



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Getting to know Compesa

General information

- ▶ **Water Supply and Wastewater Company of Pernambuco State**
- ▶ **43 Years of Experience**
- ▶ **Headquarters: Recife/Pernambuco - Brazil**
- ▶ **Revenues in 2014: US\$ 412 million**
- ▶ **Number of employees: 3.280**
- ▶ **Number of Municipalities served: 175 of 185**



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Getting to know Compesa

General information

▶ Water Supply System:

- Dams: 194
- Surface-water catchment system: 43
- Water Treatment Stations: 211
- Pump Stations: 520
- Deep wells: 277

▶ Sewerage System:

- Wastewater treatment stations: 82
- Lift stations: 120



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Getting to know Compesa

General information and challenges

Water supply

- ▶ Coverage: 97% (9 million people)
- ▶ Challenge: Guarantee hydro sustainability of water supply, mainly in Agreste Region

Wastewater

▶ Coverage:

30%
2015



80%*
2025



*In Recife's Metropolitan Area it will be: 90% (2025)



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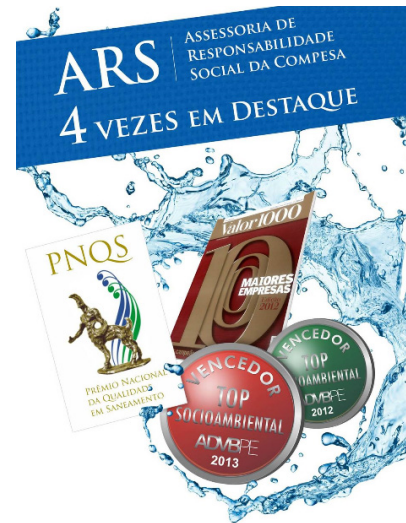


Getting to know Compesa

General information



Empresas do Setor Governança Corporativa	1º LUGAR
Empresas do Setor Visão de Futuro	5º LUGAR
Empresas do Setor Respons. Socioambiental	4º LUGAR
Empresas do Setor	4º LUGAR



TOP ADVB 2012
Categoria - Socioambiental
Projeto Compesa no Meu Bairro

TOP ADVB 2013
Categoria - Socioambiental
Projeto Compesa no Meu Bairro

2º PNQS 2012 - Prêmio Nacional da Qualidade no Saneamento
Categoria - Inovação na Gestão do Saneamento
4º lugar no grupo Norte e Nordeste.
Projeto Compesa no Meu Bairro

Destaque na revista 1.000 Maiores Empresas do Brasil
Categoria - Responsabilidade Social



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Getting to know Compesa

General information



ISTOÉ Dinheiro

Compesa

é eleita melhor empresa de saneamento do Brasil

Ranking foi estabelecido pela revista IstoÉ Dinheiro

A Companhia Pernambucana de Saneamento (Compesa) foi escolhida como a melhor empresa de saneamento do Brasil. O reconhecimento no ranking "As Melhores da Dinheiro 2015" foi da Revista IstoÉ Dinheiro e envolveu a análise de mais de mil empresas de diversos setores em todo o país. Nesta quinta-feira (24), o presidente da Compesa, Roberto Tavares, representou a empresa na cerimônia de premiação, que está em sua décima terceira edição, em São Paulo.

Para chegar à primeira colocação do ranking, a Compesa foi avaliada segundo seu desempenho financeiro e seus indicadores de gestão em inovação e qualidade, responsabilidade social, recursos humanos e governança corporativa. Os investimentos realizados nos últimos três anos, a existência de programas de qualificação e incentivo profissionais e de participação nos resultados, o uso de ferramentas e canais de comunicação para atendimento ao cliente e as inovações nas áreas de projetos, obras, qualidade e social pesaram para que a companhia fosse eleita a melhor do país.



