

Report of
Activities 1995

BNDES

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PROGRAMA
NACIONAL DE DESESTATIZAÇÃO:
RELATÓRIO DE ATIVIDADES.

**Brazilian
Privatization
Program**



Report of Activities 1995

BNDES/PR

Título: Programa Nacional de Desestatização
relatório de atividade



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Brazilian Privatization Program

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Introduction

The year 1995 brought substantial changes to the Brazilian Privatization Program (PND).

Decisions on key Program issues were previously made by a Privatization Committee with representatives from both the private and public sector. They are now in the hands of the National Privatization Council (CND) made up by cabinet ministers directly involved with the Program. The change was introduced to expedite enforcement of each decision taken.

The constitutional amendments passed by Congress in 1995 were equally important for further development of the Program. Permission for private supply of piped gas; equal status to foreign and Brazilian companies alike; permission for companies incorporated under the Brazilian law with head offices and domicile in the country to prospect and explore mining deposits; authorization for the government to contract for oil drilling operations with both government-owned and foreign companies; and provision of telecommunications services by private companies are all initiatives certain to render future privatization actions more attractive.

With the current budget constraints at the federal level and as privatization of government-owned manufacturing companies comes to a close, the number one priority among PND targets now is the sale of public utilities.

This new privatization stage involving public utilities is more complex than the previous one when manufacturing plants were sold. Once the operation of public utilities is effectively transferred into private hands, the government will tackle its primary functions: regulating and monitoring those activities.

Enactment of Law 8,987 was a major achievement. It stipulates the new concession and licensing rules for public utilities of the electric power and transportation segments, the latter involving roads, railroads, and port facilities.

A related act passed in 1995 was Law 9,074 concerning public utilities and works, particularly electric power supply, laying the ground for their transfer to private operators.

On telecommunications, a bill was submitted to Congress for regulation of private operation of cellular phone systems, value-added and satellite services. Regulations were also defined for concession of telecommunications and radiobroadcasting services and cable TV.

Another major development was elimination by the National Monetary Council and Central Bank of Brazil of the 25% discount applicable to the face value of several classes of foreign debt bonds, thus ensuring better terms for use of such bonds in the Brazilian Privatization Program.

Privatization of Espírito Santo Centrais Elétricas S.A. (Escelsa) was a Program milestone, the first public utility sold.

The corporate divestment required for Light Serviços de Eletricidade S.A. to be sold to private investors was approved by Congress toward the end of the year.

In 1995, BNDES developed a new unit especially assigned to provide funding for privatization initiatives in the public utilities area at federal, state and municipal levels, as well as to finance projects undertaken by the private sector. The Bank initially signed "technical assistance agreements" with different states in 1995 for transfer of privatization expertise. The next step was to provide effective support to state and local governments for structural reform and funding to sustain the competitiveness of private companies and conglomerates.

As a result of the hold placed on privatization actions during the second half of 1994, the PND performance record in 1995 was directly impacted by the need to update the economic and financial appraisals of Escelsa and petrochemical companies. Unforeseen difficulties in completing pre-sale adjustments in Light and Rede Ferroviária Federal S.A. (RFFSA) were additional contributing factors.

Privatization of Escelsa, the first in 1995, was completed in July. Stakes held by

Petroquisa in Petroquímica do Nordeste S.A. (Copene), Salgema Indústrias Químicas S.A., Companhia Petroquímica de Camaçari (CPC), Companhia Química do Recôncavo (CQR), Pronor Petroquímica S.A., Nitrocarbono S.A., and Companhia Brasileira de Poliuretano (CBP) were also transferred to private owners.

The 1995 sales brought the total PND income to US\$ 9.6 billion. Added to the US\$ 3.9 billion debt owed collectively by companies sold, the overall figure comes to US\$ 13.5 billion.

The steel industry accounted for 57.9% of the proceeds earned through 1995, while the petrochemical sector amounted to 25.9%, fertilizers brought in 4.4%, power utilities 4.2%, and miscellaneous another 7.8%.

Non-financial Brazilian companies purchased 44.8% of all shares sold through 1995, while local financial companies and private pension funds took in respectively 26.1% and 16.8%, and foreign investors just 4.9%.

The currencies most often used for privatization through 1995 have been cash with 20.1% of the total proceeds, government-secured debt (34.4%), Siderbrás debentures (15.6%), and Privatization Certificates (13.5%). Foreign Debt Bonds accounted for a negligible 0.7% of gross proceeds.

Results Achieved in 1995

The Brazilian Privatization Program proceeded in 1995 to sell into private hands one wholly-owned company (Escelsa), and seven minority stakes owned by Petroquisa (Copene, Salgema, CPC, CQR, Nitrocarbano, Pronor, and CBP). Total proceeds earned amounted to US\$ 1,003.8 million, 32.3% of which in cash. Table 1 shows a breakdown of these results.

To achieve this goal 10 auctions were held and two offers made to employees (Escelsa and Copene). Public offer of 15.8% of Copene equity was deferred to 1996 (Table 2).

The sales income quoted above for 1995 is net of the financial debts transferred along with equity to the private sector. Such debts amounted to approximately US\$ 624.4 million (mostly from Copene) and bring the

TABLE 1
Result of Sales per Offer – 1995

COMPANY	TYPE OF OFFERS	OFFER DATE	% TOTAL CAPITAL		PROCEEDS (US\$ Million)
			Offered	Sold	
Escelsa ^a	Auction common shares	July 11, 1995	50.0	50.0	385.7
	Offer to employees	Aug. 09, 1995	7.7	7.7	14.2
	To be stated		14.6		
	Total		72.3	57.7	399.9
Copene ^a	Auction common shares	Aug. 15, 1995	11.8	11.8	253.8
	Offer to employees	Oct. 13, 1995	3.1	3.1	16.6
	Public offer	...	15.8	–	
	Total		30.7	14.9	270.4
CPC	Auction common shares	Sep. 29, 1995	14.9	14.9	73.6
	Auction preferred shares	Sep. 29, 1995	5.9	5.9	26.0
	Total		20.8	20.8	99.6
Salgema	Auction common shares	Oct. 05, 1995	9.9	9.9	48.8
	Auction preferred shares	Oct. 05, 1995	19.4	19.4	90.4
	Total		29.3	29.3	139.2
CQR	Auction preferred shares	Oct. 05, 1995	36.9	36.9	1.7
Nitrocarbano	Auction com./pref. shares	Dec. 05, 1995	19.0	19.0	29.6
Pronor	Auction com./pref. shares	Dec. 05, 1995	20.1	20.1	63.5
CBP	Auction preferred shares	Dec. 05, 1995	23.7	23.7	0.04
Subtotals:	Controlled Companies (1)				399.9
	Relevant Stakes (7)				603.9
	Grand Total		–	–	1,003.8

^aProcess not yet concluded.

TABLE 2

Company Privatization and Offers Made – 1991/95

	1991	1992	1993	1994	1995	TOTAL PND 1991/95
Number of Companies Privatized	4	14	6	9	8	41
Controlled by the Federal Government	4	9	4	3	1	21
Relevant Stakes of Petroquisa/Petrofértil	0	5	2	6	7	20
Number of Offers Made	8	26	12	29	12	87
Auction	5	16	6	22	10	59
Offers to Employees	2	9	5	3	2	21
Public Offers	1	1	1	4	0	7

grand total up to US\$ 1,628.7 million in 1995 (Table 3).

The annual breakdown of sales proceeds under the PND to date is shown in Table 4. In 1995 alone, the PND collected 10.4% of all sales and 17% of the total cash earned. Results during the period were achieved through sale of minority shareholdings held by Petroquisa (61%) and sale of government-controlled Escelsa (39%).

Privatization currencies utilized along 1995 are shown in Table 5. Government-secured debt papers made up the bulk with 51.7%, followed by cash (32.3%), and Siderbrás debentures (14.5%). Of the total US\$ 516.4 government-secured debt applied in 1995, most were outstanding rescheduled borrowings by Eletrobrás (62.5%),

Lloydbrás/FMM (20.1%), and Siderbrás (15.6%).

Sale procedures proposed during the year (Table 6) involved fully paid-in offers to employees for Escelsa and Copene. Escelsa voting stocks and CQR and CBP preferred stocks were auctioned in single blocks.

Of the total grossed in 1995, 96.9% came from the 10 auctions held, while the two offers to employees accounted for the remaining 3.1%. The average auction premium amounted to 12.1% over the minimum set prices, as shown in Table 7.

Both offers to Escelsa and Copene employees together resulted in subscription of US\$ 30.8 million by 7,509 individual buyers (Table 8).

TABLE 3

Consolidated Privatization Results – 1995

(In US\$ Million)

SECTOR	COMPANY	% TOTAL CAPITAL		SALE PROCEEDS	TRANSFERRED DEBT	FINAL RESULT
		Offered	Sold			
Petrochemical	Copene	11.8	11.8	270.4	475.4	745.8
	Salgema	29.3	29.3	139.2	43.9	183.2
	CPC	20.8	20.8	99.7	60.9	160.6
	CQR	36.9	36.9	1.7	0.0	1.7
	Nitrocarbono	19.0	19.0	29.6	7.5	37.1
	Pronor	20.1	20.1	63.5	34.7	98.2
	CBP	23.7	23.7	0.0	0.0	0.0
	Total			604.2	622.4	1,226.7
Electricity	Escelsa	50.0	50.0	399.9	2.0	402.0
	Total			1,004.1	624.4	1,628.7
	In %			72.4	27.6	100.0

TABLE 4

Annual Sales per Sector & Company – 1991/95

(In US\$ Million)

SECTOR	COMPANY	1991	1992	1993	1994	1995	TOTAL 1991/95	% TOTAL	% SECTOR	
I. Sales of Companies and Stakes of the Petrobrás System										
Steel	Usiminas	1,410.7	49.8		480.7		1,941.2	20.2	34.9	
	CSN			1,285.0	210.3		1,495.3	15.6	26.9	
	Açominas			598.5			598.5	6.2	10.8	
	Acesita		465.4				465.4	4.8	8.4	
	Cosipa ^a			359.9	225.8		585.7	6.1	10.5	
	CST		347.4		6.2		353.6	3.7	6.4	
	Piratini		106.7				106.7	1.1	1.9	
	Cosinor	13.6	1.4				15.0	0.2	0.3	
	Total	1,424.3	970.8	2,243.4	922.9		5,561.4	57.9	100.0	
Petrochemical	Copesul		797.1	30.6	33.8		861.5	9.0	34.2	
	PQU				287.5		287.5	3.0	11.6	
	Copene ^a					270.4	270.4	2.8	10.9	
	Petroflex		234.0				234.1	2.4	9.4	
	Salgema					139.2	139.2	1.4	5.6	
	CPC					99.6	99.6	1.0	4.2	
	Poliolefinas			87.1			87.1	0.9	3.5	
	Álcalis		81.4				81.4	0.8	3.3	
	Pronor					63.5	63.5	0.7	2.6	
	PPH		59.4				59.4	0.6	2.4	
	Polisul		56.8				56.8	0.6	2.3	
	Oxiteno			53.9			53.9	0.6	2.2	
	Politeno				44.9		44.9	0.5	1.8	
	Nitrocarbono						29.6	29.6	0.3	1.2
	Nitriflex		26.2				26.2	0.3	1.1	
	Coperbo					25.9	25.9	0.3	1.0	
	Ciquine					23.7	23.7	0.2	1.0	
	Polialden					16.7	16.7	0.2	0.7	
	Acrinor					12.1	12.1	0.1	0.5	
	CBE		10.9				10.9	0.1	0.4	
CQR						1.7	1.7	0.0	0.1	
CBP						0.0	0.0	0.0	0.0	
	Total		1,265.7	171.6	444.7	603.9	2,486.3	25.9	100.0	
Fertilizers	Ultrafertil			205.6	0.0		205.6	2.1	49.2	
	Fosfertil		182.0		0.0		182.0	2.0	43.5	
	Goiasfertil		13.1		0.0		13.1	0.1	3.1	
	Arafertil				10.8		10.8	0.1	2.6	
	Indag		6.8		0.0		6.8	0.1	1.6	
	Total		201.9	205.6	10.8			418.2	4.4	100.0

(continue)

SECTOR	COMPANY	1991	1992	1993	1994	1995	TOTAL 1991/95	% TOTAL	% SECTOR
Electricity	Escelsa ^a					399.9	399.9	4.2	95.6
	Embraer ^a				192.2		192.2	2.0	54.9
	Celma	91.1			0.0		91.1	0.9	26.0
Others	Mafersa	48.5	0.3		0.0		48.8	0.5	14.0
	SNBP ^a	0.0	12.0		0.0		12.0	0.1	3.4
	Caraíba				5.8		5.8	0.1	1.6
	Total	139.6	12.3		198.0		349.8	3.6	100.0
	Total	1,563.9	2,450.7	2,620.6	1,576.4	1,003.9	9,215.5	95.9	-
	In %	17.0	26.6	28.4	17.1	10.9	100.0	-	-
II. Sales of Minority Shareholdings (Decree 1,068)									
Miscellaneous					395.5		395.5	4.1	-
	Overall Total	1,563.9	2,450.7	2,620.6	1,971.8	1,003.9	9,611.0	100.0	-
	In %	16.3	25.5	27.3	20.5	10.4	100.0	-	-

^aProcess not yet concluded.

TABLE 5
Currencies Used in Privatization Offers – 1995
(In US\$ Million)

COMPANY	TYPE OF OFFERS	SIDERBR. DEBENT. (SIBR)	PRIVAT. CERT. (CP)	FND BONDS (OFND)	FED. SEC. DEBT (DISEC)	FARM DEBT PAPERS (TDA)	FOREIGN DEBT PAPERS (DIVEX)	MORTG. BILLS (CEF)	CASH	TOTAL	%
Escelsa	Auction common shares				127.6				258.1	385.7	
	Offer to employees		0.0		4.7				9.5	14.2	
	Total		0.0		132.3				267.6	399.9	39.8
Copene	Auction common shares	29.0		0.1	199.0	0.2		0.1	25.4	253.8	
	1st. offer to employees				15.0				1.7	16.6	
	2nd. offer to employees				0.0				0.0	0.0	
	Total	29.0		0.1	214.0	0.2		0.1	27.0	270.4	26.9
CPC	Auction common shares	56.3			9.9				7.4	73.6	
	Auction preferred shares	14.8	0.4	0.0	8.2	0.0			2.6	26.0	
	Total	71.1	0.4	0.0	18.1	0.0			10.0	99.7	9.9
Salgema	Auction common shares				43.9				4.9	48.8	
	Auction preferred shares	43.5	5.2	0.3	22.9	9.3			9.1	90.4	
	Total	43.5	5.2	0.3	66.9	9.3			14.0	139.2	13.9
CQR	Auction preferred shares				1.4				0.2	1.6	0.2
Nitrocarbono ^a	Auction com./pref. shares				26.6				3.0	29.6	2.9
CBP ^a	Auction preferred shares				0.0				0.0	0.04	0.0
Pronor ^a	Auction com./pref. shares				57.1			0.0	6.3	63.5	6.3
	Overall Total	143.6	5.7	0.4	516.4	9.6		0.1	328.1	1,003.8	
	In %	14.3	0.6	0.0	51.4	1.0		0.0	32.7	100.0	100.0

^aProcess not yet concluded.

TABLE 6

Sale Procedures: Companies with Sale Notices Published by Dec. 31, 1995

PROCEDURES FOR EQUITY STOCK OFFERS			COMPANY	OFFERS IN % OF TOTAL EQUITY			
				Auction	Employees	Public	
Sale of Shares	With Public Set Price Offer		Auction of common shares/offer of preferred shares to employees and general public	Copene	11.8	3.1	15.8
	Without Public Set Price Offer	Without Offer to Employees	Auction of common shares	Deten Koppol	33.5		
			Auction of common/preferred shares	CPC	14.9		
				Salgema	5.9		
					9.9		
					19.4		
					19.0		
	35.2						
		Polipropileno	28.4				
			5.8				
Sale in Single Block of Shares	With Offer to Employees		Auction of common shares	Escelsa	50.0	7.7	14.6
	Without Offer to Employees ^a		Auction of preferred shares	CQR	36.9		
				CBP	23.7		

^aTo be defined.

TABLE 7

Auction Offers - 1995

COMPANY	MONTH OF THE AUCTION	% OF TOTAL CAPITAL		MINIMUM AT AUCTION (US\$ Million)	SALE PROCEEDS (US\$ Million)	PREMIUM OBTAINED (%)	MINIMUM IN CASH (%)
		Offered	Sold				
Escelsa	July 1995	50.0	50.0	345.0	385.7	11.8	66.9
Copene	Aug. 1995	11.8	11.8	253.8	253.8	0.0	10.0
CPC - common stock	Sep. 1995	14.9	14.9	73.6	73.6	0.0	10.0
CPC - preferred stock	Sep. 1995	5.9	5.9	16.5	26.0	57.4	10.0
Salgema - common stock	Oct. 1995	9.9	9.9	48.8	48.8	0.0	10.0
Salgema - preferred stock	Oct. 1995	19.4	19.4	37.9	90.4	138.2	10.0
CQR	Oct. 1995	36.9	36.9	0.0	1.6	13,800.0	10.0
Nitrocarbono	Dec. 1995	19.0	19.0	29.5	29.6	0.0	10.0
Pronor	Dec. 1995	35.3	35.3	62.9	63.5	0.8	10.0
CBP	Dec. 1995	23.7	23.7	0.0	0.0	50.1	10.0
Total		-	-	868.3	973.0	12.1	-

In 1995, private pension funds participated in four auctions with US\$ 243.9 million and acquiring 50% of the Escelsa stock sold (Table 9).

Foreign investors brought in US\$ 4 million at three auctions, accounting for 0.4% of all sales made during the year (Table 10).

The voting stock structure of companies privatized in 1995 immediately before and after the auctions is summarized in Table 11, along with the respective buyers.

The sale of Escelsa kicked off the transfer of public utilities to private owners, which will proceed when Light is sold during the first

TABLE 8
Offers to Employees – 1995

COMPANY	MONTH OF OFFER	% OF EQUITY		PROCEEDS (US\$ Million)	EMPLOYEE BUYERS	
		Offered	Subscribed		Number of Buyers	Average Amount of Acquisition (US\$/Employee)
Escelsa	Aug. 1995	7.7	7.7	14.2	3,180	4,465
Copene	Oct. 1995	3.1	3.1	16.6	4,329	3,835
Total				30.8	7,509	2,843

TABLE 9
Auctions: Participation of Private Pension Funds – 1995

COMPANY	MONTH	NUMBER OF PENSION FUNDS	STOCK ACQUIRED		PROCEEDS		PARTICIPATION IN AUCTION (%)
			% Common Stock	% Total Equity	US\$ Million	%	
Escelsa	July, 1995	11	25.0	25.0	192.8	79.0	50.0
Copene	Aug. 1995	7	3.3	1.2	25.3	10.4	10.0
CPC – prefer. stock.	Sep. 1995	2	0.3	0.2	7.0	2.9	26.9
Salgema – prefer. stock	Oct. 1995	7	7.0	4.1	18.9	7.7	20.9
Total					243.9	100.0	32.3

TABLE 10
Auctions: Foreign Capital Participation – 1995

COMPANY	MONTH OF AUCTION	NUMBER OF FOREIGN BUYERS	STOCK ACQUIRED		PROCEEDS		PARTICIPATION IN AUCTION (%)
			% Common Stock	% Total Equity	US\$ Million	%	
CPC – pref. stock	Sep. 1995	1	–	0.3	1.2	29.3	4.5
Salgema – pref. stock	Oct. 1995	2	–	1.6	1.2	29.7	7.7
CQR	Oct. 1995	1	–	36.9	1.6	39.6	100.0
Total		4	–	–	4.0	100.0	25.9

half of 1996. This will privatize the only two federal electric power distribution companies.

In tune with the decision to focus on selling public utilities, in May 1995 the Program added to its list Eletrobrás and subsidiaries Furnas, Eletronorte, Eletrosul, and Chesf. The role played by these companies in the Brazilian energy matrix as well as their generation plant capacity (26 thousand MW) present a challenge to the privatization effort.

At year-end, another six hydro power developments were added to the PND, and the bidding process started to transfer into private hands the additional power generation capacity required for the country to grow.

Inclusion of Companhia Vale do Rio Doce (CVRD) in the PND on June 1, 1995 gave the Program a new world dimension.

Privatization of this company has generated considerable interest on the part of consultants, banks and international investors for its global scope and sizable operations in mining and metallurgy (iron ore, aluminum, manganese, gold, copper), paper pulp, ports, railroads, and the steel industry. Bidding to hire consultants to perform the economic and financial appraisal and to sell the company has been completed. The two winning joint-ventures have been selected and the sale is scheduled to start in the fourth quarter of 1996.

TABLE 11

Changes in Voting Stock Structure after Auctions – 1995

(In %)

MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER	MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER
Escelsa			Salgema		
Eletrobrás	72.3	14.7	Petroquisa	23.2	–
Iven S.A.	20.1	45.1	Copene	40.3	50.0
Banco Pactual	1.1	1.1	EPB	36.5	50.0
Espírito Santo State	3.4	3.4	Total	100.0	100.0
GTD Participações S.A.	–	25.0	CQR (Total Equity)		
Employees Reserve	–	7.7	Salgema	49.0	49.0
City Governments	1.2	1.2	Petroquisa	36.9	–
Others	1.9	1.9	Apply	–	36.9
Total	100.0	100.0	Others	14.1	14.1
Copene (Total Equity)			Total	100.0	100.0
Petroquisa	36.2	5.6	Nitrocarbono (Total Equity)		
Norquisa	25.7	36.4	Petroquisa	24.6	–
Other Shareholders	38.0	38.0	Petroquímica da Bahia	17.5	19.8
Reserve for Public Offer	–	15.8	Pronor	57.9	80.2
Employees	–	3.1	Total	100.0	100.0
Pension Funds (7)	–	1.2	Pronor (Total Equity)		
Total	100.0	100.0	Petroquisa	49.3	–
CPC			Petroquímica da Bahia	50.0	99.3
Petroquisa	33.3	–	Others	0.7	0.7
EPB	33.3	66.7	Total	100.0	100.0
Mitsubishi Chemical	19.0	19.0	CBP (Total Equity)		
Nisho Iwai	14.3	14.3	Petroquisa	23.7	–
Total	100.0	100.0	Pronor	73.6	73.6
			BBM	0.5	0.5
			Atrium DTVM	–	23.7
			Others	2.2	2.2
			Total	100.0	100.0

Companhia de Navegação Lloyd Brasileiro (Lloydbrás) was reinstated in the PND by Decree 1,639 of Sep. 18, 1995. It was subsequently dissolved and liquidated on Dec. 14, 1995 by Decree 1,746.

Along the year, Nuclebrás Equipamentos Pesados (Nuclep) and Petroquisa stakes in Alclor, Companhia Alagoas Industrial (Cinal), Fábrica Carioca de Catalisadores (FCC), and Petrocoque were excluded from the Program.

An important development was approval of Light's divestment by Law 9,183 of Dec. 15,

1995. This was a compulsory requirement for the privatization scheduled for the second quarter of 1996. The company split resulted in the new Light Participações S.A. and now Light Serviços de Eletricidade S.A. is fully ready to be privatized.

The National Privatization Council, ultimate decision-maker in all Program-related issues, held 11 regular and three extra meetings along 1995. During the year, the Council issued 24 resolutions defining operating rules for the Program.

