Operator:

Good afternoon, ladies and gentlemen, and thank you for waiting. At this time we would like to welcome everyone to the CCR 1Q10 earnings conference call. We would like to inform you that this event is being recorded and all participants will be in listen-only mode during the Company's presentation. After the Company's remarks are completed, there will be a question and answer session. At that time further instructions will be given. Should any participant need assistance during this call, please press *0 to reach the operator.

Before proceeding, let me mention that forward-looking statements about CCR's business prospects are being made based on the beliefs and assumptions of CCR's management and on information currently available to the Company. They involve risks, uncertainties, and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions, and other operating factors could also affect the future results of CCR and could cause actual results to differ materially from those expressed in such forward-looking statements.

Now I will turn the conference over to Mr. Arthur Piotto Filho, CFO and Investor Relations Officer at CCR. Mr. Arthur, you may begin your conference.

Arthur Piotto Filho:

Thank you, operator. Good afternoon, everyone, and thank you for attending our 1Q10 earnings conference call. Here we have with us Marcus Macedo, Flávia Godoy, and Danilo Cabrera, members of our IR team.

The quarter's earnings release is available on the Company's website, at www.grupoccr.com.br/ir.

Before commenting specifically on the results, let us take a quick look at some of the macroeconomic indicators we consider important for the performance of our business.

The latest Brazilian industry and retail indicators are confirming the economic recovery. Unemployment came to 7.2% in the 1Q10 versus 8.2% in the same period last year. Although the rate actually edged up by 0.4% over December 2009, it is still the lowest figure since 2003, mainly thanks to the creation of formal job positions, led by the construction and service sectors. Workers' real earnings averaged R$ 1,321.40 in March, stable in relation to the previous month and 5% up on the 1Q09. Industrial production increased by 19.7% in March and 18.1% in the quarter using the same comparative bases.

According to the latest information from the Central Bank, credit increased by 11.1% year on year in March, with loans to individuals moving up by 20.8% and vehicle financing by 25.8%. It is worth remembering that the performance of the auto industry is highly correlated with traffic growth and plays a major role in Brazilian GDP. The number of licensed vehicles in 1Q10 grew by 17.9% over the same period in 2009, accompanied by a 25.5% increase in vehicle production.

We are therefore maintaining our positive outlook in relation to the economic recovery and remain extremely confident in the future.

As you can see from our release, the Company's results reflect the upturn in economic activity. The main highlights were traffic growth and the EBITDA margin, which widened by 1 p.p., despite the ramp-up of Rodoanel and Controlar products, and the fact that ViaQuatro, the subway company, is still in the pre-operational phase.

We cannot fail to mention the R$ 18.5 million non-recurring, non-cash impact on our net income of the final adjustment of the non-recurring effect previously disclosed in the 4Q09. It is worth also remembering that this was caused by the Company's adherence to the REFIS program for the payment of due federal taxes in installments with discounts in regard to interest and fines, in accordance with Law 11.941/09.

Moving up to traffic, consolidated traffic in our concessions increased by 19.2% year on year in the 1Q10, or by 10.3% increase in the same comparative base terms, mainly due to the strong recovery at the end of 2009 and the consequent upturn in commercial traffic.

We experienced strong 1Q growth in both passenger and commercial traffic. Passenger vehicle traffic moved up by 4.1% over the same period last year, while commercial vehicle traffic jumped by 16.2%. In addition, the preliminary figures from April continue to indicate double-digit growth, and at a higher rate than in the first three months, once again driven by commercial vehicles.

In the Company's press release you can see traffic per concessionaire, distributed according to calendar effects and economic activity.

Further information on traffic variations and other details on the 1Q10 results are available in our press release in standardized financial statements or can be obtained directly from the Company's IR department.

In relation to indebtedness, leverage measured by the net debt/EBITDA ratio was 1.5x, a comfortable level for future investment opportunities, equivalent to R$ 4.5 billion in terms of investment capability.

On September 30th last year, we paid R$ 1.16 per share as intermediate dividends related to 2009 results, complemented by a further payment of R$ 0.23 per share on May 5th, 2010. We therefore achieved a payout ratio of 89.7% of net income. It is important to note that, even in a period of global crisis, our business proved to be based on assets that are highly resistant to economic setbacks, and we maintained our commitment to the market in relation to dividend payments. We are therefore taking this opportunity to reiterate our commitment to pay at least 50% of our annual net income as dividends.

Moving on to future prospects, the recent capital increase has strengthened our capacity for future investment opportunities, providing us with greater financial flexibility in relation to the substantial upcoming improvements in national infrastructure triggered by the World Cup, that should be held in 2014, and the Olympic Games, to be held in 2016. Among the projects we expect to be offered to private enterprise are the following.