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Main Ongoing Projects

YearsAgreste's water main (central Pernambuco)

- ▶ 1,300 km of integrated pipelines with a flow rate of 4,000 l/s
- ▶ Serving 2 million inhabitants
- ▶ Covering 87 municipalities and 80 villages
- ▶ Start of construction work: 2013
- ▶ End of construction work: 2018
- ▶ Investment: US\$ 1 billion

Water from
San Francisco River



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Main Ongoing Projects

Public-Private Partnership for sewerage services in Recife's Metropolitan Area





Wastewater

30%

100%
in 12 years

US \$ **1** billion

Private: **US\$ 0,8** billion

Public: **US\$ 0,2** billion

Concession contract

► Object:

- To provide waste
- Required invest



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Main Ongoing Projects

Structuring Projects - Wastewater



Capibaribe River Watershed

► US\$ 190 million

► Population:

1,5 million people

Ipojuca River Watershed

► US\$ 330 million

► Population:

1,2 million people



Other wastewater systems under construction in 10 cities



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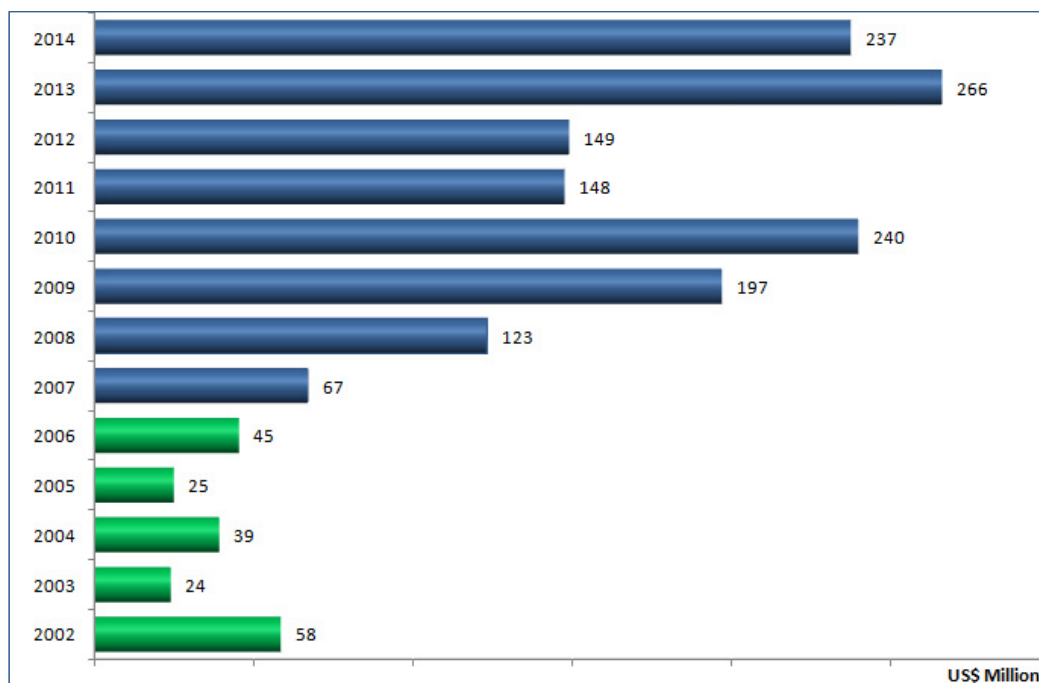


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Future Prospects

Investments: Past 8 years vs Coming Years



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Future Prospects

Investments: Past 8 years vs Coming Years



► Planned investments for the next 8 years:

- Agreste’s water project: US\$ 772 million
- PPP (Recife’s Metropolitan Area): US\$ 1 billion
- Other Projects: US\$ 1,2 billion