TABLE 12

Federal Funds Invested in Companies Privatized – 1995

(In US\$ Million)

COMPANIES	INFLATOR	FLOW OF FUNDS INVESTED				FLOW OF FUNDS FROM PRIVATIZATION		
		Time Frame	Allocated to Equity on Prior Occasions	Funds Received	Net Amount Invested	Sale Amount	Debt Transferred	Result of Privatization
Escelsa	U.S. GDP	1969/94	211.50	38.62	171.88	399.9	2.0	402.0
Copene	Libor	1990/95	–	83.30	-83.30	270.4	475.4	745.8
CPC	Hist.	1972/94	50.28	6.68	43.60	99.7	60.9	160.6
Salgema	Hist.	1975/94	45.41	15.70	29.71	139.2	43.9	183.2
CQR	Hist.	1974/94	31.17	0.14	31.03	1.7	0.0	1.7
Nitrocarbano	Libor	1990/95	45.30	8.80	36.50	29.6	7.5	37.1
Pronor	Libor	1990/95	0	5.50	-5.50	63.5	34.7	98.2

Activities Performed

Privatized Companies and Stakes

■ Espírito Santo Centrais Elétricas S.A. (Escelsa)

Escelsa is a public utility operating in electric power generation, transmission and distribution over a 40.67 thousand km² area. It spans 90% of Espírito Santo State in 66 counties and supplies 651 thousand end consumers.

The company's generation facilities consist of 10 mostly small-scale hydro power plants totaling 159.8 MW rated capacity and supplying about 20% of the power distributed by the company. The remaining 80% are purchased from Furnas and Itaipu. Its transmission lines (of 34.5 KV voltage or higher) extend over 2,669 km, while distribution lines total 29,909 km.

Escelsa was established in 1968 by a merger of two other Espírito Santo State utilities: Espírito Santo Centrais Elétricas (owned by the Espírito Santo State government) and Companhia Central Brasileira de Força Elétrica (owned by the federal government). In 1973 Escelsa acquired Companhia Espírito Santo Meridional de Eletricidade (Cesmel).

In December 1994, the company had 2,602 employees, total assets amounting to US\$ 1,057 million, and a net worth of US\$ 848 million. Despite the strongly negative results experienced in 1991/93 (-US\$ 40.2 million a year on average), by 1994 Escelsa was showing a profit of US\$ 38.2 million from a net operating income of US\$ 279.8 million.

Direct federal allocations via Eletrobrás over the period 1969/94 amounted to US\$ 211

million adjusted by the deflator used on the American GDP. During the same time span, a total US\$ 38.6 million in dividends were paid by Escelsa to Eletrobrás, also adjusted for inflation.

The company was included in the PND in June 1992. The consultants hired through a public tender to develop privatization procedures for the company formed a pool led by Deloitte, Touche, Tohmatsu – Consultores S/C for the economic-financial appraisal (Appraisal A). A second partnership led by Trevisan Consultores de Empresas Ltda. was set up to prepare an independent economic-financial appraisal and work as the privatization agent (Appraisal B).

Resolution CND/PND 05/95 dated May 09, 1995 set the minimum price for the entire equity of Escelsa at US\$ 623 million. The modality selected for sale of Eletrobrás shares in the company (72.34% of total equity) involved:

- offer to employees of 7.68% of equity stock for the set price of US\$ 14.2 million (US\$ 41.08 per share);
- offer in public auction of a single block of 50% plus one share of the corporate equity for the minimum set price of US\$ 345 million (US\$ 151.7 per share), 66.91% or more of which payable in cash; and
- shares amounting to 14.65% of equity to remain in the FND pending a decision by the CND.

In line with the new legislation, the company was granted new concessions. The National Water and Electric Power Department (Dnaee) drafted a concession agreement to be incorporated into the public tender notice for the utility.

By virtue of the legislation then in force, the ceiling for foreign acquisition of Escelsa shares at the auction was set at 50% minus one share of the block put up for sale. The auction took place at the Rio de Janeiro Stock Exchange (BVRJ) on July 11, 1995 and the proceeds totaled US\$ 385.6 million, with an 11.8% premium over the minimum set price. The buyers were Iven S.A. (a pool of banks: Pactual; Nacional; Bozano, Simonsen; and Icatu) and GTD Participações, a group of 11 pension funds. They acquired the single block of shares on a prorata basis.

The entire block of shares offered to employees was taken up by 3,180 individual buyers for the average amount of US\$ 3,317 per buyer. Payment for the Escelsa shares put on sale was made in cash (66.9% of the total) and government-secured debt papers (33.1%). The corporate equity ownership structure prior to and immediately after the offers is shown in Table 13.

■ Petroquímica do Nordeste S.A. (Copene)

Located in Camaçari (BA), Copene was established in 1972 to process and sell naphtha by-products and to provide services to the plants operating at the Northeastern Petrochemical Complex. It is the leading Brazilian maker of petrochemical inputs.

Its 27 processing units produce a whole range of chemicals from three basic inputs (naphtha, gasohol and natural gas). They include olefines obtained via hydrocarbon pyrolysis – ethene (1,100 thousand tpy), propene (562 thousand tpy) and butadiene (165 thousand tpy) – and aromatics produced by naphtha catalysis – benzene (300 thousand tpy), xylene (291 thousand tpy) and toluene (43 thousand tpy).

Copene's output of petrochemicals is approximately half of the Brazilian total, which includes the production of Companhia Petroquímica do Sul (Copesul) and Petroquímica União (PQU).

The total assets of Copene in 1994 amounted to US\$ 3,866 million, and the net worth US\$ 2,717 million. Net operating income for the year was roughly US\$ 1,232 million, with profits before taxes of US\$ 294 million. In June 1995 the company headcount was 1,160.

No funds were apportioned by the federal government to Copene during 1990/95, and dividends were paid in the amount of US\$ 61.77 million at current values.

Included in the PND in July 1990, consultants were hired for appraisal only in November 1992. Their contracts also covered stakes held by Petroquisa in Acrilonitrila do Nordeste (Acrinor), Companhia Pernambucana de Borracha Sintética (Coperbo), Ciquine – Companhia Petroquímica, Estireno do Nordeste (EDN), Nitrocarbono, Nitroclor Produtos Químicos, Polialden, and Politeno. Appraisal A was performed by Price Waterhouse Consultores de Empresas, and Appraisal B by a pool led by Manufacturers Hanover Arrendamento Mercantil S.A.

Resolution CND/PND 09/95 of May 09, 1995, amending Resolution CD/PND 129/94 by the PND Privatization Committee on July 18, 1994, set both the minimum selling price and procedures, with the following targets:

- to achieve a more democratic stock ownership for Copene;

TABLE 13
Escelsa Voting & Total Equity Breakdown
(In %)

COMMON STOCK HOLDERS	BEFORE THE AUCTION	AFTER THE AUCTION
Eletróbrás	72.3	14.7 ^a
Iven S.A.	20.1	45.1
GTD Participações S.A.		25.0
Employees Reserve		7.7
Banco Pactual	1.1	1.1
Espírito Santo State	3.4	3.4
City Governments	1.2	1.2
Others	1.9	1.9
Total	100.0	100.0

^aFor future sale.

- to encourage the participation of company employees and retirees as well as other related institutions in the privatization effort; and
- to preserve, develop and strengthen the company's economic activities.

Sale arrangements and prices involved:

- 15.4% of the company's voting stock (5.55% of total equity) to remain with Petroquisa;
- minimum price set for 100% of Copene equity: US\$ 1,818.33 million;
- minimum price set for the total stake held by Petroquisa (32.76% of the voting stock and 29.5% of the preferred stock or 30.68% of total equity), to be sold at offerings: US\$ 557.86 million;
- offer of 32.76% of the Copene voting stock (11.8% of total equity) in a public auction at the BVRJ requiring 100% effective sale with no limitations to foreign capital. Shareholder Nordeste Química S.A. (Norquisa) was to have preferential purchasing rights on the shares;
- offer to employees of 4.8% of the preferred shares (3.07% of total equity); and
- public offering of 24.7% of the preferred shares (15.8% of total equity).

The auction was held at BVRJ on Aug. 15, 1995, and the 70,621 equal lots of common shares were purchased for the minimum set price of US\$ 253.8 million or US\$ 1,197.90 per block of one thousand common shares. The breakdown of privatization currencies used in payment was: government-secured debt (78.5%), Siderbrás debentures (11.5%), and cash (10%). Shareholder Norquisa exercised its preferential right to purchase ensures by the shareholders' agreement.

A total 4,594 employees responded to the offering made and paid US\$ 16.77 million for the total at the unit price of US\$ 304.92 per lot of one thousand preferred shares. The privatization currencies used in payment were government-secured debt (90%) and cash (10%). The public offering of Copene shares is still unscheduled and the price remains to be set. The corporate equity ownership structure prior to and after the offers is shown in Table 14.

■ Companhia Petroquímica de Camaçari (CPC)

CPC was established in November 1972, with Petroquisa as a 30% shareholder. Its three plant units produce polyvinyl chloride (PVC) at Camaçari, Bahia State (210 thousand tpy); Marechal Deodoro, Alagoas State (180 thousand tpy); and São Paulo, São Paulo State (24 thousand tpy).

The total output in 1994 amounted to 431 thousand tons, mainly to supply the domestic

TABLE 14
Copene Equity Breakdown
(In %)

SHAREHOLDERS	BEFORE THE AUCTION			AFTER THE AUCTION		
	Common	Preferred	Total	Common	Preferred	Total
Petroquisa	48.2	29.5	36.2	15.4		5.6
Norquisa	47.6	13.4	25.7	77.1	13.4	36.4
Others	4.2	57.1	38.0	4.2	57.1	38.0
Pension Funds (7)				3.3		1.2
Employees Reserve					4.8	3.1
Reserve for Public Offer					24.7	15.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
Corporate Equity Structure	36.1	63.9	100.0			

market (67%). It is the biggest maker of PVC, with 65% of the domestic market.

The company had 519 employees in December 1994 and total assets of US\$ 753 million on that date, with a net worth of US\$ 512 million. Net operating income for the year was US\$ 427 million, turning a net profit before taxes of US\$ 46.8 million after three years of straight losses. This was due mainly to a rise in average PVC prices from US\$ 460/t in 1990/93 to US\$ 770/t in 1994.

Included in the PND since November 1990, the consultants responsible for its appraisal (together with Salgema and CQR) were hired in November 1992 in a public tender awarded to Arthur D. Little Ltda. (Appraisal A) and to the consortium led by Atlantic Capital Consultoria Financeira Ltda. (Appraisal B).

The minimum sale price for 100% of its equity was set at US\$ 376 million on Aug. 17, 1995 via Resolution CND/PND 17/95. Sale arrangements involved separate auctions for common and preferred shares held by Petroquisa: the first auction offered seven equal lots of common shares amounting to 33.33% of CPC voting stock (14.91% of total equity) for the minimum set price of US\$ 73.6 million; 10.68% of the preferred shares (5.9% of total equity) were auctioned in 19,974 equal blocks at the minimum set price of US\$ 16.54 million.

The efficacy requirement for both auctions targeted on selling the totality of the shares offered as well as all Petroquisa stakes in Salgema and CQR.

There was no limitation on stock purchases by foreign investors and the minimum cash payment requirement was established at 10%. Controlling shareholders EPB, Mitsubishi and Nisho Iwai were entitled first right of purchase at the final auction price on the voting stock. This entitlement did not extend to the preferred shares.

Both auctions took place at the BVRJ on Sep. 29, 1995. The first met the minimum set price of US\$ 73.6 million (US\$ 15 thousand voting shares), while the second grossed US\$ 26.1 million (US\$ 13.04/thousand preferred shares), a 57.4% premium over the minimum price.

The auctioned shares were purchased by controlling partner EPB. Currencies utilized to settle payment at both auctions were: Siderbrás debentures (71.3%), government-secured debt (17.6%), cash (10%), and miscellaneous others.

The corporate equity ownership structure prior to and immediately after the offers is shown in Table 15.

TABLE 15
CPC Equity Breakdown
(In %)

SHAREHOLDERS	BEFORE THE AUCTION			AFTER THE AUCTION		
	Common	Preferred	Total	Common	Preferred	Total
Petroquisa	33.3	10.7	20.8			
EPB	33.3		14.9	66.7		29.8
Mitsubishi	19.0		8.5	19.0		8.5
Nisho Iwai	14.3		6.4	14.3		6.4
Others		89.3	49.4		89.3	49.4
New Buyers					10.7	5.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Corporate Equity Structure	44.7	55.3	100.0			

■ **Salgema Indústrias Químicas S.A.**

Salgema was incorporated in April 1966. Petroquisa subsequently became a shareholder in June 1975. Its plant is located in Maceió (AL), where it produces caustic soda and by-products from rock salt deposits mined by its subsidiary Salgema Mineração at a nearby location.

Salgema's rated capacity is 450 thousand tpy of caustic soda and 398 thousand tpy of chlorine. It also has a dichloroethane unit (320 thousand tpy of purified compound) supplied to CPC for manufacture of vinyl chloride monomer (MVC) and to foreign buyers.

Recoverable rock salt reserves lie 900 to 1,200 meters deep and are estimated at approximately 84 million tons.

Salgema employed roughly 600 people in December 1994 and had total assets of US\$ 921 million on that date, with a net worth of US\$ 616 million. Net operating income for the year was US\$ 312 million, turning a net profit before taxes of US\$ 24.7 million.

The minimum sale price for 100% of its equity (US\$ 322.7 million) was set by Resolution CND/PND 18/95 dated Aug. 17, 1995, amending the provisions of Resolution CD/PND 127/94 of July 05, 1994.

The minimum price set for the 23.21% of the common stock (9.86% of total equity) held by Petroquisa was US\$ 48.8 million. For the 33.73% block of preferred shares (19.41% of total equity) owned by Petroquisa, the minimum price was set at US\$ 37.9 million.

Shares were sold in two auctions by the BVRJ on Oct. 05, 1995, with an efficacy requirement of 100% of the shares offered as well as all Petroquisa stakes in CPC and CQR.

There was no limitation on stock purchases by foreign investors and the minimum cash payment requirement was established at 10%. Controlling shareholders EPB and Copene were entitled preferred rights solely on the voting stock.

Common shares were grouped together into seven equal lots and auctioned for the minimum set price of US\$ 48.8 million. Shareholders EPB and Copene exercised their option to reach a 50-50 participation in the voting stock. The preferred shares were sold at a premium of 138.2% for a total amount of US\$ 90.3 million.

The main currencies utilized at both Salgema auctions were government-secured debt (48%), Siderbrás debentures (31%), and cash (10%).

The corporate equity ownership structure prior to and after the offers is shown in Table 16.

TABLE 16
Salgema Equity Breakdown
(In %)

SHAREHOLDERS	BEFORE THE AUCTION			AFTER THE AUCTION		
	Common	Preferred	Total	Common	Preferred	Total
Petroquisa	23.2	33.7	29.3			
EPB	36.5		15.5	50.0	6.5	25.0
Copene	40.3		17.1	50.0		21.2
Others		66.3	38.1		66.3	38.1
New Buyers					27.2	15.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
Corporate Equity Structure	42.5	57.5	100.0			

■ Companhia Química do Recôncavo (CQR)

CQR was established in March 1963 at Camaçari (BA) to produce caustic soda and chlorine from electrolysis of the salt supplied by its controlling shareholder Salgema. The plant can produce 71 thousand tpy of caustic soda and 60.2 thousand tpy of chlorine. It is currently expanding rated capacity by 35% through process debottlenecking. The company received ISO 9002 certification in 1994 and has a headcount of 180.

On average, output for the 1991/94 period was 53.5 thousand tpy of caustic soda primarily supplied to local consumers at Camaçari Petrochemical Complex, plus 47.5 thousand tpy of chlorine delivered entirely to Pronor.

At the close of 1994, CQR had assets in the amount of US\$ 235 million and a net worth of US\$ 94.77 million. Net operating income for the year was US\$ 39.34 million, turning a net profit before taxes of US\$ 1.64 million.

The federal government invested US\$ 31.17 million in CQR, but received a negligible US\$ 0.14 million in dividends along the years between the time it became a shareholder and 1994.

The amount targeted for 100% of the CQR equity was a symbolic US\$ 31.93 thousand, since the company showed a negative cash flow (Resolution CND/PND 19/95 dated Aug. 17, 1995).

Petroquisa held 72.58% of the company's preferred shares and 36.89% of total equity. The minimum sale price set was again a symbolic US\$ 11.88 thousand.

The auction was held on Oct. 05, 1995 in a single block of shares with a minimum 10% cash payment requirement. Proceeds amounted to US\$ 1.6 million, with a 13,800% premium over the symbolic selling price. The stock was taken up by a foreign company and paid for in government-secured debt (90%) and cash (10%).

The corporate equity ownership structure prior to and after the auctions is shown in Table 17.

■ Nitrocarbano S.A.

Established in November 1972 as part of the Camaçari (BA) Petrochemical Complex, Nitrocarbano is currently equipped to produce 53 thousand tpy of caprolactam, a raw material for manufacture of chemical threads and fibers, in addition to 95.5 thousand tpy of ammonium sulfate (a process by-product). In 1993 the company acquired from Pronor a 70-thousand-tpy sodium dimethyl-terephthalate (DMT) unit.

Expansion of the caprolactam plant capacity is under way to boost output to 68 thousand tpy, with investments of US\$ 8.3 million to date. The only maker of this chemical in Brazil, the company sells 80% of its production in the domestic market.

TABLE 17
CQR Equity Breakdown
(In %)

SHAREHOLDERS	BEFORE THE AUCTION			AFTER THE AUCTION		
	Common	Preferred	Total	Common	Preferred	Total
Petroquisa		72.6	36.9			
Salgema	99.7		49.0	99.7		49.0
Others	0.3	27.4	14.1	0.3	27.4	14.1
Apply Com. Empreend.					72.6	36.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Corporate Equity Structure	49.2	50.8	100.0			

The company had 290 employees at year-end 1994 and total assets of US\$ 186.6 million, with a net worth of US\$ 134 million. Net operating income for the year was US\$ 166.5 million, turning a net profit before taxes of US\$ 8.53 million.

Nitrocarbano was included in the PND in July 1992. Consultants were hired for the required appraisal and sale arrangements in November 1992 jointly with Copene and another seven companies located at Camaçari Petrochemical Complex in which Petroquisa held a stake.

The minimum sale price (for 100% of its equity) was set at US\$ 155.4 million by Resolution CND/PND 16/95 of June 27, 1995.

Petroquisa invested US\$ 45.3 million in corporate equity (capitalized at the Libor rate) and received dividends the capitalized sum of US\$ 8.8 million.

The Petroquisa shares placed on sale amounted to 24.63% of the voting stock and 13.61% of the preferred stock, adding up to 18.98% of total Nitrocarbano equity. At the auction held by BVRJ on Dec. 05, 1995, the shares were sold for the minimum set price of US\$ 29.5 million (US\$ 8.27 per share).

The auction consisted of 11,400 equal blocks of shares (of 198 common and 115 preferred shares each), with an efficacy requirement targeted at 100% sale. There was no limitation on stock purchases by foreign investors. Petroquímica da Bahia (Grupo BBM) held first option on the stock provided

that it met the same terms offered by other bidders.

Privatization currencies utilized to settle payment were: government-secured debt (90%) and cash (10%).

The corporate equity ownership structure prior to and immediately after the offers is shown in Table 18.

■ Pronor Petroquímica S.A.

Pronor operates at the Camaçari (BA) Petrochemical Complex, with one 43-thousand-tpy diisocyanate (TDI) unit and two plants producing solely for internal consumption (carbon monoxide and phosgene). TDI is supplied for manufacture of polyurethane foam, widely employed in popular consumer goods such as upholstery and car seat stuffing as well as mattresses. Pronor is the only TDI maker in the country and exported 12.1 thousand tons of the product in 1994.

Company assets totaled US\$ 402 million at year-end 1994 with a net worth of US\$ 306 million. Net operating income for the year was US\$ 180 million, turning a net profit before taxes of US\$ 4.55 million. At the close of 1994, its headcount was 328.

Pronor was included in the PND in August 1990 along with Deten Química, Companhia Brasileira de Poliuretanos (CBP), and Metanol do Nordeste (Metanol). A consortium of consultants was hired for the required appraisal and sale arrangements in January

TABLE 18
Nitrocarbano Equity Breakdown
(In %)

SHAREHOLDERS	BEFORE THE AUCTION			AFTER THE AUCTION		
	Common	Preferred	Total	Common	Preferred	Total
Petroquisa	24.6	13.6	19.0			
Petroquímica da Bahia	17.5	4.6	10.9	19.8	5.9	12.7
Pronor	57.9		28.2	80.2	12.4	45.4
Others		81.7	41.9		81.7	41.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Corporate Equity Structure	48.7	51.3	100.0			

1995, led by JVS Consultores S/C Ltda. (Appraisal A), and by a partnership led by Moura D'Ávila Consultoria e Avaliações Econômicas S/C Ltda. (Appraisal B).

The minimum sale price for 100% of its equity was set at US\$ 177 million by Resolution CND/PND 15/95 of June 27, 1995.

Petroquisa received dividends in the amount of US\$ 5.5 million adjusted at the Libor rate.

At the auction held by BVRJ on Dec. 05, 1995, the Petroquisa shares equal to 49.27% of the voting stock and 25.66% of the preferred stock, adding up to 35.28% of total Pronor equity were sold for the minimum set price of US\$ 62.9 million (US\$ 3.84 per 10 thousand shares).

The auction consisted of blocks of shares (1,350 thousand shares each), with an efficacy requirement targeted at 100% sale of the stock offer for Pronor, CBP and Nitrocarbano. There was no limitation on stock purchases by foreign investors. Grupo BBM held first option on the stock provided that it met the same terms offered by other bidders.

Privatization currencies utilized to settle payment for Pronor equity stock were government-secured debt (90%) and cash (10%).

The corporate equity ownership structure prior to and immediately after the offers is shown in Table 19.

■ Companhia Brasileira de Poliuretanos (CBP)

CBP was established in 1982 to produce MDI, an alternative to TDI in the manufacture of polyurethane. However, the company has slowed down production to a minimum and has a business arrangement with Bayer. The CBP plant now on lease to Pronor turns out an additional 12 thousand tpy of TDI for Pronor.

The company currently has only 12 employees looking after maintenance, housekeeping and minor repairs, while Pronor staff runs the operation proper.

At the close of 1994, CBP assets totaled US\$ 67.1 million with a net worth of US\$ 11.34 million. Net operating income for the year was US\$ 24.9 million, including income from leased facilities and minor MDI sales, generating a loss of US\$ 10.24 million for the year.

Resolution CND/PND 15/95 of June 27, 1995 set the minimum sale price at US\$ 102.52 thousand for 100% of the company equity. The Petroquisa stake sold in auction on Dec. 05, 1995 equalled 82% of the preferred stock (23.69% of total equity) and was acquired by Atrium DTVM in a single block for US\$ 36.43 thousand (US\$ 0.16 per share), at a 50% premium over the minimum set price.

Currencies utilized to settle payment in the auction were government-secured debt (90%) and cash (10%).

TABLE 19
Pronor Equity Breakdown
(In %)

SHAREHOLDERS	BEFORE THE AUCTION			AFTER THE AUCTION		
	Common	Preferred	Total	Common	Preferred	Total
Petroquisa	49.3	25.6	35.3			
Petroquímica da Bahia	50.0	0.4	20.6	99.3	26.0	55.9
Petrobrás		0.5	0.3		0.5	0.3
BNDESPAR		65.8	38.9		65.8	38.9
Others	0.7	7.7	4.9	0.7	7.7	4.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Corporate Equity Structure	40.7	50.3	100.0			

TABLE 20
CBP Equity Breakdown
(In %)

SHAREHOLDERS	BEFORE THE AUCTION			AFTER THE AUCTION		
	Common	Preferred	Total	Common	Preferred	Total
Petroquisa		82.0	23.7			
Pronor	100.0	8.6	73.6	100.0	8.6	73.6
BBM		1.8	0.5		1.8	0.5
Atrium					82.0	23.7
Others		7.6	2.2		7.6	2.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
Corporate Equity Structure	71.1	28.9	100.0			

The corporate equity ownership structure prior to and immediately after the offers is shown in Table 20.

Privatization Procedures in Progress

Companies with Bid Notices Posted

■ Deten Química S.A.

Established in November 1972, Deten located at the Camaçari (BA) Petrochemical Complex to produce raw material for the stretch-molded and biodegradable detergent industries.