Southern and eastern sections of the Ring Road, in the City of São Paulo. The Southern stretch of the Ring Road was launched on April 1st, 2010. In regard to the Eastern section, the Government held public hearings back in January 2010 and since then we have been awaiting the publication of a bid notice. CCR is interested in this project and already operates the Western stretch.

New state and federal highways. As for the primary program, we continue to await the publication of new bid notices regarding the São Paulo state program, with 14 highway lots, and the Minas Gerais state program, with 17 lots, always focusing on capital discipline and profitability. However, we are extremely optimistic regarding the sector's prospects in an environment of sustainable growth.

We also believe that the sector consolidation process will continue and are therefore also alert to opportunities in the secondary market, which consist of a new growth opportunity for CCR. After the offer we intensified our efforts, always guided by capital discipline, and we should have more information in the near future.

We also would like to mention that the ViaQuatro project, which is the Yellow Line of the São Paulo Metro System, is expected to begin commercial operations by the end of this month, with the opening of two stations, followed by four more up to the end of this year. That will conclude the first phase of the project, with six operational stations. Note that the ViaQuatro project has already executed the bulk of its investments, which has impacted our balance sheet but has yet to generate cash, and by 2011 this project will be fully operational.

These comments bring us to the end of this presentation, to a close. And we are now available to take any questions you may have. Operator, please, move ahead.

Eduardo Couto, Goldman Sachs:

Hi, Arthur, Marcus, and Flávia. Just one follow-up question from the Portuguese call. Could you comment a little bit about these recent auctions that we had in the state of Bahia? Because CCR bid, if I am not wrong, was 16% above the lowest bid that we had in the first round of the auction. So, in your view do you think that CCR was too conservative in this auction in Bahia? Or the players were too aggressive? So, I just want to know your view on that. And besides that, another point in relation to this auction in Bahia, according to your assumptions, what levels IRR were your bidding in this auction?

Arthur Piotto Filho:

Hi. I think your question goes straight to a very strategic point for any bidder. Unfortunately this is the kind of answer that I just cannot provide you, otherwise we will be disclosing, I would say, sort of a threshold that attracts to our mix. The Company believes that this is, I would say, the ideal regarding to before. What happened in that auction certainly is associated with [inaudible]. CCR submitted our bid; we were not qualified to participate on the live auction for the reason that the discount the Company provided was not enough to be within the range of a 10% maximum above the minimal discount or the lowest discount provided.

This certainly has to do with the strategy that the Company understand that a specific project has the ability to scheme up our entire business or the types of synergies that the Company were able to understand it could generate.

I would say that those companies that were involved in the second stage of that bid, I mean the live auction, certainly had more to do about they do have some other assets in the region. So, for them I think that might be understood like the best way to effectively capture some sales gain rather than to be – to tell you that they were aggressive. Because it is very difficult for us to determine and to tell you at this moment about the

aggressiveness of any bidder, because we just do not know exactly what assumptions these other companies took in their proposals.

Eduardo Couto:

But do you think the other guys had more synergies and advantage than you? Odebrecht, for example, do they have any concessions in that area?

Arthur Piotto Filho:

Yes. Probably you have already went through a road called “Rodovia do Côco”, which is another state concession. And I believe the consortium, where we saw Odebrecht were, I think, I am not exactly sure about it, but let us say the partners probably are, I am almost sure that they are the same that already operate these other roads.

Eduardo Couto:

OK, great. Thank you.

Nicolai Sebrell:

Hi, Arthur and Flávia. Can you talk about traffic first? What have you seen so far in traffic in April, May? What are your expectations for this year, in as much as you can talk about that?

Second question, if you could talk about the Rodoanel auction, the follow-on for the southeast tranche? Do you see any progress there? What is the likelihood that it happens this year?

And then third, if you could talk about the foreign exchange losses and other non-operating costs? It seems like they were at least [inaudible] a little bit higher this quarter than expected. Is it just the debt on the balance sheet that is in foreign currency that is generating FX? Or is there something else? Because it seemed to us that there really was not that much of a movement this quarter in terms of the currency, so we actually expected something smaller. But maybe I am missing something.

Arthur Piotto Filho:

Hi, Nick. Regarding the traffic, the figures that we have for the moment from April and May do confirm that this trend that we reported in the 1Q is still accumulating. So, that is really making us believe that probably the elasticity, the historical elasticity we have been able to assume, probably should be expanded or increased this year.

Our assumption for this, our best guess would be to move it upwards from 1.3%, which is the historical elasticity, to somewhere around between 1.5x and 2x. If you do consider that the GDP has been also upgraded by some banks here in Brazil, we believe that 2010 will be a very amazing year. You know most of our roads have been reporting long-time record traffic performance. This is exactly what is giving us this, I would say, so optimistic scenario for the Company, and this traffic is certainly, just to give you one more information: if you take a look at the net earnings for April, you are going to see that it is really surprising us. If we compare the 1Q results with the results just from April it is quite funny because how positive this month has been able to be compared with the 1Q.