Total: US\$ 3 billion



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Business Opportunities

Recife’s Metropolitan Area

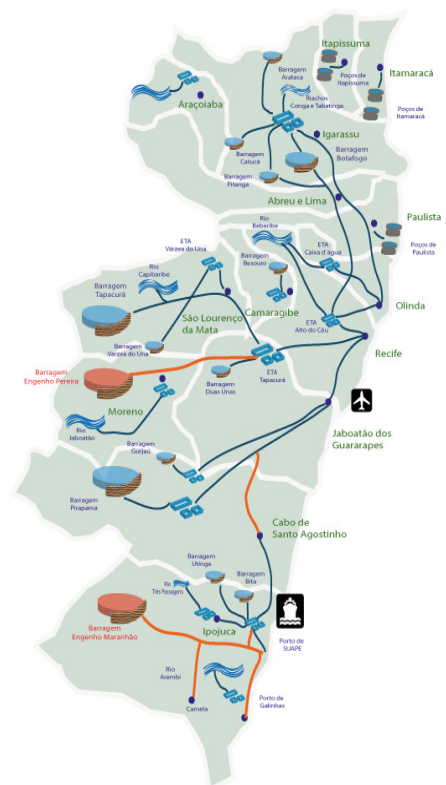
US\$ 500 million for 5 years

Integration of Water Supply Systems

Water Sustainability assurance

Expansion of the Water supply for the Population

Elimination of shortage of supply

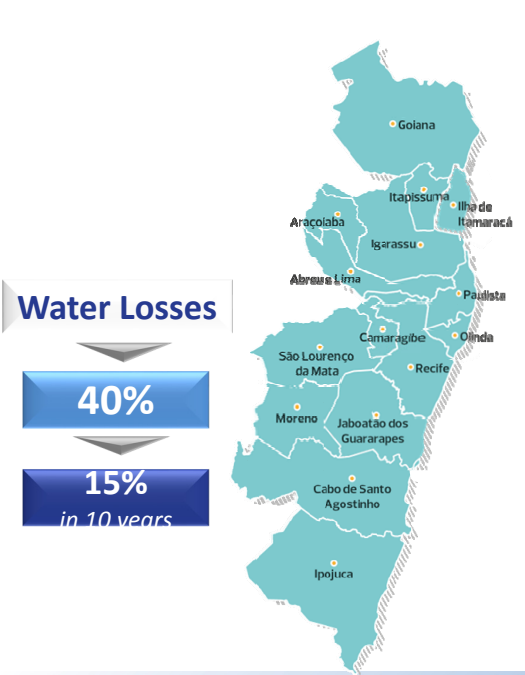


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Business Opportunities

Recife's Metropolitan Area



Water Losses

40%

15% in 10 years

US\$ 300 million for 8 years

Replacement and implementation of new pipes

Realization of control of the volume of water available

Pressure reduction in water distribution network

Reduction of water flow available

Reducing losses real and apparent losses

Business Opportunities

The SUAPE Complex - Expansion of the water supply

The Suape Complex (port and industries)

Suape Port has 13.500 hectares including industrial and service zones and 59% of Environmental Preservation Area;

Over 110 installed enterprises;

R\$ 2,0 billion public investments between 2011 and 2014

Operational depth: from 15,5 to 20,0 meters (Outer Port); sh and minimum silt up;

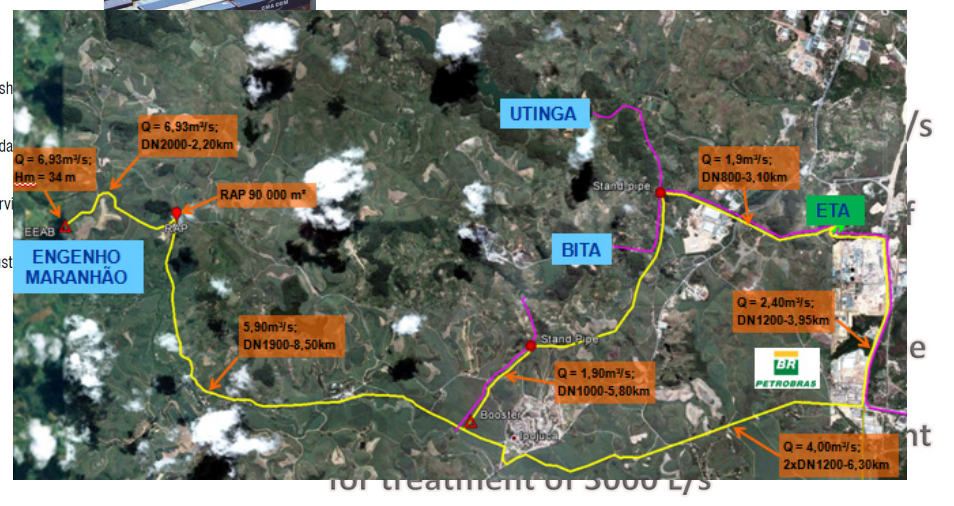
Distance: 7 days to U.S.A East Coast and 9 days to Rotterdam (Netherlands);

Port Authority Building offers services to speed up port services and make them more efficient

Areas destined for terminals, logistics, services and industrial operations.



US\$ 200 million for 5



Business Opportunities

Agreste



US\$ 700 million for 5 years

Water Sustainability assurance

Expansion of the Water supply for the Population

Elimination of shortage of supply

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Thank You

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