Its current plant capacity totals 139 thousand tpy of linear alkylbenzene (LAB) from benzene supplied by Copene and n-paraffins furnished by Petrobrás' Mataripe Refinery, and from imported inputs. It is the sole LAB producer in Brazil. In 1994, sales amounted to 125 thousand tons, mostly (81%) sold in the domestic market.

With its two LAB plant units using American UOP technology, the company is debottlenecking and improving production processes to raise output capacity to 159 thousand tpy of LAB by 1997.

The company had total assets of US\$ 180 million in December 1994 and a net worth of US\$ 163 million. Net operating income for the year was US\$ 129 million, turning a net profit before taxes of US\$ 2.29 million. In August 1995, Deten had 256 employees.

The Petroquisa shares in Deten scheduled to be sold in auction equals 35.63% of the voting stock, or 33.50% of total corporate equity.

The minimum sale price for 100% of its equity was set at US\$ 172.68 million by Resolution CND/PND 15/95 of June 27, 1995, and US\$ 57.70 million for the Petroquisa stake in the company.

The corporate equity ownership structure is shown in Table 21.

Auction of Petroquisa shares was scheduled for Dec. 14, 1995 at BVRJ and the bid notice went out on Dec. 16, 1995. The arrangement involved lots of common shares to be settled at least 10% in cash. There was no limitation on stock purchases by foreign investors and the efficacy requirement targeted at 100% sale of the stock offer.

By virtue of the shareholders' agreement, all other Deten shareholders could exercise the

TABLE 21
Deten Equity Breakdown
(In %)

SHAREHOLDERS	COMMON	PREFERRED	TOTAL
Petroquisa	35.6		33.5
Unipar	35.6	4.1	33.7
UNA	28.6		26.9
Others	0.2	95.9	5.9
Total	100.0	100.0	100.0
Corporate Equity Structure	94.0	6.0	100.0

right of first option on the stock auctioned within 60 days of receipt of the offering.

The auction was postponed since no bids were submitted.

■ Polipropileno S.A.

Polipropileno was established in 1974 with one plant located at Camaçari (BA) to produce polypropylene. Actual start-up occurred in 1979 and output went as high as 90 thousand tpy on average.

In Sep. 29, 1988, Polipropileno signed a agreement with Petroquisa, Shell, Suzano, Cevekol, Ipiranga, Polibrasil, and Braspol to restructure corporate ownership through the merger/consolidation of Polipropileno, Polibrasil and Braspol.

Phase one was completed on Feb. 28, 1989 when Polipropileno subscribed 47% of the Polibrasil stock, paid in by way of rights and property. Thus Polipropileno's Camaçari (BA) plant was delivered to Polibrasil and Polipropileno became the holding company.

Phase two would involve transfer of a Braspol plant unit to Polibrasil. This would consolidate the new ownership structure whereby a partial split of Polipropileno would give its shareholders stocks from Polibrasil. The latter in turn would own all three plant units. This step has not been completed, however, for legal reasons arising from Cevekol's bankruptcy.

Polipropileno at present is a shareholder in the following seven companies:

COMPANIES	SHAREHOLDING (%)
Polibrasil S.A. Indústria e Comércio	47.46
Braspol Polímeros S.A.	45.00
Nordeste Química S.A. (Norquisa)	10.00
Norcon Compostos Termoplásticos do Nordeste S.A.	100.00
Koppol Films S.A.	2.10
Petroquímica do Rio de Janeiro S.A. (Petrório)	0.59
Petroquímica do Nordeste S.A. (Copene)	0.02

Polipropileno had total assets of US\$ 140 million in December 1994 and a net worth of US\$ 138 million. Net operating income for the year was US\$ 3.89 million, and equity earnings from investments came to US\$ 5.04 million. Since it is a holding company, its staff numbers only three.

Polipropileno was included in the PND in May 1992 and consultants to process its privatization were hired in July 1994: Trevisan Consultores de Empresas Ltda. (Appraisal A), Natrontec Estudos de Engenharia de Processo Ltda. (Appraisal B), and Zalberg Sodré Advogados (Appraisal C – legal evaluation).

The minimum sale price for the totality of Polipropileno equity was set at US\$ 231.99 million by Resolution CND 13 of May 09, 1995, while Resolution PND 20/95 of Aug. 17, 1995 approved the following targets for sale of Petroquisa stakes to be offered in auction:

- US\$ 65.83 million for common stock (42.86% of the voting stock or 28.38% of total equity); and
- US\$ 13.49 million for preferred stock (17.20% of the preferred stock or 5.81% of total equity).

The call for bids on Polipropileno shares owned by Petroquisa was posted on Dec. 02, 1995 and the two auctions, one for each class of shares, were scheduled for Jan. 10, 1996.

The corporate equity ownership structure is shown in Table 22.

TABLE 22

Polipropileno Equity Breakdown

(In %)

SHAREHOLDERS	COMMON	PREFERRED	TOTAL
Petroquisa	42.9	17.2	34.2
Suzano	30.0	42.1	34.1
Cevekol	27.2	34.1	29.5
Miscellaneous		6.6	2.2
Total	100.0	100.0	100.0
Corporate Equity Structure	66.2	33.8	100.0

■ Koppol Films S.A.

Koppol was incorporated on Nov. 30, 1988 as Poliderivados S.A. Tecnologia de Polímeros in a partial split of Polibrasil S.A. Indústria e Comércio. Its corporate name was changed on June 30, 1991 to Poliderivados S.A. and subsequently to Koppol Films S.A. on Jan. 10, 1995.

This non-publicly-owned company operates a plant unit in Mauá (SP) equipped to produce 10 thousand tpy of polypropylene films (BOPP) from a polypropylene homopolymer supplied by Polibrasil at its adjacent plant. The films are in high demand for the manufacture of packaging, package wraps, cosmetics cartons, cigarette packaging, adhesive tape and other industrial applications. The company holds 27% (1994) of the polypropylene film market where it has four other competitors.

Koppol had total assets of US\$ 106 million in December 1994 and a net worth of US\$ 13.50 million. Net operating income for the year was US\$ 22.52 million, showing a loss of US\$ 7.17 million.

The Petroquisa stake in Deten equals 49.56% of the company's voting and total stock. Resolutions CND/PND 12/95 and 23/95, respectively of May 09, 1995 and Dec. 15, 1995, set a minimum sale price for 100% of the Deten equity at US\$ 6.44 million; the minimum sale price for Petroquisa stakes in Koppol was set at US\$ 3.20 million (US\$ 0.17/thousand shares).

The auction was scheduled for Jan. 23, 1996 at BVRJ. Koppol shareholder Poliolefinas has the right of first option on the shares, to be exercised within 30 days. There was no limitation on stock purchases by foreign investors and the minimum payment in cash was targeted at 10%.

The corporate equity ownership structure is shown in Table 23.

TABLE 23

Koppol Equity Breakdown

(In %)

SHAREHOLDERS	VOTING STOCK AND TOTAL
Petroquisa	49.6
Poliolefinas	49.6
Ipiranga	0.4
Polipropileno	0.4
Others	0.0
Total	100.0

■ Public Concession for Rail Freight Carriage on RFFSA's Western System

Bids for public concession of rail freight transportation on the railroad system crossing the States of São Paulo and Mato Grosso do Sul (Western System) dismembered from the railroad system operated by RFFSA were requested on Nov. 30, 1995. The auction is scheduled for Mar. 05, 1996 at BVRJ.

The Western System currently reports to RFFSA's Bauru Regional Superintendency (SR-10). Its origins date back to the turn of the century, when railroads were built connecting Bauru to Itapura and Itapura to Corumbá. They were taken over by the government respectively in 1917 and 1913, resulting in the Brazilian Northwest Railroad subordinated to the São Paulo Regional Coordination Office run by RFFSA. When the RFFSA Coordination Offices became extinct in 1969, the road was transferred to the Midsouth Regional System with head offices in São Paulo, now renamed 10th Northwestern Division. In 1990, Northwestern became the Bauru Regional Superintendency (SR-10).

The System consists of a 1,307-km trunk line connecting Bauru (SP) to Corumbá (MS), cutting across Campo Grande (MS), with a 304-km branch line connecting Campo Grande and Ponta Porã (MS). At Corumbá there is junction with Empresa Nacional de Ferrocarriles (Enfe), a Bolivian railroad reaching the city of Santa Cruz de la Sierra. The System has further connections with Fepasa at Bauru, making a bridge to the Port of Santos (SP) and to RFFSA's SR-5 at Ourinhos (SP), with plans to reach the Port of Paranaguá (PR).

In 1994 the Western System hauled 1,916 million TKU, but considering its current track and rolling stock deficiencies, annual output is rated at 2,000 million TKU. The 1994 breakdown shows 41% in oil by-products and alcohol freight, and 29% in grains/pellets/soya and meal. The haulage demand forecast for the year 2000 is approximately 5,200 million TKU along the Western System.

Its engine fleet consists of 88 units of varying models and ages, while cars operating under payload conditions number 2,617 units. Engines provide a total hauling power of 134 thousand HP, or 1,517 HP on average per engine, with 77% of all units in operation in June 1995.

SR-10 had 2,725 employees in September 1995, 79% of the total headcount in December 1990.

Net operating income for SR-10 is around US\$ 40 million a year, 97% of which from freight and related ancillary services.

Appraisals of the RFFSA Western System were performed by consultants selected in a public tender. The winning bidder for Appraisal A was a consortium led by Deloitte Touche Tohmatsu Consultores S/C Ltda., and the contract for Appraisal B was awarded to Associação Nova Ferrovia, led by Ernst & Young Consultores S/C Ltda. Resolution CND/PND 21 of Aug. 17, 1995 set the minimum price of US\$ 52 million for concession of freight haulage services, in addition to a 30-year lease of operating assets and sale of minor RFFSA assets pertaining to the System. Amortization of the concession involves a down payment of US\$ 5.2 million due on Mar. 11, 1996, plus 112 quarterly

installments of US\$ 1.7 million to start after a two-year grace period from the date of receipt of the down payment. The 112 quarterly installments cover annual interests of 12% and will be adjusted according to the legislation in force in line with the General Price Index-DI posted by the Getulio Vargas Foundation.

For the Western System auction, bidders must accept a limitation on the percentage of shares to be held by each future shareholder or consortium/partnership member: 20% of the total corporate voting stock.

Other Companies in Progress

■ Banco Meridional

The consultants hired are in the process of completing the company appraisal. Their suggested sale arrangement and minimum prices are scheduled for delivery to the CND in early 1996.

■ Estireno do Nordeste S.A. (EDN)

In October 1995 the Federal Audit Court issued an order to halt the sale of Petroquisa stakes in EDN for a reappraisal of the minimum value attributable to the company and a new decision by the Court.

■ Light Serviços de Eletricidade S.A.

The prior adjustments required for privatization of Light have been completed. They involved a partial spin-off and divestment of assets allocated to in direct operation of the utility under concession as well as of assets indirectly related to company operations, i.e., investments, entitlements and obligations incurred with Eletricidade de São Paulo S.A. (Eletropaulo). The arrangement required congressional approval obtained via Law 9,163 of Dec. 15, 1995. On Dec. 26, 1995, the CND announced a resolution setting a minimum price for Light's operating assets (US\$ 3,129 million for 100% of the equity) and a minimum price for sale of stocks representing 70% of its equity (US\$ 2,270.9 million). Both figures were defined after the corporate ownership restructuring was concluded. The sale procedure authorized

TABLE 24

Minimum Sale Price Breakdown – RFFSA Western Branch Line (In US\$ Million)

Leasing	47.06
Sale of Minor Assets	2.34
Concession	2.60
Total	52.00

contemplates sale in auction of 60% of corporate equity in blocks of shares and an offering of 10% of equity to employees.

■ Rede Ferroviária Federal S.A. (RFFSA)

Aside from privatization of the Western System described above, the remaining five railroad systems are scheduled to be auctioned along 1996. Resolution CND/PND 21/95 of Aug. 17, 1995 set the minimum price of US\$ 270 million for concession and lease of the Midwestern System.

■ Metanol do Nordeste S.A. (Metanor)

In December 1995, the Minister for Mines and Energy asked the CND to withdraw Metanor from the PND due to the conditions prevailing in the methanol market, particularly in Brazil.

■ Nitroclor

■ Polibrasil S.A. Indústria e Comércio

Companies Included in the PND

Along 1995 the Brazilian Privatization Program incorporated the following companies of the Eletrobrás System: Centrais Elétricas Brasileiras S.A. (Eletrobrás), Furnas – Centrais Elétricas S.A., Centrais Elétricas do Norte do Brasil S.A. (Eletronorte), Centrais Elétricas do Sul do Brasil S.A. (Eletrosul), and Companhia Hidrelétrica do São Francisco (Chesf) via Decree 1,481 of May 03, 1995.

Another major addition to the PND has been Companhia Vale do Rio Doce (CVRD), included by Decree 1,510 of June 01, 1995.

The key economic indicators relative to the above-listed companies are shown in Table 25.

An important development was the reintroduction of Companhia de Navegação Lloyd Brasileiro (Lloydbrás) in the PND. The company had been withdrawn from the Program in December 1994 (Decree 1,322 of Dec. 02, 1994). After its liquidation was approved by the Council for Coordination and Control of Government-owned Companies, Lloydbrás reentered the Program via Decree 1,639 of Sep. 18, 1995. Resolution CND 22/95 of Sep. 19, 1995 authorized its dissolution and advised the Ministry of State Administration and Reform (Mare) to make the necessary arrangements to liquidate the company. Decree 1,746 of Dec. 14, 1995 signed by the President of Brazil sanctioned its dissolution and final liquidation.

Companies Withdrawn from the PND

During 1995, one company wholly-owned by the federal government and five Petroquisa stakes were withdrawn from the Brazilian Privatization Program. They are listed below, along with the respective decrees and reasons for withdrawal:

TABLE 25

Economic Indicators (1994) – Companies Included in the PND (1995)

(In US\$ Million)

COMPANIES	TOTAL ASSETS	EQUITY	NET OPERATIONAL REVENUE	NET PROFITS	GOVERNMENT STAKE (%)	
					Common Stock	Equity
Chesf	20.548	14.107	703	-187	100.0	99.5
CVRD	12.454	9.707	2.871	645	76.0	51.1
Eletrobrás	85.823	70.365	1.282	1.597	86.0	76.0
Eletronorte	20.772	16.928	642	-514	98.9	98.9
Eletrosul	7.085	5.569	887	18	99.8	99.7
Furnas	24.570	13.429	2.919	6	99.8	99.5

■ **Petroquímica Triunfo S.A. – Decree 1,485 of May 09, 1995**

Sale of Petroquisa shares in Triunfo became unfeasible because the ownership structure, administrative and legal adjustments could not be completed in due time. They require ample negotiation among all shareholders who are currently involved in mutual legal disputes.

■ **Nuclebrás Equipamentos Pesados S.A. (Nuclep) – Decree 1,525 of June 20, 1995**

The prevailing idleness rate of the heavy industry in general and of this company in particular, added to the time required to meet all Program requirements advised withdrawal of Nuclep from the PND.

■ **Alclor Química de Alagoas S.A. – Decree 1,525 of June 20, 1995**

The company was cost-effective way and had to halt operations to enter into legal liquidation.

■ **Companhia Alagoas Industrial (Cinal) – Decree 1,525 of June 20, 1995**

Withdrawal from the PND was decided on the basis of a Shareholders Agreement calling fall repurchase of Petroquisa shares once the company completed ten years in operation, which will happen in 1999, for an amount far higher than estimated in the economic and financial evaluations performed by consultants.

■ **Fábrica Carioca de Catalisadores S.A. (FCC) – Decree 1,525 of June 20, 1995**

Privatization of FCC would invalidate the Technological Agreement signed between Petrobrás and AKZO and make it very difficult to sell the product, since FCC is the sole supplier and AKZO the sole buyer.

■ **Petrocoque S.A. Indústria e Comércio – Decree 1,638 of Sep. 18, 1995**

Since Petrobrás is the only supplier of raw material to Petrocoque, successful sale of stakes in the company would hinge on a

long-term agreement for supply of the product. Such agreement was not concluded because Petrobrás deemed it an unwise risk situation.

Hiring of Consultants for Company Sales

The consultants required for privatization of Petroquisa stakes in Deten, Pronor, CBP, and Metanor were hired on Feb. 14, 1995. The winning bidders were a consortium led by JVS Consultores S/C Ltda. (for Appraisal A), and by a partnership led by Moura D'Ávila Consultoria e Avaliações Econômicas S/C Ltda. (for Appraisal B).

The privatization of Banco Meridional was initiated in 1995. Bidders for consulting services submitted their bids on May 25, 1995. Contracts were awarded to Booz Allen do Brasil associated to Booz Allen de Mexico (for Appraisal A), and to a consortium led by Banco Graphus S.A. (for Appraisal B). The contracts were signed on Aug. 16, 1995.

The bid notice for consultants regarding privatization of Companhia Vale do Rio Doce (CVRD) was published in August 1995. Bids were submitted on Sep. 10, 1995 and the Bidding Committee met on Dec. 11, 1995 to disclose the winners for Appraisals A and B. They were pools led respectively by Metal Data Engenharia e Representações Ltda. and by Projeta Consultoria Financeira S/C Ltda. Contracts are scheduled to be signed in mid-January of 1996.

Status of the FND Stock Portfolio

The breakdown of stocks held in legal custody by the FND on Dec. 31, 1995 is shown in Table 26.

There was no change in the shareholdings included in the PND pursuant to Decree 1,068/94 in 1995.

TABLE 26

Custodial Status of FND Stock – Dec. 31, 1995

SECTOR	COMPANY	CHIEF GOVERNMENT SHAREHOLDER	NUMBER OF SHARES HELD BY GOVERNMENT (Million)			
			Common	Preferred	Total	% Total Equity
Electric Power	Light	Eletróbrás	8,480.20		8,480.20	81.6
	Escelsa	Eletróbrás	0.46		0.46	22.4
	Eletróbrás	Federal Government	28,335.86	1,765.21	30,101.06	56.0
	Furnas	Eletróbrás	50,618.95	14,088.22	64,707.17	99.5
	Eletrosul	Eletróbrás	42.58		42.58	99.7
	Chesf	Eletróbrás	40.48	1.02	41.50	100.0
	Eletronorte	Eletróbrás	62.27		62.27	98.8
Mining	CVRD	Federal Government	24,752.41	1,832.76	26,585.17	59.7
Railroad	RFFSA	Federal Government	169,631.73	16,737.24	186,368.96	98.5
	Agef	RFFSA	455.83		455.83	100.0
	Valec	RFFSA	8,090.01		8,090.01	100.0
Finance	Meridional	Federal Government	1,790.38	525.73	2,316.11	82.4
Petrochemical	Deten	Petroquisa	13,042.35		13,042.35	33.5
	EDN	Petroquisa	418.95	54.10	473.05	26.7
	Metanor	Petroquisa	8.79	18.24	27.03	18.4
	Nitroclor	Petroquisa	3.90	2.74	6.64	18.9
	Polipropileno	Petroquisa	2,262.42	463.38	2,725.80	34.2
	Koppol	Petroquisa	19,254.02		19,254.02	49.6
	Polibrasil	Petroquisa	587.74		587.74	25.7
	Oxiteno	Petroquisa	0.18	0.04	0.22	0.5
	Copene	Petroquisa	99.59	283.32	382.92	36.1
	Copesul	BNDESPAR	150.83		150.83	1.0
	PQU	Petroquisa	17.48		17.48	17.5
Steel	Cosipa	Siderbrás		73.16	73.16	16.8
	CST	Siderbrás	0.58	7.92	8.50	0.52
Others	Embraer	Federal Government	1,659.38	83.16	1,742.54	33.1
	SNBP	Federal Government	4.67		4.67	10.0
	Enasa	Federal Government	95.00		95.00	100.0
	Franave	Federal Government	79.86		79.86	85.1
	ICC	Petrofértil	226.53	75.43	301.97	99.7
	Lloydbrás	Federal Government	373,859.48		373,859.48	100.0

Program Expenses

In 1995, US\$ 10.7 million were spent on consultants, audits and advertising relative to the PND, 12.2% of the total Program spending to date (1990/95). Expenses reimbursable by the owners of shares sold under the Program in 1995 were primarily in connection with Light (20.2% of the total),

RFFSA (11.5%), Salgema (10.2%), and Copene (9.6%).

Expenditures attributable to Appraisal B represented the bulk (71.1% in 1995 and 65.9% of the Program total to date). The next largest expense item was Appraisal A (respectively 13.5% and 11.4%).

A breakdown of the overall expenses incurred by the Program so far shows that privatization of the steel industry ranks number one (US\$ 33.7 million/38.5% of the total), followed by the petrochemical industry (US\$ 26.7 million/30.4% of the total).

In 1995, spending was allocated mostly to petrochemicals (40.6%), electric power (28%), and transportation services (11.9%).

The comparative breakdown of Program expenses incurred in 1995 and during 1990/95 is shown in Table 27.

For the 41 privatization sales performed under the PND, reimbursable expenses on average account for 0.76% of the overall sale proceeds. On a per-segment basis, this expense ratio was 0.68% for companies controlled by the federal government, and 1.39% for equity stakes owned by Petroquisa and Petrofértil (Table 28).

In the sale of majority-owned companies or minor stakes, this expense ratio is somewhat distorted. This is the case of Mineração Caraíba, CQR and CBP.

TABLE 27
Breakdown of Reimbursable Expenses – 1995

	EXPENSES 1995		EXPENSES 1991/95		RATIO A/B
	US\$ Million (A)	In %	US\$ Million (B)	In %	
Total Expenses	10.70	100.0	87.75	100.0	12.2
Per Type					
Consulting B	7.61	71.1	57.79	65.9	13.2
Consulting A	1.44	13.5	10.00	11.4	14.4
Advertising	1.10	10.3	16.17	18.4	6.8
3rd Appraisal	–	–	0.15	0.2	0.0
Others Consultants	0.51	4.7	0.65	0.7	77.6
Auditing	0.04	0.4	0.36	0.4	12.0
Per Sector					
Petrochemical	4.35	40.6	26.68	30.4	16.3
Electric Power	3.00	28.0	5.47	6.2	54.7
Transportation	1.28	11.9	7.91	9.0	16.1
Transportation Equipment	0.79	7.4	5.83	6.6	13.5
Finance	0.65	6.1	0.65	0.7	100.0
Steel	0.54	5.0	33.74	38.5	1.6
Others	0.10	0.9	1.94	2.2	5.2
Per Company					
Light	2.16	20.2	3.86	4.4	55.9
RFFSA	1.23	11.5	4.48	5.1	27.6
Salgema	1.09	10.2	1.60	1.8	68.2
Copene	1.03	9.6	2.01	2.3	51.2
CPC	0.84	7.8	1.43	1.6	58.9
Escelsa	0.84	7.8	1.61	1.8	52.0
Embraer	0.79	7.4	2.73	3.1	28.8
Meridional	0.65	6.1	0.65	0.7	100.0
Usiminas	0.51	4.7	9.88	11.3	5.1
Polibrasil	0.38	3.5	0.63	0.7	60.0
CQR	0.18	1.7	0.46	0.5	40.0
Koppol	0.15	1.4	0.34	0.4	44.4
Nitrocarbono	0.14	1.3	0.45	0.5	30.9
Deten	0.13	1.3	0.14	0.2	99.5
Pronor	0.11	1.1	0.11	0.1	99.5
Polipropileno	0.09	0.8	0.12	0.1	73.9
EDN	0.07	0.7	0.46	0.5	16.4
Others	0.31	2.9	56.80	64.7	0.5

TABLE 28

Reimbursable Expenses and Sale Proceeds per Company Privatized

(In US\$ Thousand)

COMPANY	SALE PROCEEDS (A)	EXPENSES (B)	% (B/A)
Controlled Companies			
Usiminas	1,941,165	9,883	0.51
CSN	1,495,254	6,268	0.42
Copesul	861,501	4,554	0.53
Açominas	598,513	4,105	0.69
Cosipa ^a	585,707	4,498	0.77
Acesita	465,386	2,936	0.63
CST	353,631	3,617	1.02
PQU	287,534	2,209	0.77
Petroflex	234,124	1,894	0.81
Ultrafertil	205,580	1,226	0.60
Embraer	192,187	2,730	1.42
Escelsa	399,932	1,610	0.40
Fosfertil	182,001	1,148	0.63
Piratini	106,636	1,665	1.56
Celma	91,109	1,645	1.81
Álcalis ^a	81,406	1,515	1.86
Mafersa	48,770	1,460	2.99
Cosinor	15,049	772	5.13
Goiasfertil	13,053	847	6.49
SNBP ^a	12,014	630	5.24
Mineração Caraíba	5,769	709	12.30
Total (1)	8,176,320	55,921	0.68
Total Petrobrás System's Interests			
Poliolefinas	87,100	847	0.97
PPH	59,359	763	1.29
Polisul	56,800	745	1.31
Oxiteno	53,942	1,062	1.97
Politeno	44,867	574	1.28
Nitriflex	26,190	908	3.47
Copene	270,444	2,005	0.74
CPC	99,564	1,426	1.43
Salgema	139,213	1,598	1.15
CQR	1,708	457	26.74
Nitrocarbóno	29,550	452	1.53
Pronor	63,452	113	0.18
CBP	36	70	193.28
Coperbo	25,949	483	1.86
Ciquine	23,689	569	2.40
Polialden	16,728	454	2.71
Acrinor	12,142	471	3.88
CBE	10,858	396	3.64
Arafertil	10,756	617	5.74
Indag	6,804	472	6.94
Total (2)	1,039,152	14,483	1.39
Total 1 + 2 = (3)	9,215,472	70,403	0.76
Minority Interest (4)	395,471	-	-
Privatization in Progress^b (5)	-	17,344	-
Overall Total (3 + 4 + 5)	9,610,943	87,748	-

^aProcess not yet concluded.^bIncludes sales in progress, sales on hold, companies excluded from the PND and in liquidation.