Moving on to auction, Rodoanel south and eastern stretch, we believe that the Company at the moment is polishing up all our assumptions, our traffic studies, our investments studies, I mean CAPEX studies, and also cost in order to apply for this project. It is not an easy task for the reason that probably this will be the most relevant greenfield price project that the Company will bid for. It is a huge project, it has a difference risk assessment for sure. This is the key reason why it is a tricky situation for any Company that might consider bidding for this project alone; this is too big.

And we believe that we are still waiting for the bidding documents to be published by the state authorities, and formally this is out of control. I mean, it all depends on the state of government. And our guess is that it will happen up to the middle of this year or beginning of the 3Q this year. I am referring to the auctions, which means the bidding documents need to be published in the upcoming weeks.

Nicolai Sebrell:

OK. And just back to the traffic question for a second. If you could comment on the Rodoanel specifically, since you have seen the southern tranche open officially, has the growth profile relative to what you saw in the 1Q for your western tranche changed?

Arthur Piotto Filho:

The western stretch has been impacted on a positive way, but what is tricking us at the moment is the fact that it is below what we have predicted on our forecast, once we submitted our proposal in the auction. This is a situation that is still not clear for us because at the same time we had here in the City of São Paulo, a new revamp of the Marginal Highway, on the Tietê River, and this was also combined with the opening of the southern stretch, which made things a little bit more stricter, which impacted this situation that has been playing on our western stretch as a result. So, this is not clear yet. We believe we are going through a period of a new dynamic on traffic here in town. And this is a situation, unfortunately, that we will have to wait a little bit to see which will be the outcome for it.

Nicolai Sebrell:

OK.

Arthur Piotto Filho:

Nick? Yeah, I think you had one more pending question. You asked me about the financials.

Nicolai Sebrell:

Right. In terms of the FX losses, foreign exchange losses, whether there was something additional to the debt that is driving that.

Arthur Piotto Filho:

Nick, certainly this 1Q we had almost the full impact of all U.S. finances available. So, we have already disbursed the big chunk, I would say almost 80% of total indebtedness denominated in USD that we believe the Company will show us in the short term or to the end of this year.

So, the result of this monetary variation certainly is associated with that. If you take a look at the Real appreciation or depreciation this 1Q, it was a real depreciation. And this certainly is what produced this currency variation in our P&L. The way we accounted is if we had the gain or if we had a Real appreciation, and then it goes to the financial profits. If it goes the other way around, like we had in the 1Q, it goes to the financial expenses booked. So, this is exactly how it is accrued on our P&L.

Nicolai Sebrell:

OK. Thank you.

Stephen Trent, Citigroup:

Good day, everyone. Two quick ones from me, if I may, and forgive me if you have already mentioned these and I missed them. The first is, I was looking at your electronic toll stations. I was wondering if you have some sort of estimate as to the increased penetration of these electronic toll booths in your network over the next 3 years?

And then my other question is, I am curious about some of these other infrastructure projects out there, rails, airport-rail projects, airport projects. Any comments or color as to whether the Company is analyzing those? Thank you.

Arthur Piotto Filho:

Regarding the usage of these electronic devices, I think the Company has been doing as much as possible. This Company has been growing on the number of users very fast. Just to let you know, last February we reached the 2 million users and we are expecting to add more, approximately 700,000 or 800,000 new users this year. So, we believe that this is a very significant increase of usage. Certainly it has the ability to help not only our Company, but any toll-road concessionary in Brazil is benefit by the expansion of this device usage. And we believe that this is the start of a heating driver where the Company is determined to unlock in the near term.

Moving up to other types of products in infrastructure space, the CCR corporate purpose is to operate in toll roads and subway infrastructure, light trains, logistics as well, but not to ports and airports. So, we do believe that the more the Company is able to concentrate its operations or its business on the metropolitan areas, this will be the best way to try to avoid competition to other model transportation usage.

Stephen Trent:

OK, very clear. Thank you very much.

Operator:

This concludes the question and answer session. At this time I would like to turn the floor back to Mr. Arthur Piotto Filho for any closing remarks.

Arthur Piotto Filho:

Once again, I join all the executives of CCR in thanking you for the time and interest in the Company. Please, do not hesitate to contact us should you have any further questions. Our contact information is available in our press releases and on our website

www.grupoccr.com.br/ir. There you will find more information about the Company. Thank you very much.

Operator:

Thank you. This thus concludes today's presentation. You may disconnect your line at this time. Have a nice day.

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