Program Milestones

Changes in Legislation

Amendment of Law 8,031/90 by Temporary Measures

Temporary Measure 841 of Jan. 19, 1995 and subsequent extensions introduced a new institutional organization for the Brazilian Privatization Program. The goal was to reassign priorities and targets as well as to shorten response time while preserving the strict rules on proper transfer procedures and technical reliability criteria applicable to every privatization undertaken.

The Privatization Committee was replaced by a National Privatization Council. Its original membership included the cabinet minister for Planning and the Budget, the President's Chief of Staff, the Finance minister, and the Federal Administration and Government Reform minister. They were later joined by the minister for Industry, Commerce and Tourism, the president of the Central Bank (in sales of financial institutions), and by ministers with jurisdiction over the government company or public utility specifically targeted for sale. The president of BNDES sits in at Council meetings as a non-voting member. Raising the collegiate body to ministerial status has expedited decision-making because each Council member is now in charge of implementing decisions in each of their respective areas.

New goals are expressly stated in the amended Privatization Law:

- privatization public utilities and financial institutions; and
- trimming down and improvement of the government debt profile.

Other relevant changes include:

- the opportunity for federal civil servants in general to join working groups set up to assist in the privatization effort; and
- instructions requiring any beneficiary of proceeds from the sale of stocks or assets to allocate them primarily to repayment of federal debts outstanding. Maturing debts no longer have the same priority as past due debts.

Privatization procedures may now be carried out and monitored by each government agency directly involved, taking on the task of managing the FND by recommendation of the CND and approval issued by the President of the Republic.

Public Utility Concessions

Law 8,987 of Feb. 13, 1995 originated in a bill submitted to the Federal Senate by then-senator Fernando Henrique Cardoso. It was passed by the Chamber of Deputies with a few amendments. Due to the impact it would have on several major existing electric power companies, Temporary Measure 890 of Feb. 13, 1995 was issued simultaneously. This, in turn, went through four monthly extensions before it was finally adopted with minor changes as Law 9,074 on July 07, 1995.

Enactment of both laws was a significant milestone toward improving the legal framework applicable to public utility concessions at the federal, state and local levels. Although focusing chiefly on the electric power sector, they contain broader provisions setting the basic guidelines for public utility operation in general.

Some innovations introduced by Law 8,987/95 are:

- compulsory bidding for concession of public utilities, including any subcontracting;
- a preset duration for each concession renewable through another public bidding;
- offer by concessionaires as collateral for loans of entitlements arising from the concession up to a ceiling figure that will not harm service performance or continuity;
- concession bid appraisal criteria setting eventual utility rates explicitly as a contractual provision. The winning bidder will be selected on the basis of best offer in payment to the conceding agency;
- rates are adjustable (for currency depreciation or in response to unforeseeable circumstances not computed in the original economic-financial evaluation made) and may be revised also by reason of unforeseen and unforeseeable government decisions;
- the possibility of alternative, additional or extra sources of income and related initiatives. The purpose is to help enforce the rates set by the conceding agency for the concessionaire in the call for bids;
- the ability to select the venue and means to settle disputes arising from conflicting interests relative to the concession agreement; and
- monitoring of the public service provided by users.

Law 9,074 of July 07, 1995 focuses directly on electric power utilities and contains provisions:

- setting concession terms and conditions for electric power generation, transmission and distribution;
- defining independent electric power producers and their right to sell all or part of their output at their own expense and risk;

- ensuring large scale users the right to buy all or part of their supply from independent electric power producers;
- authorizing establishment of public utility electric power generation joint ventures either to operate as dedicated suppliers and/or independent producers;
- authorizing extension of concessions granted prior to Law 8,987/95 for another 20 years; and
- authorizing a restructuring of public utilities under concession, except in telecommunications.

Swap of Foreign Credits for Investments in the PND

Central Bank Resolution 2,203 dated Sep. 28, 1995 (Circular Letter 2,623 of the same date) repealing Resolution 2,062 of Apr. 12, 1994

- reduces the up-front discount on foreign debt bonds from 25% to 0% (Circular Letter 2,623);
- allows registration of foreign investments at the face value of debt bonds effectively delivered under the PND, except for par bonds; and
- no longer forbids resident individuals or corporations and/or their foreign subsidiaries, branches or offices from participating in privatization auctions with foreign debt bond offers.

Constitutional Amendments

The Brazilian Congress has passed five constitutional amendments with a direct bearing on privatization of activities previously performed solely by government agencies:

Constitutional Amendment 5 of Aug. 15, 1995 (amending § 2 of article 25 of the Federal Constitution)

- authorizes private exploration of local piped gas distribution via state concessions.

Constitutional Amendment 6 of Aug. 15, 1995 (amending item IX of article 170, repealing article 171, and amending § 1 of article 176 of the Federal Constitution)

- eliminates status differences between "Brazilian companies" and "Brazilian companies controlled by domestic capital;"
- awards favored status to small companies "established under Brazilian law, with offices and management in the country;" and
- authorizes ore prospecting and mining by companies "established under Brazilian law, with offices and management in the country."

Constitutional Amendment 7 of Aug. 15, 1995 (amending article 178 of the Federal Constitution)

- opens shipping activities in Brazilian waters to foreign companies.

Constitutional Amendment 8 of Aug. 15, 1995 (amending item XI and literal "a" of item XII of article 21 of the Federal Constitution)

- allows provision of telecommunication services by private operators via federal authorization, concession or license; and
- same for radio and television broadcasting.

Constitutional Amendment 9 of Nov. 09, 1995 (new wording for article 177 of the Federal Constitution)

- authorizes the federal government to contract oil prospecting services from public or private companies.

Privatization Procedure for RFFSA

Three major government-owned companies operate the Brazilian railroads: Rede Ferroviária Federal S.A. (RFFSA), owned by the federal government; Ferrovia Paulista S.A. (Fepasa), owned by the São Paulo State

government; and two railroads run by Companhia Vale do Rio Doce – the Vitória-Minas Railroad (EFVM) connecting Belo Horizonte (MG) to the port of Vitória (ES), and the Carajás Railroad (EFC) connecting the Carajás Development at Serra Norte (PA) to the port at Itaqui (MA).

Other minor railroads provide dedicated freight haulage between mine sites and ore processing plants or loading harbors. Such is the case of Amapá Railroad used by the Caemi Group to ship manganese exports from Serra do Navio.

Three additional railways are in construction under concession agreements:

- Ferroeste, designed to expand the coverage of Paranaguá port, is run by a concessionaire licensed by the Paraná State government (418 km of track);
- North-South, to connect Açailândia (MA) and the Federal District, held in concession by Valec and covering 1,321 km; and
- Ferronorte, to connect Aparecida do Taboado (SP) and Uberaba (MG) to Cuiabá (MT) and hence to Porto Velho (RO) and Santarém (PA). The concession is held by a private group which plans to build 5 thousand km of tracks in four stages.

RFFSA was established in 1957 to build and consolidate rail transportation in Brazil. Its performance has suffered from lack of much-needed investments, insufficient income to meet maintenance and revamping costs, as well as from many other problems such as repeated administrative changes.

The company was included in the Brazilian Privatization Program in March 1992 with the following key goals in mind: to seek greater efficiency, to improve services, conservation and streamlining, to revamp equipment and facilities, and to offer a cost-effective system that might remove some of the investment and cost allocation burden from the government.

TABLE 29

Railroad Systems in Operation in Brazil

SYSTEMS	TRACK LENGTH (km)	FREIGHT (Million TU)
RFFSA	22,010	86.0
Fepasa	5,000	20.0
CVRD	2,000	140.8
Total	29,010	246.8

Privatization of RFFSA involves its dismemberment into six operating units. Specifications are shown in Table 30.

The model adopted has the following features:

- it is based on the freight shipment business coupled with alternative and related businesses;
- it contemplates a breakdown of RFFSA into six regional systems, each in charge of its own activities (operation and maintenance of tracks and rolling stock);

- fixed and non-fixed assets required for operation of the regional systems will be leased from RFFSA and will make up the new concessionaire's opening inventory; and
- the federal government will transfer concession of rail freight transportation to the new concessionaire.

Brazil has a road grid that competes amply and strongly with rail, except in ore freight. Improving the competitive edge of railroad modality as a result of privatization will foster competition in the transportation market as a whole.

Cases of unfair business practices can be controlled by enforcing current legislation, as well as by proper regulation of concession agreements and the Rail Transportation Regulation. The Ministry of Transportation will also restructure its supervisory and regulatory agency in charge of concession terms.

TABLE 30

Features of Existing Railroads

SYSTEM	TRACK LENGTH (km)	FREIGHT GENERATED (Thousand TU 1993)	OUTPUT (Million TKU 1993)	OPERATING INC. (US\$ Million 1992/93)
Northeastern	4,629	1,940	882	27
SR-1 Recife				
SR-11 Fortaleza				
SR-12 São Luís				
Mideastern	7,138	17,519	6,843	209
SR-2 Belo Horizonte				
SR-7 Salvador				
SR-8 Campos				
Southeastern	1,623	47,233	21,792	400
SR-3 Juiz de Fora				
SR-4 São Paulo				
Southern	6,830	14,946	8,186	190
SR-5 Curitiba				
SR-6 Porto Alegre				
Tereza Cristina	169	1,192	86	4,8
SR-9 Tubarão				
Western	1,621	2,462	1,753	26
SR-10 Bauru				
RFFSA	22,010	85,292	39,542	857

To ensure operation of all railroads as a nation-wide system, additional measures are required:

- promoting the creation of a non-governmental association of railroads to ensure operation as a truly nation-wide system;
- development of a railroad safety regulating agency;
- regulatory and concession provisions regarding mutual traffic and trackage rights agreements; and
- encouraging commercial usage of yards and depots.

According to the model proposed RFFSA would retain its legal status, with the following responsibilities:

- to oversee assets leased to private operators by contract and any financial proceeds arising from them;
- to manage non-operating assets not on lease; and
- to settle pending claims on remaining liabilities, including labor and civil disputes.

Refer's (RFFSA employees pension fund) by laws define that in the case of RFFSA liquidation, the company should have to pay in advance the corresponding amount to the mathematical reserves of the benefits granted to the employees. Since RFFSA shall not be liquidated, this question has been solved.

The new status of the Brazilian Railroad System requires equally new regulations, in addition to a restructured Railroad Transportation Department (DTF) and an agency empowered to settle possible disputes. The changes suggested will precede the first auction. Some such changes involve:

- **equipping the DTF** to discharge its functions properly. They include, among other things: supervision and evaluation of the technical and operating performance

of railroad companies as well as service quality; enforcement of regulations and rules on railroad freight and intercity passenger transportation services; and monitoring compliance with concession agreements;

- **creation of the Federal Railroad Transportation Commission (Cofer)** to act in an administrative capacity and with powers to settle disputes arising among concessionaires or between them and railroad users (the Commission must be created by law, with a membership including both concessionaires and users); and
- **changes in legislation concerning the Railroad Social Service (Sesef)** to authorize private railroad companies to become members.

The issue of investments was approached from a stock-taking of RFFSA's current operating assets. Both the rail tracks and rolling stock are in a regretful state of obsolescence and deterioration caused by a chronic shortage of funds. Needed investments are expected from future concessionaires and thus the drawdown requirements for taking over use of leased RFFSA assets are lower. The call for bids will contain provisions to encourage prospective concessionaires to invest not just in maintenance, rehabilitation and safety features in the short term, but also in renovation and expansion of rail traffic capacity over the medium term.

In August 1995, the Brazilian Privatization Council approved the minimum prices acceptable for concession, lease and sale of minor assets held by the Western and Mideastern Systems: respectively US\$ 52 million and US\$ 270 million. Auctions are scheduled for Mar. 05, 1996 and Apr. 15, 1996. The bid specifications for concession and lease of the Western System was published on Nov. 30, 1995.

At year-end 1995 federal officials were negotiating the transfer of Fepasa to RFFSA

with the São Paulo State government. This involves a complex financial operation to settle the state's debt with the federal government. If the deal is successful, Fepasa may be included in the PND along 1996 as the seventh RFFSA railroad system.

Government Initiatives to Privatize Electric Power Utilities

The Ministry of Mines and Energy is making efforts to define a Restructuring Program for the Brazilian Electric Power Sector. Details on the call for bids for consulting services to be performed by expert consultants led by an international firm in partnership with domestic firms are now in the final stages of completion. The scope of this service prioritizes the following items:

- restructuring of the sectorial regulatory agency;
- bidding on hydro power developments;

- operation of independent electric power producers;
- plans to expand domestic electric power systems;
- operation of interconnected electric systems;
- sale of electric power;
- free access to such systems;
- deployment of a basic transmission grid;
- rate setting;
- performance of the sectorial development agency; and
- the status of research and development in the industry.

This task is scheduled to begin during the first quarter of 1996 and will lay the groundwork for privatization of the Eletrobrás System generation plants.

Outlook for 1996

The actions spelled out by the National Privatization Council will proceed and expand in 1996 along the following key guidelines:

- Completion of the PND's first cycle involving sale of government-owned manufacturing companies operating in competitive markets. Thus, the four remaining government stakes in petrochemical companies are scheduled to be sold during the first half of 1996, to have the petrochemical industry fully in private hands. This first cycle will be completed with the privatization of Banco Meridional in the first semester of the year, while the sale procedure and terms for CVRD will be defined along the year for the actual sale to take place in late 1996.
- Development of the second privatization cycle targeting on public utilities and related infrastructure directly under federal administration, and involving bids for concession and major asset sales. Preparation for this cycle began in 1992 when RFFSA and the two federal electric power distribution companies (Light and Escelsa) were included in the PND. The plan was effectively set in motion in 1995 when Escelsa was sold thanks to the new Concession Law. Light will be sold in early 1996 because the required adjustments were not concluded until December 1995 when Law 9,183/95 authorized its split. In 1995, the Program incorporated the entire electric power sector owned by the federal government, including Eletrobrás and its four regional subsidiaries: Eletronorte,

Chesf, Furnas, and Eletrosul. The sector must first undergo major restructuring. Eletrobrás is currently in the early stages of calling for bids on consulting services to assist the Ministry of Mines and Energy in this endeavor as well as in drafting new regulations for the Brazilian electric power industry. The National Privatization Council is also looking into inclusion of the Brazilian port system in the PND, which may come to fruition still in 1996.

- The Program's third cycle will encourage state and local governments to seek alliances with private partners either by selling their assets and/or granting concession for operation of public utilities now under their responsibility. All such actions will be oriented toward improving the financial health of the vast majority of Brazilian states and municipalities.

As the agency in charge of managing the FND and the chief source for long-term domestic funding, BNDES will play a key role in the entire privatization initiative as well as in helping the private sector take advantage of the new opportunities open to it in this sector of the Brazilian economy.

Actions engaged by the National Privatization Council will center primarily on efforts to restructure infrastructure sectors currently undergoing privatization, particularly the electric power, ports and telecommunications areas. On the other hand, Council members will focus special attention on a successful privatization of CVRD.

Charts and Summary Tables on the Brazilian Privatization Program – 1991/95

CHART 1

Sale Proceeds per Company: Petrochemical Industry – 1991/95

(In US\$ Million)

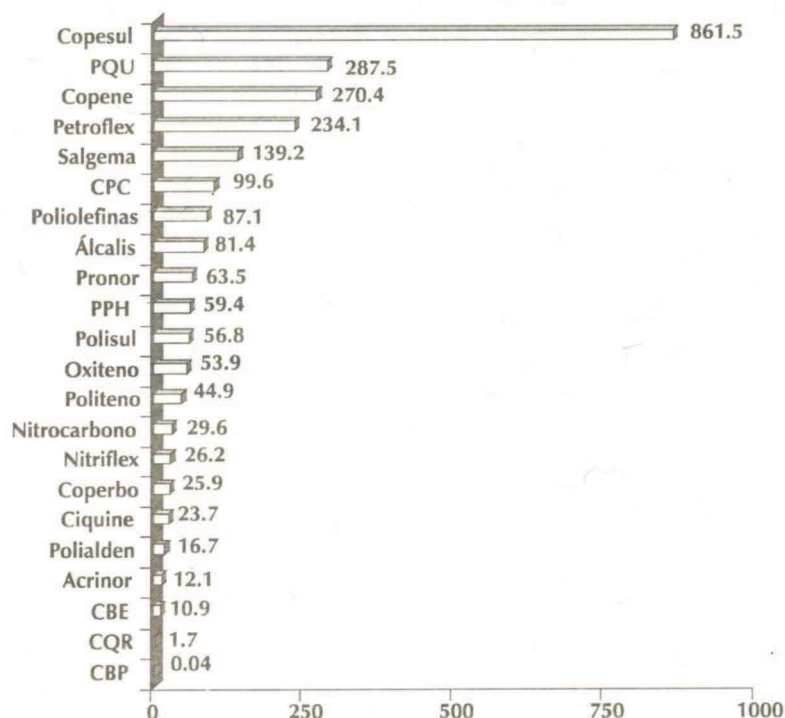


CHART 2

Sale Proceeds per Company: Steel Industry – 1991/95

(In US\$ Million)

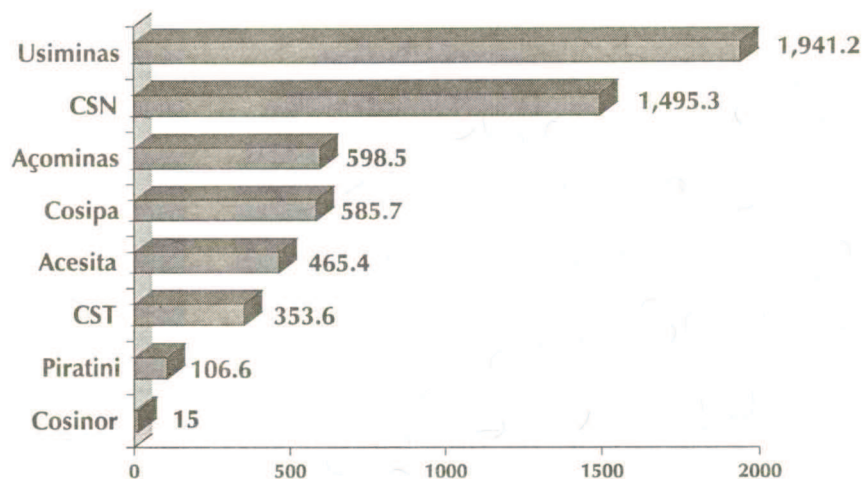


CHART 3

Sale Proceeds per Company: Fertilizer Industry – 1991/95

(In US\$ Million)

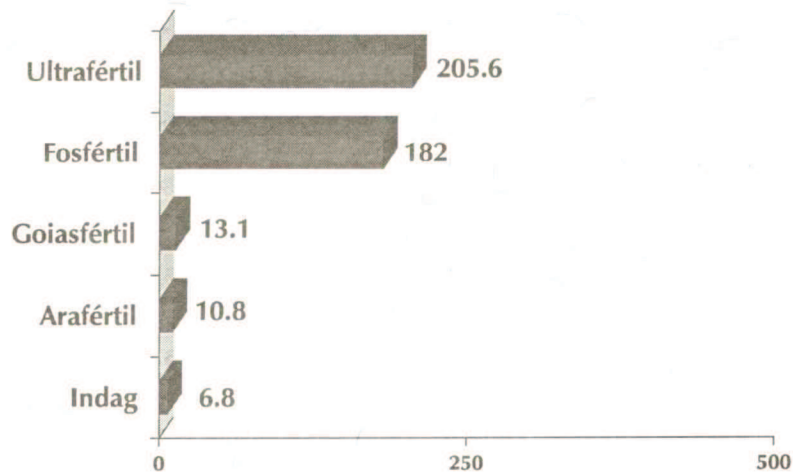


CHART 4

Sale Proceeds per Company: Miscellaneous Industries – 1991/95

(In US\$ Million)

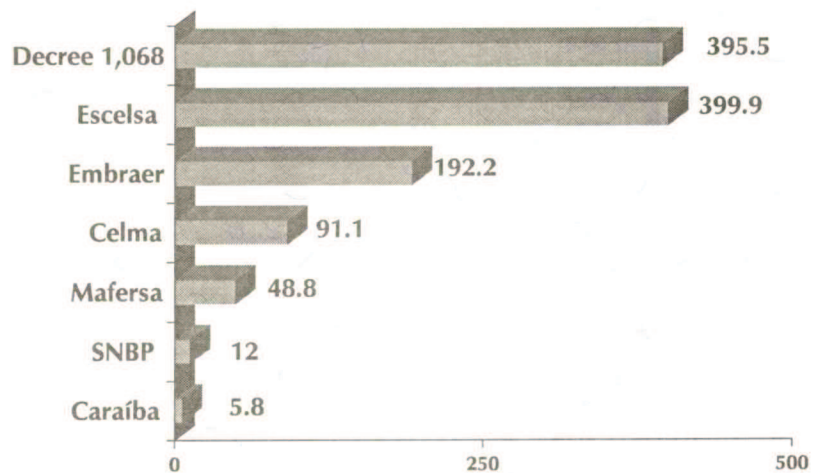


CHART 5

Sale Proceeds per Industry: Debt Transfers & Sales – 1991/95

(In US\$ Million)

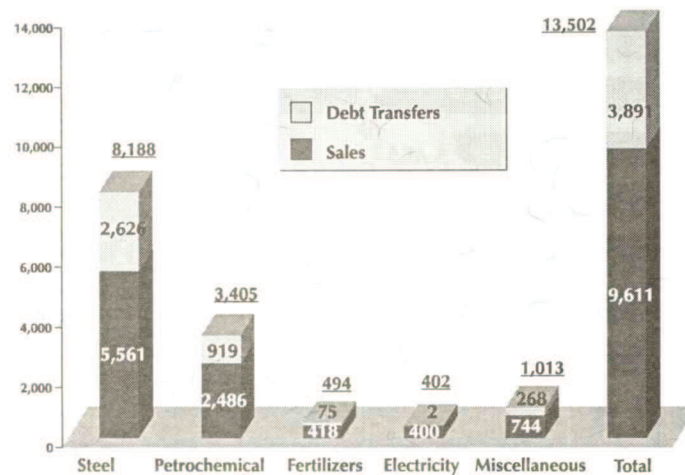


CHART 6

Sale Proceeds per Currency: Cash & Others – 1991/95

(In US\$ Million)

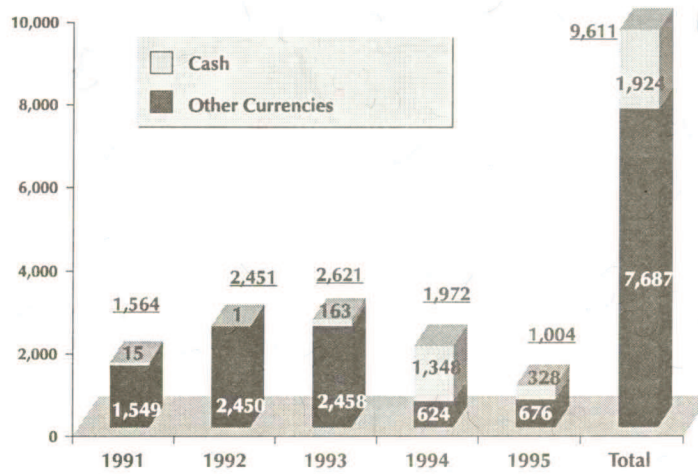


CHART 7

Sale Proceeds per Industry – 1991/95

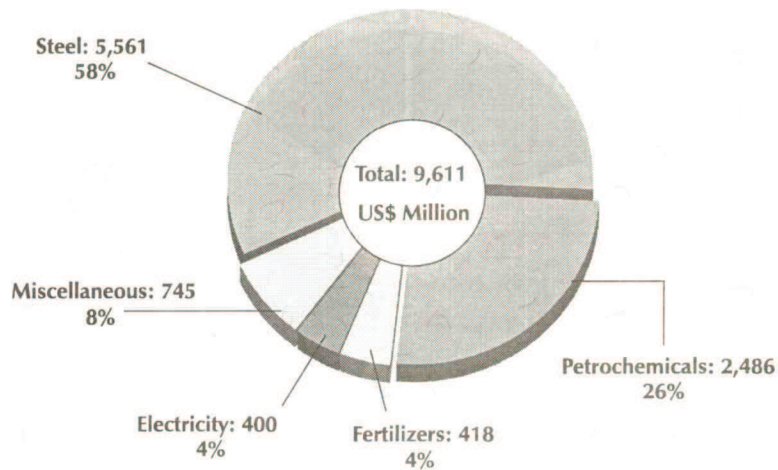


CHART 8

Sale Proceeds per Type of Offer – 1991/95

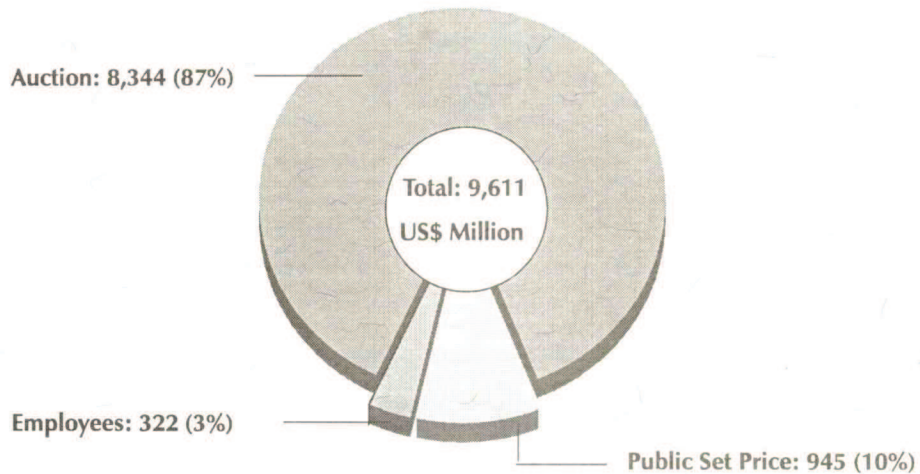


CHART 9

Sale Proceeds per Type of Buyer – 1991/95

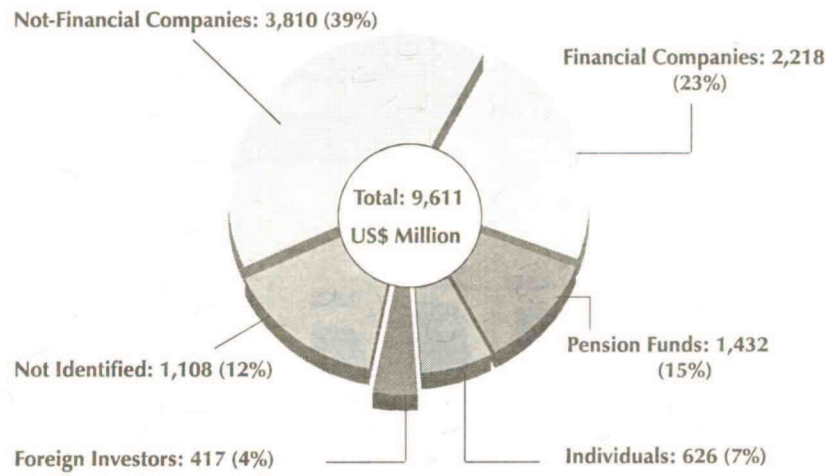


CHART 10

Sale Proceeds per Currency – 1991/95

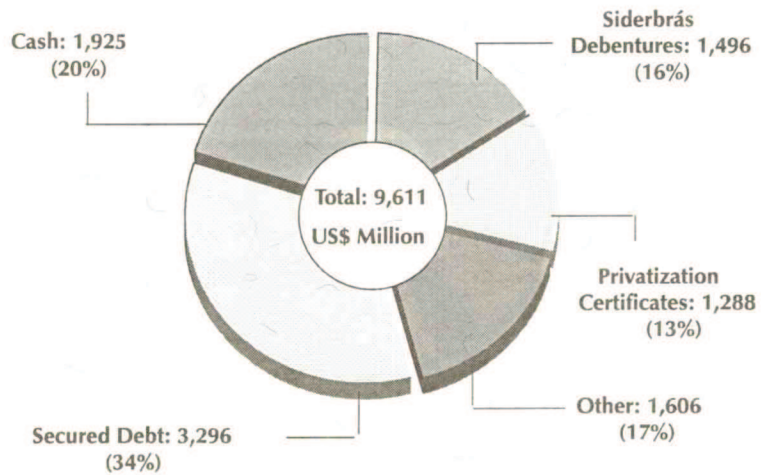


TABLE 31
Status of Companies and Stakes in the Privatization Process – 1995

INCLUSIONS	EXCLUSIONS	SALES	IN LIQUIDATION	SALE NOTICE	PROCESS INTERRUPTED	UNDER APPRAISAL	APPRAISAL PENDING
Companies Directly or Indirectly Controlled by the Federal Government	Petrofértil	Usiminas	ICC	(Western Network of RFFSA)	Enasa	Agef	Valec
	Nitrofértil	Usimec ^a	Lloydbrás		Franave	Light	Eletróbrás
	Cobra	Celma				Meridional	Furnas
	Nuclep	Maferasa				RFFSA	Eletronorte
		Cosinor					Eletrósul
		SNBP					Chesf
		Piratini					CVRD
		Petroflex					
		Copesul					
		Álcalis					
		CST					
		Fosfértil					
		Goiásfértil					
		Acesita					
		CSN					
		Ultrafértil					
		Cosipa					
		Açominas					
		PQU					
		Caraíba					
	Embraer						
	Escelsa						
41	4	22	2	0	2	4	7
Relevant Stakes of the Petrobrás System	Alcoolquímica	Indag		Koppol (Políderivados)	Nitroclor	EDN	
	Triunfo	Nitriflex		Polipropileno		Polibrasil	
	Alclor	Polisul		Deten		Metanor	
	Cinal	PPH					
	FCC	CBE					
	Petrocoque	Poliolefinas					
		Oxiteno					
		Arafértil					
		Acrinor					
		Coperbo					
		Polialden					
		Ciquine					
		Politeno					
		Copene					
		CPC					
		Salgema					
		CQR					
	Nitrocarbóno						
	CBP						
	Pronor						
33	6	20	0	3	1	3	0
74 Total	10	42	2	3	3	7	7

^aIncorporated in Usiminas.

TABLE 32

Result of Company Sales per Offer – 1995

COMPANY	TYPE OF OFFER	OFFER DATE	% TOTAL CAPITAL		PROCEEDS (US\$ Million)
			Offered	Sold	
I. Sales of Companies and Stakes of the Petrobrás System					
Usiminas	Auction common shares	Oct. 24, 1991	37.6	37.6	1,112.4
	Auction preferred shares	Nov. 18, 1991	27.9	16.7	264.3
	Offer to employees	Nov. 14, 1991	10.0	9.6	34.0
	Public offer	Nov. 08, 1991	10.0	6.0	49.8
	International public offer	Sep. 21, 1994	12.2	12.2	360.5
	Domestic public offer	Sep. 21, 1994	4.0	4.0	119.5
	Auction common shares	Nov. 10, 1994	0.0	0.0	0.7
	Total		86.1	86.1	1,941.2
Celma	Auction common shares	Nov. 01, 1991	86.1	86.1	90.7
	Offer to employees	Oct. 01, 1991	10.0	3.0	0.4
	Total		89.1	89.1	91.1
Mafersa	Auction com./pref. shares	Nov. 11, 1991	90.0	90.0	48.4
	Offer to employees	Mar. 18, 1992	10.0	9.5	0.1
	Acquisition remainders	Mar. 26, 1992	0.5	0.5	0.3
	Total		100.0	100.0	48.8
Cosinor	Auction com./pref. shares	Nov. 14, 1991	89.8	89.8	13.6
	Offer to employees	Mar. 16, 1992	10.0	–	
	Acquisition remainders	Mar. 30, 1992	10.0	10.0	1.4
	Total		99.8	99.8	15.0
SNBP ^a	Auction common shares	Jan. 14, 1992	90.0	90.0	12.0
	Offer to employees		10.0	–	
	Total		100.0	90.0	12.0
Indag	Auction com./pref. shares	Jan. 23, 1992	35.0	35.0	6.8
Piratini	Auction com./pref. shares	Feb. 14, 1992	65.2	65.2	105.1
	Offer to employees	May 22, 1992	7.3	6.9	1.4
	Acquisition remainders	May 29, 1992	0.3	0.3	0.2
	Total		72.5	72.5	106.6
Petroflex	Auction common shares	Apr. 10, 1992	80.0	80.0	215.6
	Public offer	May 29, 1992	10.0	10.0	12.5
	Offer to employees	Jul. 10, 1992	10.0	10.0	6.0
	Total		100.0	100.0	234.1
Copesul	Auction common shares	May 15, 1992	62.9	62.9	797.1
	Public offer	Jun. 17, 1994	9.1	9.1	33.8
	Offer to employees	Nov. 01, 1993	10.0	10.0	30.6
	Total		82.1	82.1	861.5
Álcalis	Auction com./pref. shares	Jul. 15, 1992	90.0	90.0	78.9
	Offer to employees	Aug. 05, 1992	10.0	0.1	0.0
	Acquisition remainders	Aug. 25, 1992	9.9	9.9	2.5
	Total		100.0	100.0	81.4
CST	1st. auction com./pref. shares	Jul. 16, 1992	70.9	70.9	295.4
	2nd. auction com./pref. shares	Jul. 23, 1992	5.7	5.7	36.9
	Offer to employees	Jun. 26, 1992	12.4	12.4	15.2
	3rd. auction com./pref. shares	Oct. 26, 1994	0.5	0.5	6.2
	Total		89.5	89.5	353.6

(continue)

COMPANY	TYPE OF OFFER	OFFER DATE	% TOTAL CAPITAL		PROCEEDS (US\$ Million)
			Offered	Sold	
Nitriflex	Auction common shares	Aug. 06, 1992	40.0	40.0	26.2
Fosfértil	Auction common shares	Aug. 12, 1992	78.3	78.3	177.1
	Offer to employees	Aug. 27, 1992	10.0	10.0	4.9
	Total		88.3	88.3	182.0
Polisul	Auction common shares	Sep. 11, 1992	31.0	31.0	56.8
PPH	Auction common shares	Sep. 29, 1992	10.0	10.0	40.8
	Auction preferred shares	Nov. 12, 1992	9.0	9.0	18.6
	Total		19.0	19.0	59.4
Goiasfértil	Auction common shares	Oct. 08, 1992	90.0	90.0	12.7
	Offer to employees	Oct. 30, 1992	10.0	10.0	0.4
	Acquisition remainders	Dec. 15, 1992	0.0	0.0	0.0
	Total		100.0	100.0	13.1
Acesita	Auction common shares	Oct. 22, 1992	64.0	64.0	450.3
	Offer to employees	Sep. 25, 1992	10.0	10.0	15.1
	Total		74.0	74.0	465.4
CBE	Auction common shares	Dec. 03, 1992	23.0	23.0	10.9
Poliolefinas	1st. auction common shares	Mar. 19, 1993	15.7	15.7	43.6
	2nd. auction preferred shares	Mar. 19, 1993	15.7	15.7	43.5
	Total		31.5	31.5	87.1
CSN	Auction common shares	Apr. 02, 1993	65.0	60.1	1,056.6
	Offer to employees	Apr. 20, 1993	20.0	11.9	76.0
	Public offer	Jul. 02, 1993	13.9	9.9	152.4
	1st. auction remainders	Mar. 03, 1994	8.8	5.3	127.0
	2nd. auction remainders	Apr. 15, 1994	3.5	3.5	83.3
	Total		90.8	90.8	1,495.3
Ultrafértil	Auction common shares	Jun. 24, 1993	90.0	90.0	199.4
	Offer to employees	Dec. 17, 1993	10.0	10.0	6.1
	Total		100.0	100.0	205.6
Cosipa ^a	Auction common shares	Aug. 20, 1993	40.0	40.0	330.5
	Offer to employees	Sep. 23, 1993	20.0	20.0	29.4
	Auction preferred shares	Jun. 23, 1994	2.3	2.3	9.6
	Public offer - 1	Sep. 09, 1994	10.3	10.3	70.9
	Public offer - 2	Dec. 15, 1994	11.3	11.3	145.3
	Total		84.0	84.0	585.7
Açominas	Auction com./pref. shares	Sep. 10, 1993	79.9	79.9	554.2
	Offer to employees	Oct. 04, 1993	20.0	20.0	44.3
	Total		99.9	99.9	598.5
Oxiteno	Auction com./pref. shares	Sep. 15, 1993	15.2	15.2	53.9
PQU ^b	Auction common shares	Jan. 24, 1994	50.0	40.5	269.9
	Offer to employees	Mar. 09, 1994	9.8	9.8	17.6
	Total		58.9	50.3	287.5
Arafértil	Auction common shares	Apr. 15, 1994	33.3	33.3	10.8
Caraíba	Auction common shares	Jul. 28, 1994	80.0	80.0	5.0
	Offer to employees	Aug. 12, 1994	20.0	20.0	0.8
	Total		100.0	100.0	5.8
Acrinor	Auction common shares	Aug. 12, 1994	17.7	17.7	12.1
Coperbo	Auction com./pref. shares	Aug. 16, 1994	23.0	23.0	25.9

(continue)

COMPANY	TYPE OF OFFER	OFFER DATE	% TOTAL CAPITAL		PROCEEDS (US\$ Million)
			Offered	Sold	
Polialden	Auction common shares	Aug. 17, 1994	13.6	13.6	16.7
Ciquine	Auction com./pref. shares	Aug. 17, 1994	31.4	31.4	23.7
Politeno	Auction common shares	Aug. 18, 1994	24.9	24.9	44.9
Embraer ^a	Auction common shares	Dec. 07, 1994	50.5	50.5	182.9
	Offer to employees	Dec. 16, 1994	9.9	9.9	9.3
	Total		60.4	60.4	192.2
Escelsa ^a	Auction common shares	Jul. 11, 1995	50.0	50.0	385.7
	Offer to employees	Aug. 09, 1995	7.7	7.7	14.2
	To be stated	...	14.6		
	Total		72.3	57.7	399.9
Copene ^a	Auction common shares	Aug. 15, 1995	11.8	11.8	253.8
	Offer to employees	Oct. 13, 1995	3.1	3.1	16.6
	Public offer		15.8		
	Total		30.7	14.9	270.4
CPC	Auction common shares	Sep. 29, 1995	14.9	14.9	73.6
	Auction preferred shares	Sep. 29, 1995	5.9	5.9	26.0
	Total		20.8	20.8	99.6
Salgema	Auction common shares	Oct. 05, 1995	9.9	9.9	48.8
	Auction preferred shares	Oct. 05, 1995	19.4	19.4	90.4
	Total		29.3	29.3	139.2
CQR	Auction preferred shares	Oct. 05, 1995	36.9	36.9	1.7
Nitrocarbono	Auction com./pref. shares	Dec. 05, 1995	19.0	19.0	29.6
Pronor	Auction com./pref. shares	Dec. 05, 1995	20.1	20.1	63.5
CBP	Auction preferred shares	Dec. 05, 1995	23.7	23.7	0.0
Controlled Companies (21)					8,192.9
Relevant Stakes (20)					1,022.6
Total I					9,215.5
II. Sales of Minority Shareholdings (Decree 1,068)					
Miscellaneous	Auction 1	Nov. 10, 1994	-	-	109.0
	Auction 2	Nov. 11, 1994	-	-	16.2
	Auction 3	Nov. 14, 1994	-	-	151.6
	Auction 4	Nov. 29, 1994	-	-	0.0
	Auction 5	Dec. 01, 1994	-	-	38.7
	Auction 6	Dec. 12, 1994	-	-	18.3
	Auction 7	Dec. 15, 1994	-	-	7.0
	Auction 8	Dec. 16, 1994	-	-	54.7
	Total II		-	-	395.5
Overall Total (I + II)					9,611.0

^aProcess not yet concluded.

^bThe total does not stand for the offers due to the remainders of previous offers. In the case of PQU, 8.6% of the capital remained was kept by Petroquisa.

TABLE 33

Consolidated Results of Privatization – 1995

(In US\$ Million)

SECTOR	COMPANY	% TOTAL CAPITAL		SALE PROCEEDS	TRANSFERRED DEBT	FINAL RESULT
		Offered	Sold			
I. Sales of Companies and Stakes of the Petrobrás System						
Steel	Usiminas	86.1	86.1	1,941.2	369.1	2,310.3
	CSN	90.8	90.8	1,495.3	532.9	2,028.2
	Açominas	99.9	99.9	598.5	121.9	720.4
	Acesita	74.0	74.0	465.4	232.2	697.6
	Cosipa ^a	84.0	84.0	585.7	884.2	1,469.9
	CST	89.5	89.5	353.6	483.6	837.2
	Piratini	72.5	72.5	106.7	2.4	109.1
	Cosinor	99.8	99.8	15.0	0.0	15.0
	Total			5,561.4	2,626.3	8,187.7
Petrochemical	Copesul	82.1	82.1	861.5	9.2	870.7
	PQU	58.9	50.3	287.5	40.9	328.4
	Copene ^a	11.8	11.8	270.4	475.4	745.8
	Petroflex	100.0	100.0	234.1	20.7	254.8
	Salgema	29.3	29.3	139.2	43.9	183.2
	CPC	20.8	20.8	99.7	60.9	160.6
	Poliolefinas	31.5	31.5	87.1	0.0	87.1
	Álcalis	100.0	100.0	81.4	5.7	87.1
	Pronor	20.1	20.1	63.5	34.7	98.2
	PPH	19.0	19.0	59.4	35.0	94.4
	Polisul	31.0	31.0	56.8	131.0	187.8
	Oxiteno	15.2	15.2	53.9	2.0	55.9
	Politeno	24.9	24.9	44.9	28.4	73.3
	Nitrocarbono	19.0	19.0	29.6	7.5	37.1
	Nitriflex	40.0	40.0	26.2	9.2	35.4
	Coperbo	23.0	23.0	25.9	5.8	31.7
	Ciquine	31.4	31.4	23.7	6.3	30.0
	Polialden	13.6	13.6	16.7	1.5	18.2
	Acinor	17.7	17.7	12.1	0.7	12.8
	CBE	23.0	23.0	10.9	0.0	10.9
CQR	36.9	36.9	1.7	0.0	1.7	
CBP	23.7	23.7	0.0	0.0	0.0	
	Total			2,486.3	918.8	3,405.1
Fertilizers	Ultrafertil	100.0	100.0	205.6	20.2	225.8
	Fosfertil	88.3	88.3	182.0	44.0	226.0
	Goiásfertil	100.0	100.0	13.1	9.3	22.4
	Arafertil	33.3	33.3	10.8	1.8	12.6
	Indag	35.0	35.0	6.8	0.0	6.8
	Total			418.2	75.3	493.5

(continue)

SECTOR	COMPANY	% TOTAL CAPITAL		SALE PROCEEDS	TRANSFERRED DEBT	FINAL RESULT
		Offered	Sold			
Electricity	Escelsa ^a	50.0	50.0	399.9	2.0	402.0
	Embraer ^a	50.5	50.5	192.2	263.4	455.6
	Celma	89.1	89.1	91.1	4.5	95.6
Others	Mafersa	100.0	100.0	48.8	0.5	49.3
	SNBP ^a	100.0	90.0	12.0	0.0	12.0
	Carafba	100.0	100.0	5.8	0.0	5.8
	Total			349.8	268.4	618.2
Total				9,215.5	3,890.9	13,106.4
In %				70.3	29.7	100.0

II. Sales of Minority Shareholdings (Decree 1,068)

Miscellaneous		395.5	395.5
Overall Total		9,611.0	13,501.9
In %		71.2	100.0

^aProcess not yet concluded.

TABLE 34

Sale Procedures: Companies with Sale Notices Published by Dec. 31, 1995

PROCEDURES FOR EQUITY STOCK OFFERS		COMPANY	OFFERS IN % OF TOTAL EQUITY				
			Auction	Employees	Public		
Sale in Blocks of Shares	With Public Set Price Offer	Auction of common shares/offer to employees/public offer of preferred shares/auction of preferred shares	Usiminas	37.6 27.9	10.0	10.0	
		Auction of common shares/offer to employees/public offer	Petroflex	80.0	10.0	10.0	
			Copesul	62.9	10.0	9.1	
			CSN	65.0	20.0	5.8	
			Embraer	50.5	10.0	10.0	
		Auction of common shares, offer of preferred shares to employees and public	Copene	11.8	3.1	15.8	
	Without Public Set Price Offer	With Offer to Employees	Auction of common shares, offer of common shares to employees	Celma	86.1	10.0	
				Fosfertil	78.3	10.0	
				Acesita	64.0	10.0	
				Ultrafertil	90.0	10.0	
				Cosipa	40.0	20.0	
				PQU	50.0	9.8	
				Cobra	63.6	19.9	
			Auction of common/preferred shares, offer of common/preferred shares to employees	Açominas	79.9	20.0	
			Auction of common/preferred shares/auction of common shares/offer to employees	CST	70.9 5.7	12.4	
			Without Offer to Employees ^a	Auction of common shares	Polisul	31.0	
				Acrinor	17.7		
				Politeno	24.9		
	Polialden			13.6			
	Deten			33.5			
	Koppol			49.6			
	Auction of common shares/auction of preferred shares		PPH	10.0 9.0			
			CPC	14.9 5.9			
			Salgema	9.9 19.4			
			Polipropileno	28.4 5.8			
	Auction of common/preferred shares		Petrocoque	35.0			
			Oxiteno	15.2			
			Coperbo	23.0			
		Ciquine	31.4				
		Nitrocarbano	19.0				
		Pronor	35.3				

(continue)

PROCEDURES FOR EQUITY STOCK OFFERS		COMPANY	OFFERS IN % OF TOTAL EQUITY		
			Auction	Employees	Public
Sale in Block of Shares	With Offer to Employees	Auction of common/preferred shares/offer to employees	Maferesa	90.0	10.0
			Cosinor	89.8	10.0
			Piratini	65.2	7.3
			Álcalis	90.0	10.0
		Auction of common shares, offers to employees	SNBP	90.0	10.0
			Enasa	90.0	10.0
			Goiasfértil	90.0	10.0
			Carafba	80.0	20.0
		Lloydbrás	79.8	20.0	
		Escelsa	50.0	7.7	
	Without Offer to Employees ^a	Auction of common/preferred shares	Indag	35.0	
		Auction of common shares	Nitriflex	40.0	
			CBE	23.0	
			Poliolefinas	31.5	
Arafértil			33.3		
Auction of common/preferred shares		CQR	36.9		
	CBP	23.7			

^aMinority stakes.

TABLE 35

Currencies Received in Privatization Offers - 1995

(In US\$ Million)

COMPANY	TYPE OF OFFER	SIDERB. DEBENT. (SIBR)	PRIVAT. CERT. (CP)	FND BONDS (OFND)	FED. SEC. DEBT (DISEC)	FARM DEBT PAPERS TDA	FOREIGN DEBT PAPERS (DIVEX)	MORTIG. BILLS (CEF)	CASH	TOTAL	%
I. Sales of Companies and Stakes of Petrobrás System											
	Auction common shares	500.3	176.3	191.9	205.8	33.6	4.4	0.0	1,112.4		
	Auction preferred shares	37.4	124.8	56.0	17.8	28.3		0.0	264.3		
	Offer to employees	1.5	2.3		28.2			1.2	34.0		
Usiminas	Public offer	5.3	20.0		7.5	3.4		13.5	49.8		
	Internat. public offer							360.5	360.5		
	Domestic public offer							119.5	119.5		
	Auction							0.7	0.7		
	Total	544.6	323.3	247.9	259.4	65.3	4.4	495.4	1,941.2	20.3	
Celma	Auction common shares	55.2	8.4	4.2	6.8	16.0			90.7		
	Offer to employees	0.4						0.0	0.4		
	Total	55.6	8.4	4.2	6.8	16.0		0.0	91.1	1.0	
Mafersa	Auction com./pref. shares	23.3		25.1					48.4		
	Offer to employees	0.1						0.0	0.1		
	Acquisition remainders	0.3							0.3		
	Total	23.7		25.1				0.0	48.8	0.5	
Cosinor	Auction com./pref. shares		13.6						13.6		
	Offer to employees		1.4						1.4		
	Total		15.0						15.0	0.2	
SNBP ^a	Auction common shares	12.0							12.0		
	Offer to employees										
	Total	12.0							12.0	0.1	
Indag	Auction com./pref. shares		6.8						6.8	0.1	
Piratini	Auction com./pref. shares	23.6	66.2		9.5	5.7			105.1		
	Offer to employees					1.4		0.1	1.4		
	Acquisition remainders				0.2				0.2		
	Total	23.6	66.2		9.8	7.0		0.1	106.7	1.1	
Petroflex	Auction common shares	0.8	145.7	64.0	3.7	1.3			215.6		
	Public offer	0.9	6.5		3.1	1.7		0.3	12.5		
	Offer to employees	0.5	1.9		2.7	0.9		0.0	6.0		
	Total	2.2	154.1	64.0	9.5	3.9		0.4	234.1	2.4	
Copesul	Auction common shares	76.5	262.7	60.4	309.0	76.9	7.7	4.0	0.0	797.1	
	Public offer ^c	0.6	0.7		20.7	9.4		0.8	0.0	32.1	
	Offer to employees	4.9	13.6		11.5	0.6				30.6	
	Total	81.9	276.9	60.4	341.1	86.9	7.7	4.8	0.0	859.8	9.0

(continue)

COMPANY	TYPE OF OFFER	SIDEB. DEBENT. (SIBR)	PRIVAT. CERT. (CP)	FND BONDS (OFND)	FED. SEC. DEBT (DISEC)	FARM DEBT PAPERS TDA	FOREIGN DEBT PAPERS (DIVEX)	MORTIG. BILLS (CEF)	CASH	TOTAL	%
Álcalis ^b	Auction com./pref. shares		4.5		33.4	8.7				46.6	
	Offer to employees	0.0								0.0	
	Acquisition remainders		0.2		0.1	2.2				2.5	
	Total	0.0	4.7		33.5	10.9				49.1	0.5
CST	1st. auction com./pref. shares	5.2	56.8	7.2	140.1	8.3		77.8		295.4	
	2nd. auction com./pref. shares		7.3		26.5	3.1				36.9	
	Offer to employees		8.6		5.6	0.9		0.1	0.0	15.2	
	Acquisition remainders								6.2	6.2	
	Total	5.2	72.6	7.2	172.2	12.2		77.9	6.2	353.6	3.7
Nitriflex	Auction common shares		7.6		18.6					26.2	0.3
Fosfértil	Auction common shares		27.9		145.9	2.9		0.3	0.0	177.1	
	Offer to employees		1.5			3.4				4.9	
	Total		29.4		145.9	6.4		0.3	0.0	182.0	1.9
Polisul	Auction common shares	2.2	24.7		5.5	13.1	11.4			56.8	0.6
PPH	Auction common shares		25.5					15.3		40.8	
	Auction preferred shares	0.0	18.1		0.4	0.0				18.6	
	Total	0.0	43.6		0.4	0.0		15.3		59.4	0.6
Goiasfértil	Auction common shares		0.2		0.4	12.1				12.7	
	Offer to employees					0.4				0.4	
	Total		0.2		0.4	12.5				13.1	0.1
Acesita	Auction common shares	26.5	58.9	152.0	75.8	111.6	2.1	23.3	0.0	450.3	
	Offer to employees		15.1							15.1	
	Total	26.5	74.0	152.0	75.8	111.6	2.1	23.3	0.0	465.4	4.9
CBE	Auction common shares				10.9					10.9	0.1
Polioléfinas	1st. auction common shares		30.5						13.1	43.5	
	2nd. auction common shares		30.5						13.1	43.6	
	Total		61.0						26.1	87.1	0.9
CSN	Auction common shares	131.6	92.0	31.4	501.2	90.1	1.2	168.9	40.2	1,056.6	
	Offer to employees	0.0		0.0	60.8	10.8		1.5	2.9	76.0	
	Public offer ^c	79.4	2.6	1.4	5.2	43.1		7.3	6.0	144.8	
	1st. auction (remainders)								127.0	127.0	
	2nd. auction (remainders)								83.3	83.3	
	Total	211.0	94.6	32.8	567.2	144.0	1.2	177.6	259.3	1,487.6	15.5
Ultrafértil	Auction common shares		0.0		159.5				39.9	199.4	
	Offer to employees					4.9			1.2	6.1	
	Total		0.0		159.5	4.9			41.1	205.6	2.1

(continue)

COMPANY	TYPE OF OFFER	SIDERB. DEBENT. (SIBR)	PRIVAT. CERT. (CP)	FND BONDS (OFND)	FED. SEC. DEBT (DISEC)	FARM DEBT PAPERS TDA	FOREIGN DEBT PAPERS (DIVEX)	MORTIG. BILLS (CEF)	CASH	TOTAL	%
Cosipa ^a	Auction common shares	198.6	4.5		112.3	2.4			12.7	330.5	
	Offer to employees	1.2			27.0				1.1	29.4	
	Auction preferred shares								9.6	9.6	
	1st. public offer								70.9	70.9	
	2nd. public offer								145.3	145.3	
Total		199.8	4.5		139.3	2.4			239.7	585.7	6.1
Açominas	Auction com./pref. shares	89.2	6.1	0.1	397.8	23.0		10.3	27.7	554.2	
	Offer to employees	0.0			42.1				2.2	44.3	
	Total	89.2	6.1	0.1	439.8	23.0		10.3	29.9	598.5	6.3
Oxiteno	Auction com./pref. shares		0.0		25.4	0.2	25.6		2.7	53.9	
	Total		0.0		25.4	0.2	25.6		2.7	53.9	0.6
PQU	Auction common shares	62.3	8.0	0.3	95.2	15.5	0.9	6.8	81.0	269.9	
	Offer to employees	12.3				0.0			5.4	17.6	
	Total	74.5	8.0	0.3	95.2	15.5	0.9	6.8	86.3	287.5	3.0
Arafertil	Auction common shares				9.7				1.1	10.8	0.1
Caraíba	Auction common shares				4.5				0.5	5.0	
	Offer to employees				0.7				0.1	0.8	
	Total				5.2				0.6	5.8	0.1
Acrinor	Auction common shares				10.9				1.2	12.1	0.1
Coperbo	Auction com./pref. shares				23.4				2.6	25.9	0.3
Polialden	Auction common shares				15.1				1.7	16.7	0.2
Ciquine	Auction com./pref. shares				21.3				2.4	23.7	0.2
Politeno	Auction common shares				29.0	11.4			4.5	44.9	0.5
Embraer ^a	Auction common shares	0.1	0.6	23.3	139.5	19.4			0.1	182.9	
	Offer to employees				9.3					9.3	
	Total	0.1	0.6	23.3	148.7	19.4			0.1	192.2	2.0
Escelsa ^a	Auction common shares				127.6				258.1	385.7	
	Offer to employees		0.0		4.7				9.5	14.2	
	Total	0.0	0.0		132.3				267.6	399.9	4.2
Copene ^a	Auction common shares	29.0			199.1	0.2		0.1	25.4	253.8	
	Offer to employees				15.0				1.7	16.6	
	Total	29.0		0.0	214.1	0.2	0.0		27.0	270.4	2.8
CPC	Auction common shares	56.3			9.9				7.4	73.6	
	Auction preferred shares	14.8	0.4	0.0	8.2	0.0			2.6	26.0	
	Total	71.1	0.4	0.0	18.1	0.0			10.0	99.7	1.0
Salgema	Auction common shares				43.9				4.9	48.8	
	Auction preferred shares	43.5	5.2	0.3	22.9	9.3		0.0	9.1	90.4	
	Total	43.5	5.2	0.3	66.9	9.3		0.0	14.0	139.2	1.5

(continue)

COMPANY	TYPE OF OFFER	SIDERB. DEBENT. (SIBR)	PRIVAT. CERT. (CP)	FND BONDS (OFND)	FED. SEC. DEBT (DISEC)	FARM DEBT PAPERS TDA	FOREIGN DEBT PAPERS (DIVEX)	MORTIG. BILLS (CEF)	CASH	TOTAL	%
CQR	Auction preferred shares				1.4				0.2	1.6	0.0
Nitro-carbono	Auction com./pref. shares				26.6				3.0	29.6	0.3
Pronor	Auction com./pref. shares				57.1			0.0	6.3	63.5	0.7
CBP	Auction preferred shares				0.0				0.0	0.04	0.0
Total I		1,495.9	1,288.2	617.7	3,295.9	575.9	68.6	301.0	1,529.4	9,173.9	95.9
In %		15.6	13.5	6.5	34.4	6.0	0.7	3.1	16.0	95.9	
II. Sales of Minority Shareholdings (Decree 1,068)											
	Auction 1								109.0	109.0	1.1
	Auction 2								16.2	16.2	0.2
	Auction 3								151.6	151.6	1.6
	Auction 4								0.0	0.0	0.0
	Auction 5								38.7	38.7	0.4
	Auction 6								18.3	18.3	0.2
	Auction 7								7.0	7.0	0.1
	Auction 8								54.7	54.7	0.6
Total II									395.5	395.5	4.1
Overall Total^d		1,496.0	1,288.2	617.7	3,295.9	575.9	68.6	301.0	1,924.9	9,569.3	100.0
In %		15.6	13.5	6.5	34.4	6.0	0.7	3.1	20.1	100.0	

^aProcess not yet concluded.

^bProcess not yet concluded. Term payment of US\$ 32.4 million not identified.

^cCurrencies relate to net amounts received.

^dOf this total, US\$ 41.7 million are not specifically broken down by currency type.

TABLE 36

Privatization Currencies: Consolidated Results – 1995

(In US\$ Million)

SECTOR	COMPANY	SIDERB. DEBENT. (SIBR)	PRIVAT. CERT. (CP)	FND BONDS (OFND)	FED. SEC. DEBT (DISEC)	FARM DEBT PAPERS (TDA)	FOREIGN DEBT PAPERS (DIVEX)	MORTIG. BILLS (CEF)	CASH	TOTAL	%	
											Overall	Sector
I. Sales of Companies and Stakes of the Petrobrás System												
Steel	Usiminas	544.6	323.3	247.9	259.4	65.3	4.4		495.4	1,941.2	21.2	35.0
	CSN	211.0	94.6	32.8	567.2	144.0	1.2	177.6	259.3	1,487.6	16.2	26.8
	Açominas	89.2	6.1	0.1	439.8	23.0		10.3	29.9	598.5	6.5	10.8
	Acesita	26.5	74.0	152.0	75.8	111.6	2.1	23.3		465.4	5.1	8.4
	Cosipa	199.8	4.5		139.3	2.4			239.7	585.7	6.4	10.5
	CST	5.2	72.6	7.2	172.2	12.2		77.9	6.2	353.6	3.9	6.4
	Piratini	23.6	66.2		9.8	7.0			0.1	106.7	1.2	1.9
	Cosinor		15.0							15.0	0.2	0.3
Total		1,100.0	656.5	440.1	1,663.5	365.5	7.8	289.1	1,030.5	5,553.8	60.5	100.0
Petrochemical	Copesul	81.9	276.9	60.4	341.1	86.9	7.7	4.8		859.8	9.4	35.1
	PQU	74.5	8.0	0.3	95.2	15.5	0.9	6.8	86.3	287.5	3.1	11.7
	Copene	29.0	0.0	0.0	214.1	0.2	0.0	0.0	27.0	270.4	2.9	11.0
	Petroflex	2.2	154.1	64.0	9.5	3.9			0.4	234.1	2.6	9.5
	Salgema	43.5	5.2	0.3	66.9	9.3		0.0	14.0	139.2	1.5	5.7
	CPC	71.1	0.4	0.0	18.1	0.0	0.0	0.0	10.0	99.7	1.1	4.1
	Poliolefinas		61.0						26.1	87.1	0.9	3.6
	Pronor				57.1			0.0	6.3	63.5	0.7	2.6
	Álcalis ^a		4.7		33.5	10.9				49.1	0.5	2.0
	PPH		43.6		0.4			15.3		59.4	0.6	2.4
	Polisul	2.2	24.7		5.5	13.1	11.4			56.8	0.6	2.3
	Oxiteno				25.4	0.2	25.6		2.7	53.9	0.6	2.2
	Politeno				29.0	11.4			4.5	44.9	0.5	1.8
	Nitrocarbono				26.6				3.0	29.6	0.3	1.2
	Nitriflex		7.6		18.6					26.2	0.3	1.1
	Coperbo				23.4				2.6	25.9	0.3	1.1
	Ciquine				21.3				2.4	23.7	0.3	1.0
	Polialden				15.1				1.7	16.7	0.2	0.7
	Acrinor				10.9				1.2	12.1	0.1	0.5
	CBE				10.9					10.9	0.1	0.4
CQR				1.4				0.2	1.6	0.0	0.1	
CBP				0.0				0.0	0.0	0.1	0.0	
Total		304.5	586.2	125.1	1,023.9	151.3	60.9	11.6	188.4	2,452.0	26.7	100.0
Fertilizers	Ultrafertil				159.5	4.9			41.1	205.6	2.2	49.2
	Fosfertil		29.4		145.9	6.4		0.3		182.0	2.0	43.5
	Goiasfertil		0.2		0.4	12.5				13.1	0.1	3.1
	Arafertil				9.7				1.1	10.8	0.1	2.6
	Indag		6.8							6.8	0.1	1.6
Total		36.4			315.5	23.8		0.3	42.2	418.2	4.6	100.0

(continue)

SECTOR	COMPANY	SIDERB. DEBENT. (SIBR)	PRIVAT. CERT. (CP)	FND BONDS (OFND)	FED. SEC. DEBT (DISEC)	FARM DEBT PAPERS (TDA)	FOREIGN DEBT PAPERS (DIVEX)	MORTIG. BILLS (CEF)	CASH	TOTAL	%	
											Overall	Sector
Electricity	Escelsa				132.3				267.6	399.9	-	-
	Embraer	0.1	0.6	23.3	148.7	19.4			0.1	192.2	2.1	54.9
	Celma	55.6	8.4	4.2	6.8	16.0				91.1	1.0	26.0
Others	Mafersa	23.7		25.1						48.8	0.5	13.9
	SNBP	12.0								12.0	0.1	3.4
	Carafba				5.2				0.6	5.8	0.1	1.6
	Total	91.4	9.1	52.6	160.8	35.3			0.7	349.9	3.8	100.0
	Total I	1,496.0	1,288.1	617.7	3,295.9	575.9	68.6	301.0	1,529.4	9,173.8	100.0	95.9
	In %	16.3	14.0	6.7	35.9	6.3	0.7	3.3	16.7	110.0	-	-
II. Sales of Minority Shareholdings (Decree 1,068)												
	Miscellaneous								395.5	395.5		4.1
	Overall Total^b	1,496.0	1,288.1	617.7	3,295.9	575.9	68.6	301.0	1,924.9	9,569.3	-	95.9
	In %	15.6	13.5	6.5	34.4	6.0	0.7	3.1	20.1	100.0	-	100.0

^aTerm payment of US\$ 32.4 million not identified.

^bOf this total, US\$ 41.7 million are not specifically broken down of currency type.

TABLE 37

Sale Proceeds Breakdown per Sector & Company – 1991/95

(In US\$ Million)

SECTOR	COMPANY	1991	1992	1993	1994	1995	TOTAL 1991/95	% TOTAL	% SECTOR
I. Sales of Companies and Stakes of the Petrobrás System									
Steel	Usiminas	1,410.7	49.8		480.7		1,941.2	20.2	34.9
	CSN			1,285.0	210.3		1,495.3	15.6	26.9
	Açominas			598.5			598.5	6.2	10.8
	Acesita		465.4				465.4	4.8	8.4
	Cosipa ^a			359.9	225.8		585.7	6.1	10.5
	CST		347.4		6.2		353.6	3.7	6.4
	Piratini		106.7				106.7	1.1	1.9
	Cosinor	13.6	1.4				15.0	0.2	0.3
	Total	1,424.3	970.8	2,243.4	922.9		5,561.4	57.9	100.0
Petrochemical	Copesul		797.1	30.6	33.8		861.5	9.0	34.7
	PQU				287.5		287.5	3.0	11.6
	Copene ^a					270.4	270.4	2.8	10.9
	Petroflex		234.0				234.1	2.4	9.4
	Salgema					139.2	139.2	1.4	5.6
	CPC					99.6	99.6	1.0	4.0
	Poliolefinas			87.1			87.1	0.9	3.5
	Álcalis		81.4				81.4	0.8	3.3
	Pronor					63.5	63.5	0.7	2.6
	PPH		59.4				59.4	0.6	2.4
	Polisul		56.8				56.8	0.6	2.3
	Oxiteno			53.9			53.9	0.6	2.2
	Politeno				44.9		44.9	0.5	1.8
	Nitrocarbano						29.6	0.3	1.2
	Nitriflex		26.2				26.2	0.3	1.1
	Coperbo				25.9		25.9	0.3	1.0
	Ciquine				23.7		23.7	0.2	1.0
	Polialden				16.7		16.7	0.2	0.7
	Acrinor				12.1		12.1	0.1	0.5
	CBE		10.9				10.9	0.1	0.4
CQR						1.7	0.0	0.1	
CBP						0.0	0.0	0.0	
Total		1,265.7	171.6	444.7	603.9		2,486.3	25.9	100.0

(continue)

SECTOR	COMPANY	1991	1992	1993	1994	1995	TOTAL 1991/95	% TOTAL	% SECTOR
Fertilizers	Ultrafertil			205.6	0.0		205.6	2.1	49.2
	Fosfertil		182.0		0.0		182.0	1.9	43.5
	Goiásfertil		13.1		0.0		13.1	0.1	3.1
	Arafertil				10.8		10.8	0.1	2.6
	Indag		6.8		0.0		6.8	0.1	1.6
	Total			201.9	205.6	10.8		418.2	4.4	100.0
Electricity	Escelsa ^a					399.9	399.9	4.2	95.6
Others	Embraer ^a				192.2		192.2	2.0	54.9
	Celma	91.1			0.0		91.1	0.9	26.0
	Mafersa	48.5	0.3		0.0		48.8	0.5	14.0
	SNBP ^a	0.0	12.0		0.0		12.0	0.1	3.4
	Carafba				5.8		5.8	0.1	1.6
	Total		139.6	12.3		198.0		349.8	3.6	100.0
Total		1,563.9	2,450.7	2,620.6	1,576.4	1,003.9	9,215.5	95.9	-
In %		17.0	26.6	28.4	17.1	10.9	-	-	-
II. Sales of Minority Shareholdings (Decree 1,068)									
Miscellaneous					395.5		395.5	4.1	-
Overall Total		1,563.9	2,450.7	2,620.6	1,971.8	1,003.9	9,611.0	100.0	-
In %		16.3	25.5	27.3	20.5	10.4	100.0	-	-

^aProcess not yet concluded.

TABLE 38
Sale Proceeds per Type of Offer – 1995
(In US\$ Million)

SECTOR	COMPANY	TYPE OF OFFER			TOTAL
		Open Auction ^b	Employees	Public Set Price	
I. Sales of Companies and Stakes of the Petrobrás System					
Steel	Usiminas	1,377.3	34.0	529.8	1,941.2
	CSN	1,266.9	76.0	152.4	1,495.3
	Açominas	554.2	44.3		598.5
	Acesita	450.3	15.1		465.4
	Cosipa ^a	340.1	29.4	216.2	585.7
	CST	338.5	15.2		353.6
	Piratini	105.3 ^b	1.4		106.7
	Cosinor	15.0 ^b			15.0
	Total	4,447.6	215.4	898.5	5,561.4
Petrochemical	Copesul	797.1	30.6	33.8	861.5
	PQU	269.9	17.6		287.5
	Copene ^a	253.8	16.6		270.4
	Petroflex	215.6	6.0	12.5	234.1
	Salgema	139.2			139.2
	CPC	99.6			99.6
	Poliiolefinas	87.1			87.1
	Álcalis	81.4 ^b	0.0		81.4
	Pronor	63.5			63.5
	PPH	59.4			59.4
	Polisul	56.8			56.8
	Oxiteno	53.9			53.9
	Politeno	44.9			44.9
	Nitrocarbono	29.6			29.6
	Nitriflex	26.2			26.2
	Coperbo	25.9			25.9
	Ciquine	23.7			23.7
	Polialden	16.7			16.7
	Acrinor	12.1			12.1
	CBE	10.9			10.9
CQR	1.7			1.7	
CBP	0.0			0.0	
Total	2,368.9	70.9	46.3	2,486.3	

(continue)

SECTOR	COMPANY	TYPE OF OFFER			TOTAL
		Open Auction ^b	Employees	Public Set Price	
Fertilizers	Ultrafértil	199.4	6.1		205.6
	Fosfértil	177.1	4.9		182.0
	Goiásfértil	12.7 ^b	0.4		13.1
	Arafértil	10.8			10.8
	Indag	6.8			6.8
	Total	406.7	11.5		418.2
Electricity	Escelsa ^a	385.7	14.2		399.9
Others	Embraer ^a	182.9	9.3		192.2
	Celma	90.7	0.4		91.1
	Mafersa	48.5 ^b	0.3		48.8
	SNBP ^a	12.0			12.0
	Caraíba	5.0	0.8		5.8
	Total	339.1	10.7		349.8
Total I		7,948.0	322.6	944.7	9,215.5
II. Sales of Minority Shareholdings (Decree 1,068)					
Miscellaneous		395.5	-	-	395.5
Total (I + II)		8,343.6	322.6	944.7	9,611.0
In %		86.8	3.4	9.8	100.0

^aProcess not yet concluded.

^bIncluding leftovers acquired by buyers (US\$ 4.4 million).

TABLE 39

Consolidated Sale Results Breakdown per Type of Buyer – 1995

(In US\$ Million)

SECTOR	COMPANY	FINANCIAL COMPANIES	PENSION FUNDS	NON FINANCIAL COMPANIES	FOREIGN	INDIVIDUALS	TOTAL
I. Sales of Companies and Stakes of the Petrobrás System							
Steel	Usiminas	442.8	466.7	319.4	146.3	85.3	1,460.5
	CSN	577.1	180.1	458.7	47.9	231.4	1,495.3
	Açominas	168.7	2.4	381.8	0.5	45.1	598.5
	Acesita	149.0	204.4	60.9	9.9	41.3	465.4
	Cosipa ^a	0.6	0.6	317.1	12.2	29.4	359.9
	CST	226.1	10.2	92.4	0.2	18.6	347.4
	Piratini			105.3		1.4	106.7
	Cosinor			15.0			15.0
	Total	1,564.2	864.3	1,750.6	217.0	452.7	4,848.7
Petrochemical	Copesul	271.1	89.6	372.2	57.9	70.7	861.5
	PQU	228.9	11.6	27.7	1.7	17.7	287.5
	Copene ^a		25.3	228.5		16.6	270.4
	Petroflex	6.8	70.0	137.6	1.0	18.6	234.1
	Salgema	38.6	18.9	73.0	1.2	7.5	139.2
	CPC	16.4	7.0	75.1	1.2		99.6
	Poliolefinas			87.1			87.1
	Álcalis			81.4			81.4
	Pronor			63.5			63.5
	PPH			44.1	15.3		59.4
	Polisul			45.4	11.4		56.8
	Oxiteno		0.6	26.3	27.0		53.9
	Politeno			44.9			44.9
	Nitrocarbano			29.6			29.6
	Nitriflex			26.2			26.2
	Coperbo			25.9			25.9
	Ciquine			23.7			23.7
	Polialden			16.7			16.7
	Acrinor			7.6	4.5		12.1
	CBE			10.9			10.9
	CQR				1.6		1.6
	CBP	0.0					0.0
Total	561.8	223.0	1,447.3	122.7	131.2	2,486.2	

(continue)

SECTOR	COMPANY	FINANCIAL COMPANIES	PENSION FUNDS	NON FINANCIAL COMPANIES	FOREIGN	INDIVIDUALS	TOTAL
Fertilizers	Ultrafertil			199.4		6.1	205.6
	Fosfertil	21.3		154.0	0.9	5.8	182.0
	Goiásfertil			12.7		0.4	13.1
	Arafertil			5.4	5.4		10.7
	Indag			6.8			6.8
	Total	21.3			378.3	6.2	12.3	418.2
Electricity	Escelsa ^a		192.8	192.8		14.2	399.8
Others	Embraer ^a	23.1	97.4	1.9	59.8	9.9	192.0
	Celma	47.0	5.6	22.5	11.3	4.7	91.1
	Mafersa		48.7			0.1	48.8
	SNBP ^a			12.0			12.0
	Caraiiba			5.0		0.8	5.8
	Total	70.1	151.7	41.4	71.1	15.4	349.7
Total	2,217.5	1,431.7	3,810.4	417.1	625.8	8,502.8	
In %	26.1	16.8	44.8	4.9	7.4	100.0	

^aProcess not yet concluded.

The above breakdown does not include the following proceeds:

• Auction of preferred Cosipa shares	9.6
• Offer to public 1 Cosipa shares	70.9
• Offer to public 2 Cosipa shares	145.3
• International and domestic offer Usiminas	480.0
• Usiminas auction	0.7
• CST auction	6.2
• Minority interests (Decree 1,068)	395.5
Total (US\$ Million)	1,108.2

TABLE 40
Auction Offers – 1991/95

COMPANY	MONTH	% OF TOTAL EQUITY		MINIMUM AT AUCTION (US\$ Million)	SALE PROCEEDS (US\$ Million)	PREMIUM OBTAINED (%)	MINIMUM IN CASH (%)
		Offered	Sold				
I. Sales of Companies and Stakes of the Petrobrás System							
Usiminas - common stock	Oct. 1991	37.6	37.6	973.2	1,112.4	14.3	–
Usiminas - preferred stock	Nov. 1991	27.9	16.7	264.3	264.3	0.0	–
Celma	Nov. 1991	86.1	86.1	72.5	90.7	25.0	–
Mafersa	Nov. 1991	90.0	90.0	18.5	48.4	161.0	–
Cosinor	Nov. 1991	89.8	89.8	12.0	13.6	13.8	–
Total 1991		–	–	1,340.6	1,529.4	14.1	
SNBP	Jan. 1992	90.0	90.0	7.8	12.0	54.4	–
Indag	Jan. 1992	35.0	35.0	6.8	6.8	0.1	–
Piratini	Feb. 1992	65.2	65.2	42.0	105.1	150.4	–
Petroflex	Apr. 1992	80.0	80.0	178.6	215.6	20.7	–
Copesul	May 1992	62.9	62.9	617.1	797.1	29.2	–
Álcalis	Jul. 1992	90.0	90.0	78.9	78.9	0.0	–
CST – common/pref. stock	Jul. 1992	70.9	70.9	295.4	295.4	0.0	–
CST – common stock	Jul. 1992	5.7	5.7	36.9	36.9	0.0	–
Nitriflex	Aug. 1992	40.0	40.0	26.2	26.2	0.0	–
Fosfertil	Aug. 1992	78.3	78.3	139.3	177.1	27.1	–
Polisul	Sep. 1992	31.0	31.0	56.8	56.8	0.0	–
PPH – common stock	Sep. 1992	10.0	10.0	25.1	40.8	62.2	–
PPH – preferred stock	Nov. 1992	9.0	9.0	18.6	18.6	0.0	–
Goiasfertil	Oct. 1992	90.0	90.0	12.7	12.7	0.0	–
Acesita	Oct. 1992	64.0	64.0	347.7	450.3	29.5	–
CBE	Dec. 1992	23.0	23.0	10.9	10.9	0.0	–
Total 1992		–	–	1,900.6	2,340.7	23.2	
Polioléfinas	Mar. 1993	15.7	15.7	87.1	87.1	0.0	30.0
CSN – 1st. auction	Apr. 1993	65.1	60.1	1,056.6	1,056.6	0.0	3.8
Ultrafertil	Jun. 1993	90.0	90.0	199.4	199.4	0.0	20.0
Cosipa – common stock	Aug. 1993	40.0	40.0	166.3	330.5	98.8	3.8
Açominas	Sep. 1993	79.9	79.9	284.8	554.2	94.6	5.0
Oxiteno	Sep. 1993	15.2	15.2	53.9	53.9	0.0	5.0
Total 1993		–	–	1,848.1	2,281.8	23.5	

(continue)

COMPANY	MONTH	% OF TOTAL EQUITY		MINIMUM AT AUCTION (US\$ Million)	SALE PROCEEDS (US\$ Million)	PREMIUM OBTAINED (%)	MINIMUM IN CASH (%)
		Offered	Sold				
PQU	Jan. 1994	50.0	40.5	269.9	269.9	0.0	30.0
CSN – 2nd. auction	Mar. 1994	8.8	5.3	127.0	127.0	0.0	100.0
Arafertil	Apr. 1994	33.3	33.3	10.7	10.8	0.5	10.0
CSN – 3rd. auction	Apr. 1994	3.5	3.5	83.3	83.3	0.0	100.0
Cosipa – preferred stock	Jun. 1994	2.3	2.3	7.7	9.6	24.7	100.0
Caraiba	Jul. 1994	80.0	80.0	5.0	5.0	0.0	10.0
Acrinor	Aug. 1994	17.7	17.7	12.1	12.1	0.0	10.0
Coperbo	Aug. 1994	23.0	23.0	25.9	25.9	0.0	10.0
Polialden	Aug. 1994	13.6	13.6	16.7	16.7	0.0	10.0
Ciquine	Aug. 1994	31.4	31.4	23.7	23.7	0.0	10.0
Politeno	Aug. 1994	24.9	24.9	44.9	44.9	0.0	10.0
Usiminas	Nov. 1994	0.0	0.0	0.7	0.7	0.0	100.0
Embraer	Dec. 1994	50.5	50.5	181.5	182.9	0.8	0.0
CST	Oct. 1994	0.5	0.5	6.2	6.2	0.0	100.0
Total 1994		–	–	815.4	818.8	0.4	–
Escelsa	Jul. 1995	50.0	50.0	345.0	385.7	11.8	66.9
Copene	Aug. 1995	11.8	11.8	253.8	253.8	0.0	10.0
CPC – common stock	Sep. 1995	14.9	14.9	73.6	73.6	0.0	10.0
CPC – preferred stock	Sep. 1995	5.9	5.9	16.5	26.0	57.4	10.0
Salgema – common stock	Oct. 1995	9.9	9.9	48.8	48.8	0.0	10.0
Salgema – preferred stock	Oct. 1995	19.4	19.4	37.9	90.4	138.2	10.0
CQR	Oct. 1995	36.9	36.9	0.0	1.6	13.800.0	10.0
Nitrocarbano	Dec. 1995	19.0	19.0	29.5	29.6	0.0	10.0
Pronor	Dec. 1995	20.1	20.1	62.9	63.5	0.8	10.0
CBP	Dec. 1995	23.7	23.7	0.0	0.0	50.1	10.0
Total 1995		–	–	868.3	973.0	12.1	–
Total I (1991/95)		–	–	6,773.0	7,943.7	17.3	–
II. Sales of Minority Shareholdings (Decree 1,068)							
Miscellaneous	Nov. 1994 (4)			269.8	276.8	2.6	100.0
	Dec. 1994 (1)			118.5	118.6	0.1	100.0
Total II				388.3	395.5	1.9	–
Total (I + II)				7,161,4	8,339,2	16,4	–

TABLE 41
Offers to Employees – 1991/95

COMPANY	MONTH	% OF EQUITY		EMPLOYEES BUYERS		
		Offered	Subscribed	Proceeds (US\$ Million)	Number of Buyers	Average Amount Bought (US\$/Employee)
Celma	Oct. 1991	10.0	3.0	0.4	342	1,279
Usiminas	Nov. 1991	10.0	9.6	34.0	17,827	1,907
Mafersa	Mar. 1992	10.0	9.5	0.1	2,474	48
Cosinor	Mar. 1992	10.0	–	–	0	–
Piratini	May 1992	9.9	9.5	1.4	1,106	1,289
Petroflex	Jul. 1992	10.0	10.0	6.0	1,365	4,431
CST	Jul. 1992	12.4	12.4	15.2	6,086	2,491
Álcalis	Aug. 1992	10.0	0.1	0.0	25	752
Fosfértil	Aug. 1992	10.0	10.0	4.9	1,971	2,500
Acesita	Sep. 1992	10.0	10.0	15.1	13,191	1,145
Goiásfértil	Oct. 1992	10.0	10.0	0.4	676	576
CSN	Apr. 1993	20.0	11.9	76.0	30,504	2,491
Cosipa	Sep. 1993	20.0	20.0	29.4	13,682	2,149
Açominas	Oct. 1993	20.0	20.0	44.3	5,281	8,390
Copesul	Nov. 1993	10.0	10.0	30.6	1,409	21,718
Ultrafértil	Dec. 1993	10.0	10.0	6.1	1,600	3,844
PQU	Jun. 1994	9.8	9.8	17.6	1,447	12,190
Caraíba	Aug. 1994	20.0	20.0	0.8	907	838
Embraer	Dec. 1994	9.9	9.9	9.3	6,036	1,541
Escelsa	Aug. 1995	7.7	7.7	14.2	3,180	4,465
Copene	Oct. 1995	3.1	3.1	16.6	4,329	3,835
Total				322.6	113,438	2,843

TABLE 42
Offers to the Public at Set Prices – 1991/95

COMPANY	DATE OF OFFER	SHARE OF EQUITY (%)		PROCEEDS (US\$ Million)	SUBSCRIBING LIMITS PER BUYER (US\$ Million)		BUYERS	
		Offered	Subscribed		Minimum	Maximum	Number of Buyers	Average Amount of Bought (US\$/Buyer)
Usiminas	Nov. 1991	10.0	6.0	49.8	77	7,660	18,753	2,656
Petroflex	May 1992	10.0	10.0	12.5	82	8,158	9,201	1,355
CSN	Jul. 1993	13.9	9.9	152.4	49	48,751	17,394	8,762
Copesul	Jul. 1994	9.1	9.1	33.8	100	50,000	43,400 ^a	779
Cosipa – 1	Sep. 1994	10.3	10.3	70.9	1,498	59,933	7,487	9,468
Usiminas								
• International	Sep. 1994	12.2	12.2	360.5	–	–	...	...
• Domestic	Sep. 1994	4.0	4.0	119.5	–	–	...	...
Cosipa – 2	Dec. 1994	11.3	11.3	145.3	–	–	...	...
Total				944.7	–	–	96,235	...

^aIncludes individuals and companies.

TABLE 43
Auction Offers: Foreign Capital Participation – 1991/95

COMPANY	MONTH	NUMBER OF FOREIGN BUYERS	STOCK ACQUIRED (%)		PROCEEDS		PARTICIPATION IN AUCTION (%)
			Common Stock	Equity	US\$ Million	% Total	
Usiminas – common	Oct. 1991	16	4.5	2.2	66.0	15.8	5.9
Usiminas – preferred	Nov. 1991	29	–	5.1	80.3	19.2	29.9
Celma	Nov. 1991	2	12.1	12.1	11.3	2.7	12.5
Total 1991		–	–	–	157.6	37.8	10.6
Petroflex	Apr. 1992	5	0.4	0.4	1.0	0.2	0.5
Copesul	May 1992	25	5.5	5.5	57.9	13.9	7.3
CST	Jul. 1992	2	0.1	0.0	0.2	0.0	0.1
Fosfertil	Aug. 1992	4	0.4	0.4	0.9	0.2	0.5
Polisul	Sep. 1992	1	6.7	6.2	11.4	2.7	20.0
PPH	Sep. 1992	1	7.5	3.8	15.3	3.7	25.8
Acesita	Oct. 1992	14	1.8	1.4	9.9	2.4	2.2
Total 1992		–	–	–	96.5	23.1	4.6
CSN – 1st. auction	Apr. 1993	8	1.4	1.4	25.1	6.0	2.4
Cosipa	Aug. 1993	3	2.6	2.6	12.2	2.9	3.7
Açominas	Sep. 1993	3	0.0	0.0	0.5	0.1	0.1
Oxiteno	Sep. 1993	1	8.9	7.6	27.0	6.5	50.0
Total 1993		–	–	–	64.7	15.5	3.2
PQU	Jan. 1994	2	0.3	0.3	1.7	0.4	0.6
CSN – 2nd. auction	Mar. 1994	14	0.9	0.9	22.4	5.4	17.8
Arafertil	Apr. 1994	1	16.7	16.7	5.4	1.3	50.5
Acrinor	Aug. 1994	1	–	6.6	4.5	1.1	37.1
Embraer	Dec. 1994	5	18.1	16.5	59.8	14.3	32.7
Total 1994		–	–	–	93.7	22.5	15.6
CPC – preferred	Sep. 1995	1	–	0.3	1.2	0.3	4.5
Salgema – preferred	Oct. 1995	2	–	1.6	1.2	0.3	1.3
CQR	Oct. 1995	1	–	36.9	1.6	0.4	100.0
Total 1995		–	–	–	4.0	1.0	3.4
Total 1991/95					417.1	100.0	6.6

TABLE 44

Auction Offers: Private Pension Fund Participation – 1991/95

COMPANY	MONTH	NUMBER OF PENSION FUNDS	STOCK ACQUIRED (%)		PROCEEDS		PARTICIPATION IN AUCTION (%)
			Common Stock	Total Equity	US\$ Million	% Total	
Usiminas – common stock	Oct. 1991	20	26.1	13.0	385.5	26.9	34.2
Usiminas – preferred stock	Nov. 1991	28	–	4.9	81.2	5.7	29.1
Celma	Nov. 1991	1	6.2	5.3	5.6	0.4	6.2
Mafersa	Nov. 1991	1	90.0	90.0	48.4	3.4	99.9
Total 1991		–	–	–	520.7	36.4	33.5
Petroflex	Apr. 1992	15	26.0	26.0	70.0	4.9	32.5
Copesul	May 1992	22	8.5	8.5	89.6	6.3	11.2
CST – 1st. auction	Jul. 1992	10	1.7	2.4	10.1	0.7	3.4
CST – 2nd. auction	Jul. 1992	1	0.0	0.0	0.1	0.0	0.1
Fosfertil	Aug. 1992	1	0.0	0.0	0.0	0.0	0.0
Acesita	Oct. 1992	40	36.1	29.2	204.4	14.3	45.6
Total 1992		–	–	–	374.2	26.1	19.0
CSN – 1st. auction	Apr. 1993	25	3.3	3.3	57.2	4.0	5.4
Cosipa	Aug. 1993	4	0.2	0.1	0.6	0.0	0.2
Açominas	Sep. 1993	9	0.6	0.6	2.4	0.2	0.6
Oxiteno	Sep. 1993	1	0.2	0.2	0.6	0.0	1.1
Total 1993		–	–	–	60.8	4.2	3.0
PQU	Jan. 1994	2	1.7	1.7	11.6	0.8	4.3
CSN – 2nd. auction	Mar. 1994	34	3.4	3.4	79.9	5.6	63.6
CSN – 3rd. auction	Apr. 1994	2	1.8	1.8	43.0	3.0	51.7
Embraer	Dec. 1994	21	29.5	26.9	97.4	6.8	53.2
Total 1994		–	–	–	232.0	16.2	35.2
Escelsa	Jul. 1995	11	25.0	25.0	192.9	13.5	50.0
Copene	Aug. 1995	7	3.3	1.2	25.3	1.8	10.0
CPC – preferred stock	Sep. 1995	2	0.3	0.2	7.0	0.5	26.7
Salgema – preferred stock	Oct. 1995	7	7.0	4.1	18.9	1.3	20.9
Total 1995		–	–	–	244.0	17.0	32.3
Overall Total		–	–	–	1,431.7	100.0	21.8

TABLE 45
Changes in Voting Stock Structure after Sale
(In %)

MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER	MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER
Usiminas			Cosinor		
Siderbrás/BNDES	85.3	–	BNDES	99.8	–
BNDES/minority stakes	9.4	0.6	Other previous shareholders	0.2	0.2
Nippon-Usiminas	5.0	13.8	Tronconordeste Ad. Part. Ltda. (Gerdau)	–	99.8
Others previous shareholders	0.3	0.3	Total	100.0	100.0
Employees	–	9.6	SNBP		
Cia. Vale do Rio Doce (CVRD)	–	15.0	Federal Government	100.0	–
Caixa Prev.Func.Banco do Brasil (Previ)	–	15.0	Employees reserve	–	10.0
Fund.Vale do Rio Doce (Valia)	–	7.7	Cia. Intern. Naveg. e Comércio (Cinco)	–	90.0
Other pension funds (17)	–	3.4	Total	100.0	100.0
Banco Bozano, Simonsen	–	7.6	Indag (Total Equity)		
Banco Econômico	–	5.7	Petrofértil	35.0	–
Other financial institutions	–	14.9	IAP S.A.	65.0	100.0
Steel dealers	–	4.4	Total	100.0	100.0
Others	–	2.0	Piratini (Total Equity)		
Total	100.0	100.0	Siderbrás	96.2	0.0
Celma			Other shareholders	3.8	0.7
Federal Government	85.8	–	Employees	–	9.5
Pratt & Whitney	10.8	10.8	Gerdau	–	89.8
Fundo Nacional de Desenvolvimento (FND)	3.3	–	Total	100.0	100.0
Other previous shareholders	0.1	0.1	Petroflex		
Employees	–	3.0	Petroquisa	100.0	–
Banco Boavista S.A.	–	21.4	Consórcio PIC: Suzano	–	20.4
Banco Safra S.A.	–	21.4	Norquisa	–	10.4
Construtora Andrade Gutierrez	–	21.4	Unipar	–	10.2
General Electric do Brasil S.A.	–	9.7	Coperbo	–	10.0
Pension Fund Telos	–	5.3	Pension funds	–	26.0
Individuals	–	4.0	Financial institutions	–	2.6
Banco Bradesco S.A.	–	1.9	Foreign capital	–	0.4
Banco Montreal S.A. – Montrealbank	–	1.1	Employees	–	10.0
Total	100.0	100.0	Others	–	10.0
Mafersa			Total	100.0	100.0
BNDES	99.9	–	Copesul		
Other previous shareholders	0.1	0.1	Petroquisa	67.2	15.0
Employees	–	9.5	BNDESPAR	30.7	–
Refer	–	90.4	Poliolefinas	0.7	0.7
Total	100.0	100.0	Polisul	0.2	0.2
			PPH	0.2	0.2
			Consórcio PPE	–	28.8

(continue)

(continue)

MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER	MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER
Copesul			Fosfertil		
Petroquímica Triunfo	0.6	0.6	Banco Bamerindus	–	6.0
Petroflex	0.3	0.3	Banco América do Sul	–	1.6
White Martins	0.1	0.1	Grupo Noroeste	–	1.0
Employees	–	10.0	Others	–	1.3
Public offer	–	10.0	Total	100.0	100.0
Fundo Poolinvest M. Privatização – DS	–	4.6	Polisul		
Banco Real	–	4.5	Petroquisa	33.3	–
Banco Econômico	–	4.1	Ipiranga	33.3	60.0
Banco Bamerindus	–	2.8	Hoescht	33.3	40.0
Garantia I – Fundo Privat. CP	–	1.0	Total	100.0	100.0
Foreign investors (26)	–	4.8	PPH		
Pension funds (22)	–	7.1	Petroquisa	20.0	–
Others	–	5.4	Petropar	30.0	37.5
Total	100.0	100.0	Himont	30.0	37.5
Álcalis (Total Equity)			Odebrecht	20.0	25.0
Petroquisa	92.5	–	Total	100.0	100.0
BNDES	7.5	–	Goiasfertil		
Cirne (Fragoso Pires Group)	–	99.9	Petrofertil	82.7	–
Employees	–	0.1	BNDESPAR	17.3	–
Total	100.0	100.0	Fosfertil	–	90.0
CST			Employees	–	10.0
Siderbrás	74.0	–	Total	100.0	100.0
CVRD	0.1	15.0	Acesita		
Kawasaki Steel	13.0	13.0	Banco do Brasil	91.5	–
Ilva	13.0	13.0	Other previous shareholders	8.5	8.5
Employees	–	8.8	Employees	–	12.4
Bozano, Simonsen Group	–	25.4	Caixa Prev. Func. Banco do Brasil (Previ)	–	15.0
Unibanco	–	20.0	Fundação Sistel	–	9.2
Others	–	4.7	Banco Safra/Albatroz S.A.	–	8.8
Total	100.0	100.0	Banco Real S.A.	–	5.6
Nitriflex			Banco Comercial Bancesa S.A.	–	4.2
Petrofertil	40.0	–	Fundação Petros	–	2.2
Itap S.A.	60.0	100.0	Other pension funds (37)	–	9.7
Total	100.0	100.0	Foreign investors (14)	–	1.8
Fosfertil			Others	–	22.7
Petrofertil	76.4	–	Total	100.0	100.0
BNDESPAR	11.9	–	CBE		
CVRD	11.5	11.5	Monsanto	48.3	48.3
Comig	0.2	0.2	Unigel	27.8	50.9
Employees	–	10.0	Petroquisa	23.0	–
Consórcio Fertifós	–	68.5	Others	0.8	0.8
			Total	100.0	100.0
			<i>(continue)</i>		

MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER
Poliolefinas		
Petroquisa	31.5	–
Unipar	31.5	31.5
Odebrecht	31.5	62.9
Bankamerica	4.4	4.4
Hanover	1.2	1.2
Others	0.0	0.0
Total	100.0	100.0
CSN		
Siderbrás/National Treasury	90.8	0.0
Investors 1st. remainders auction	–	5.3
Investors 2nd. remainders auction	–	3.5
Employees	–	11.9
Caixa Benef. Empregados CSN (CBS)	9.2	9.8
Docenave	–	9.4
Vicunha Group	–	9.2
Bamerindus	–	9.1
União Comércio Part. (Bradesco)	–	7.7
Privatinvest	–	6.3
Other financial institutions	–	12.5
Other pension funds (26)	–	2.7
Individuals	–	0.1
Other privatization funds	–	1.4
Others	–	11.1
Total	100.0	100.0
Ultrafértil		
Petrofértil	100.0	–
Fosfértil	–	90.0
Employees	–	10.0
Total	100.0	100.0
Cosipa		
Siderbrás	99.9	–
Anquilla	–	34.4
Brastubo	–	23.0
Employees	–	20.0
Lotten	–	5.0
Alamo Participações	–	2.6
Others	0.1	15.0
Total	100.0	100.0

(continue)

MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER
Açominas		
Siderbrás	99.0	–
Cia. Min. Part. Industrial	–	26.8
Banco SRL	–	13.4
Employees	–	20.0
Banco de Crédito Nacional (BCN)	–	9.9
Mendes Junior	–	7.6
Aços Villares	–	6.8
Others	1.0	15.5
Total	100.0	100.0
Oxiteno		
Ultraquímica	60.6	69.3
Petroquisa	18.5	0.6
Monteiro Aranha	11.3	11.3
Dresdner	–	8.9
GBOEX	–	0.2
Others	9.6	9.6
Total	100.0	100.0
PQU		
Petroquisa	67.8	17.5
Unipar	28.9	30.0
Banco Indústria e Comércio	1.3	2.5
Bradesco	0.8	0.8
Odebrecht	0.7	0.7
Estireno do Nordeste (EDN)	0.6	0.6
Poloinvest Consortium	–	13.0
Employees reserve	–	9.8
Polibrasil	–	6.8
San Felipe Adm. e Participation	–	6.3
Privatinvest Fund	–	4.5
Pension funds (2)	–	1.7
Foreign investors (2)	–	0.3
Other Investors	–	5.5
Total	100.0	100.0
Arafértil		
Quimbrasil	33.3	49.9
Petrofértil	33.3	–
Fertisul	33.3	50.1
Others	–	0.0
Total	100.0	100.0

(continue)

MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER	MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER
Caraíba			Embraer		
BNDSPAR/BNDES	100.0	–	Federal Government	95.2	20.0
Employees	–	20.0	Banco do Brasil Investimento	4.7	4.7
Caraíba Metais	–	80.0	Others previous shareholders	0.1	0.1
Total	100.0	100.0	Employees	–	10.0
Acrinor			Public reserve	–	10.0
Petroquisa	35.0	–	Bozano, Simonsen Limited	–	16.1
Rhodia	35.0	48.0	Sistel	–	9.8
Copene	26.0	48.0	Previ	–	9.8
Unigel	4.0	4.0	Other pension funds (18)	–	9.9
Total	100.0	100.0	Banval CCTVM	–	2.0
Coperbo			Other foreign investors (4)	–	2.0
Petroquisa	23.1	–	Other investors	–	5.6
Copene	15.4	20.5	Total	100.0	100.0
Petroflex	53.6	71.5	Escelsa		
Pernambuco State	5.2	5.2	Eletróbrás	72.3	14.7
Others	2.8	2.8	Iven S.A.	20.1	45.1
Total	100.0	100.0	Banco Pactual	1.1	1.1
Polialden			Espírito Santo State	3.4	3.4
Petroquisa	33.3	–	GTD Participações S.A.	–	25.0
Conepar	33.3	66.7	Employees reserve		7.7
Mitsubishi	16.7	16.7	City Governments	1.2	1.2
Nisho Iwai	16.7	16.7	Others	1.9	1.9
Others	0.0	0.0	Total	100.0	100.0
Total	100.0	100.0	Copene (Total Equity)		
Ciquine			Petroquisa	36.2	5.6
Petroquisa	33.2	–	Norquisa	25.7	36.4
Conepar	33.2	66.5	Employees	–	3.1
Mitsubishi	27.9	27.9	Reserve for public offer	–	15.8
Nisho Iwai	5.4	5.4	Other shareholders	38.0	38.0
Others	0.3	0.3	Pension funds (7)	–	1.2
Total	100.0	100.0	Total	100.0	100.0
Politeno			CPC		
Petroquisa	30.0	–	Petroquisa	33.3	–
Conepar	20.0	35.0	EPB	33.3	66.7
Suzano	20.0	35.0	Mitsubishi Chemical	19.0	19.0
Sumitomo	20.0	20.0	Nisho Iwai	14.3	14.3
Itochu	10.0	10.0	Total	100.0	100.0
Others	0.0	0.0	Salgema		
Total	100.0	100.0	Petroquisa	23.2	–
<i>(continue)</i>			Copene	40.3	50.0
			EPB	36.5	50.0
			Total	100.0	100.0
			<i>(continue)</i>		

MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER	MAIN SHAREHOLDERS OF COMMON STOCK	BEFORE	AFTER
CQR (Total Equity)			Pronor (Total Equity)		
Salgema	49.0	49.0	Petroquisa	49.3	–
Petroquisa	36.9	–	Petroquímica da Bahia	50.0	99.3
Apply	–	36.9	Others	0.7	0.7
Others	14.1	14.1	Total	100.0	100.0
Total	100.0	100.0	CBP (Total Equity)		
Nitrocarbano (Total Equity)			Petroquisa	23.7	–
Petroquisa	24.6	–	Pronor	73.6	73.6
Petroquímica da Bahia	17.5	19.8	BBM	0.5	0.5
Pronor	57.9	80.2	Atrium DTVM	–	23.7
Total	100.0	100.0	Others	2.2	2.2
		<i>(continue)</i>	Total	100.0	100.0

TABLE 46
Government-controlled Companies Included in the PND – 1995

DECREE AND DATE OF INCLUSION	COMPANY	ECONOMIC SECTOR	CURRENT STATUS
99,464 of Aug. 16, 1990	Companhia Siderúrgica do Nordeste (Cosinor)	Steel	Sold (Dec. 1991)
	Aços Finos Piratini S.A.	Steel	Sold (Feb. 1992)
	Companhia Siderúrgica de Tubarão (CST)	Integrated Steel	Sold (Jul. 1992)
	Usinas Siderúrgicas de Minas Gerais (Usiminas)	Integrated Steel	Sold (Oct. 1991)
	Usiminas Mecânica S.A. (Usimec)	Capital Goods	Merged to Usiminas
	Maferasa S.A.	Transport Equipment	Sold (Nov. 1991)
	Companhia Petroquímica do Sul (Copesul)	Basic Petrochemicals	Sold (May 1992)
	Indústria Carboquímica Catarinense (ICC)	Fertilizers	In Liquidation
	Goiás Fertilizantes S.A. (Goiásfertil)	Fertilizers	Sold (Nov. 1992)
99,523 of Sep. 11, 1990	Mineração Caraíba Ltda.	Cooper Mining	Sold (Jul. 1994)
	Fertilizantes Nitrogenados do Nordeste (Nitrofertil)	Fertilizers	Excluded (Decree 844 of Jun. 24, 1993)
	Fertilizantes Fosfatados S.A. (Fosfertil)	Fertilizers	Sold (Aug. 1992)
99,666 of Nov. 01, 1990	Ultrafertil S.A. Ind.e Com.de Fertilizantes	Fertilizers	Sold (Jun. 1993)
	Petrobrás Fertilizantes S.A. (Petrofertil)	Holding Company	Excluded (Decree 844 of Jun. 24, 1993)
	Empresa de Navegação da Amazônia S.A. (Enasa)	Internal Navigation	Process Interrupted
	Serviço de Navegação da Bacia do Prata (SNBP)	Internal Navigation	Sold (Jan. 1992)
	Companhia de Navegação do São Francisco (Franave)	Internal Navigation	Process Interrupted
	Companhia Eletromecânica Celma	Aircraft Repair	Sold (Nov. 1991)
Petroflex Indústria e Comércio S.A.	Petrochemical	Sold (Apr. 1992)	
Companhia Nacional de Alcalis	Chemical	Sold (Jul. 1992)	

(continue)

DECREE AND DATE OF INCLUSION	COMPANY	ECONOMIC SECTOR	CURRENT STATUS
w/nr. of Mar. 05, 1991	Companhia Aços Especiais Itabira (Acesita)	Integrated Steel	Sold (Dec. 1992)
	Petroquímica União S.A. (PQU)	Basic Petrochemicals	Sold (Jan. 1994)
423 of Jan. 14, 1992	Empresa Brasileira de Aeronáutica (Embraer)	Aircraft	Sold (Dec. 1994)
426 of Jan. 16, 1992	Companhia Siderúrgica Nacional (CSN)	Integrated Steel	Sold (Apr. 1993)
	Companhia Siderúrgica Paulista (Cosipa)	Integrated Steel	Sold (Aug. 1993)
	Aço Minas Gerais S.A. (Açominas)	Integrated Steel	Sold (Sep. 1993)
465 of Feb. 27, 1992	Computadores Brasileiros S.A. (Cobra)	Computers	Excluded (Decree w/nr. of Aug. 1994)
473 of Mar. 10, 1992	Rede Ferroviária Federal S.A. (RFFSA – Western System)	Railroad Transportation	Auction on Mar. 05, 1996
	Rede Federal de Armazéns Gerais Ferroviários S.A. (Agef)	Railroad Warehousing	Under Appraisal
	Valec – Engenharia, Construções e Ferrovias S.A.	Railroad Transportation/Engineering	Appraisal to be Contracted
572 of Jun. 22, 1992	Light Serviços de Eletricidade S.A.	Electricity Services	Auction on Mar. 13, 1996
	Espírito Santo Centrais Elétricas S.A. (Escelsa)	Electricity Services	Sold (Jul. 1995)
654 of Sep. 17, 1992	Banco Meridional S.A.	Financial Conglomerate	Under Appraisal
1,073 of Mar. 04, 1994	Nuclebrás Equipamentos Pesados S.A. (Nuclep)	Capital Goods	Excluded (Decree 1,525 of Jun. 20, 1995)
1,481 of May 03, 1995	Centrais Elétricas Brasileiras S.A. (Eletrobrás)	Holding – CO/Electricity	Appraisal to be Contracted
	Furnas Centrais Elétricas S.A.	Electricity	Appraisal to be Contracted
	Centrais Elétricas do Norte do Brasil S.A. (Eletronorte)	Electricity	Appraisal to be Contracted
	Centrais Elétricas do Sul do Brasil S.A. (Eletrosul)	Electricity	Appraisal to be Contracted
	Companhia Hidrelétrica do São Francisco (Chesf)	Electricity	Appraisal to be Contracted
1,510 of Jun. 01, 1995	Companhia Vale do Rio Doce (CVRD)	Mining	Under Appraisal
1,639 of Sep. 18, 1995	Companhia de Navegação Lloyd Brasileiro (Lloydbrás)	Navigation	In Liquidation

TABLE 47

Minority Stakes Owned by Petrobrás System's Included in the PND – 1995

DECREE AND DATE OF INCLUSION	COMPANY	ECONOMIC SECTOR	CURRENT STATUS
99,464 of Aug. 16, 1990	Petroquímica Triunfo S.A.	Petrochemical	Excluded (Decree 1,485 of May 09, 1995)
	Polisul Petroquímica S.A.	Petrochemical	Sold (Sep. 1992)
	Companhia Industrial de Polipropileno S.A. (PPH)	Petrochemical	Sold (Sep. 1992)
	Petroquímica do Nordeste S.A. (Copene)	Basic Petrochemical	Sold (Aug. 1995)
	Acrlonitrila do Nordeste S.A. (Acrinor)	Petrochemical	Sold (Aug. 1994)
	Companhia Brasileira de Poliuretanos (CBP)	Petrochemical	Sold (Dec. 1995)
	Ciquine Companhia Petroquímica	Petrochemical	Sold (Aug. 1994)
	Companhia Petroquímica de Camaçari (CPC)	Petrochemical	Sold (Sep. 1995)
	Companhia Química do Recôncavo S.A. (CQR)	Chemical	Sold (Oct. 1995)
	Deten Química S.A.	Petrochemical	Sale Offered to Shareholders
	Estireno do Nordeste S.A. (EDN)	Petrochemical	Auction Postponed
	Metanol do Nordeste S.A. (Metanor)	Petrochemical	Under Appraisal
	Nitrocarbono S.A.	Petrochemical	Sold (Dec. 1995)
	Nitroclor Produtos Químicos	Petrochemical	Process Interrupted
	Polialden Petroquímica S.A.	Petrochemical	Sold (Aug. 1994)
	Polipropileno S.A.	Petrochemical	Auction on Jan. 10, 1996
	Politeno Indústria e Comércio S.A.	Petrochemical	Sold (Aug. 1994)
Pronor Petroquímica S.A.	Petrochemical	Sold (Dec. 1995)	
99,666 of Nov. 01, 1990	Araxá Fertilizantes S.A. (Arafertil)	Fertilizers	Sold (Apr. 1994)
	Indag S.A.	Fertilizers	Sold (Feb. 1992)
	Salgema Indústrias Químicas S.A.	Chemical	Sold (Oct. 1995)
	Alclor Química de Alagoas S.A.	Chemical	Excluded (Decree 1,525 of Jun. 20, 1995)
	Companhia Alagoas Industrial (Cinal)	Petrochemical	Excluded (Decree 1,525 of Jun. 20, 1995)
	Companhia Pernambucana de Borracha Sintética (Coperbo)	Petrochemical	Sold (Aug. 1994)
	Nitriflex S.A. Indústria e Comércio	Petrochemical	Sold (Aug. 1992)
w/nr. of Mar. 15, 1991	Fábrica Carioca de Catalisadores S.A. (FCC)	Chemical	Excluded (Decree 1,525 of Jun. 20, 1995)
	Companhia Alcoolquímica Nacional	Chemical	Excluded (Decree 480 of Mar. 25, 1992)
	Companhia Brasileira de Estireno S.A. (CBE)	Petrochemical	Sold (Dec. 1992)
	Oxiten S.A. Indústria e Comércio	Petrochemical	Sold (Dec. 1993)
	Polibrasil S.A. Indústria e Comércio	Petrochemical	Under Appraisal
480 of Mar. 25, 1992	Poliderivados S.A. Tecnologia de Polímeros	Petrochemical	Auction on Jan. 23, 1996
	Poliolefinas S.A.	Petrochemical	Sold (Mar. 1993)
	Petrocoque S.A. Indústria e Comércio	Petrochemical	Excluded (Decree 1,638 of Sep. 18, 1995)

Note: – Unnumbered Decree dated 03.25.92 governed Petroquisa holdings in: Triunfo, RS (3), Camaçari, BA (12), and Cubatão, SP (4).
– Decree 522 of 05.18.92 governed additional Petroquisa holdings in Camaçari, BA.

TABLE 48

Economic Indicators: Controlled Companies Included in the PND – 1995

SECTOR/ COMPANY	ST	DATE OF SALE	AMOUNTS IN US\$ MILLION				% GOVERNMENT	
			Net Operational Revenue	Equity	Total Assets	Year	Common Stock	Equity
Steel								
Usiminas	MG	Oct. 1991	930	508	1,125	1990	95.0	95.3
CSN	RJ	Apr. 1993	1,516	4,136	5,338	1992	90.7	90.7
Açominas	MG	Sep. 1993	394	2,567	3,323	1992	99.9	99.9
Acesita	MG	Oct. 1992	355	470	752	1991	91.5	90.9
Cosipa	SP	Aug. 1993	901	1,090	2,947	1992	100.0	100.0
CST	ES	Jul. 1992	536	1,999	2,709	1991	74.0	89.5
Piratini	RS	Feb. 1992	74	-24	64	1990	71.9	57.2
Cosinor	PE	Nov. 1991	15	4	-23	1990	100.0	99.8
Petrochemical								
Copesul	RS	May 1992	372	947	1,080	1991	82.9	82.9
PQU	SP	Jan. 1994	347	685	822	1993	67.8	67.8
Petroflex	RJ	Apr. 1992	72	170	209	1991	100.0	100.0
Álcalis	RJ	Jul. 1992	43	146	195	1991	100.0	100.0
Fertilizers								
Ultrafertil	SP	Jun. 1993	183	235	265	1992	100.0	100.0
Fosfertil	MG	Aug. 1992	113	263	320	1991	88.3	88.3
Goiásfertil	GO	Oct. 1992	9	63	73	1991	90.0	90.0
Electricity								
Escelsa	ES	Jul. 1995	280	848	1,058	1994	72.3	72.3
Light	RJ		1,520	6,528	7,851	1994	81.6	81.6
Eletróbrás	RJ		1,504	64,806	79,158	1994	62.6	56.0
Furnas	RJ		2,930	13,476	24,657	1994	99.8	99.5
Eletronorte	PA		642	16,928	20,772	1994	98.9	98.9
Eletrósul	SC		887	5,569	7,085	1994	99.8	99.7
Chesf	PE		703	14,107	20,548	1994	100.0	99.5
Others								
Celma	RJ	Nov. 1991	60	6	30	1990	89.1	89.1
Embraer	SP	Dec. 1995	217	156	1,125	1993	98.2	33.8
Mafersa	SP	Nov. 1991	50	-29	36	1990	100.0	100.0
Caraíba	BA	Jul. 1994	75	11	18	1993	100.0	100.0
SNBP	MS	Jan. 1992	4	-139	6	1991	100.0	100.0
RFFSA	RJ		...	17,489	21,953	1994	100.0	99.0
Agef	RJ		...	10	13	1994	100.0	100.0
Valec	RJ		...	498	534	1994	100.0	100.0
Meridional	RS		585	420	2,154	1994	100.0	82.4
CVRD	RJ		2,871	9,707	12,454	1994	76.0	51.1

TABLE 49

Economic Indicators: Petrobrás System's Minority Stakes Included in the PND - 1995

SECTOR/ COMPANY	ST	DATE OF SALE	AMOUNTS IN US\$ MILLION				% GOVERNMENT	
			Net Operational Revenue	Equity	Total Assets	Year	Common Stock	Equity
Petrochemical (Camaçari/NE)								
Copene	BA	Aug. 1995	1,233	2,718	3,867	1994	48.2	36.2
Acrinor	BA	Aug. 1994	42	57	78	1993	35.0	17.7
CBP	BA	Dec. 1995	29	11	67	1994	-	23.7
Ciquine	BA	Aug. 1994	99	170	259	1993	33.2	31.4
CPC	BA	Oct. 1995	426	512	753	1994	33.3	20.8
CQR	BA	Oct. 1995	39	95	235	1994	-	36.9
Deten	BA		128	163	179	1994	35.6	33.5
EDN	BA		109	52	189	1994	33.3	26.7
Nitrocarbano	BA	Dec. 1995	167	134	187	1994	24.6	19.0
Polialden	BA	Aug. 1994	79	123	154	1993	33.3	13.6
Politeno	BA	Aug. 1994	87	166	303	1993	30.0	24.9
Pronor	BA	Dec. 1995	180	306	460	1994	49.3	35.2
Salgema	AL	Oct. 1995	312	616	921	1994	23.2	29.3
Coperbo	PE	Aug. 1994	86	68	115	1993	23.1	23.0
Petrochemical (Triunfo)								
Polisul	RS	Sep. 1992	120	69	120	1991	33.3	31.0
PPH	RS	Sep. 1992	148	83	172	1991	20.0	19.0
Triunfo	RS						45.2	53.1
Petrochemical (Cubatão)								
Polioléfinas	SP	Mar. 1993	221	264	484	1992	31.5	31.5
Oxitenó	SP	Sep. 1993	81	365	470	1992	18.5	24.5
CBE	SP	Dec. 1992	60	20	31	1991	23.0	23.0
Polibrasil	SP		149	...	...	1994	25.7	25.7
Koppol	SP		27	33	104	1995	49.6	49.6
Polipropileno	SP		5	138	140	1994	42.9	34.2
Petrochemical (Rio de Janeiro)								
Nitriflex	RJ	Aug. 1992	62	55	89	1991	40.0	40.0
Fertilizers								
Arafertil	MG	Apr. 1994	160	58	80	1993	33.3	33.3
Indag	SP	Jan. 1992	17	34	37	1991	33.3	35.0

TABLE 50

Federal Government Shareholdings Remaining after Privatization – 1991/95

COMPANY	PRIVATI- ZATION MONTH	ORIGINAL EQUITY HELD BY THE FEDERAL GOVERNMENT (%)			CONT- ROLLING SHARE- HOLDER	REMAINING EQUITY HELD BY THE FEDERAL GOVERNMENT (%)			SHAREHOLDER
		Common Stock	Preferred Stock	Total Equity		Common Stock	Preferred Stock	Total Equity	
Usiminas	Nov. 1991	95.0	95.7	95.3	Siderbrás	15.0	0.0	7.5	CVRD
Celma	Nov. 1991	89.1	–	89.1	Federal Government	0.0	–	0.0	Federal Government (one special share)
Copesul	May 1992	97.9	–	97.9	Petroquisa	15.0	–	15.0	Petroquisa
CST	Jul. 1992	74.1	100.0	89.5	Siderbrás	15.0	24.7	20.8	CVRD
Fosfértil	Aug. 1992	11.5	–	11.5	CVRD	11.5	–	11.5	CVRD
CSN	Apr. 1993	90.8	–	90.8	Siderbrás	9.4	–	9.4	Docenave (CVRD)
PQU	Jan. 1994	67.8	–	67.8	Petroquisa	17.5	–	17.5	Petroquisa
Embraer	Dec. 1994	95.2	0.0	86.8	Federal Government	20.0	0.0	18.2	Federal Government (one special share)
Copene	Aug. 1995	48.2	29.5	36.2	Petroquisa	15.4	–	5.6	Petroquisa

TABLE 51
Company Appraisals – 1991/94
(In US\$ Million)

SECTOR	COMPANY	APPRAISED AMOUNTS – 100% OF TOTAL EQUITY (Adjusted Economic Value)			MINIMUM COMPANY WORTH APPRAISED
		Appraisal A	Appraisal B	3rd. Appraisal	
Steel	Usiminas	1,650.2	1,819.6	–	1,844.7
	CSN	1,730.7	1,462.8	–	1,587.9
	Açominas	346.4	320.0	–	346.4
	Acesita	417.0	476.6	–	476.6
	Cosipa	229.0	201.0	–	229.0
	CST	350.0	400.0	–	400.0
	Piratini	33.2	42.9	–	42.9
	Cosinor	8.5	9.0	–	12.4
Petrochemical	Copesul	675.8	784.1	–	784.0
	PQU	524.6	555.6	–	559.2
	Copene	1,817.0	1,536.6	–	1,927.9
	Petroflex	179.0	169.3	–	180.0
	Poliolefinas	274.8	276.3	–	276.5
	Álcalis	79.6	83.8	–	80.0
	PPH	221.1	225.8	–	226.0
	Polisul	145.2	170.8	–	178.8
	Oxiteno	350.9	355.6	–	355.6
	Nitriflex	65.0	62.5	–	64.4
	CBE	47.4	45.8	–	47.4
	Acrinor	61.0	57.0	–	68.5
	Coperbo	92.0	100.0	–	112.4
	Politeno	143.0	160.0	–	180.2
	Ciquine	67.0	63.0	–	75.5
	Polialden	109.0	100.0	–	122.6
	CPC	384.6	382.1	–	384.6
	Salgema	317.3	328.2	–	328.2
	CQR	-35.4	-39.4	–	0.0
	Nitrocarbono	118.0	114.7	–	163.9
Pronor	166.0	191.1	–	191.1	
CBP	0.03	0.03	–	0.12	
Fertilizers	Ultrafértil	198.0	206.8	204.7	207.0
	Fosfértil	176.3	160.1	–	160.1
	Goiásfértil	12.4	12.8	–	13.1
	Arafértil	45.3	48.9	–	48.6
	Indag	18.8	17.8	–	19.4
Electricity	Escelsa	578.2	561.3	–	578.2
Others	Embraer	245.1	263.4	–	308.1
	Celma	82.0	82.1	–	82.1
	Mafersa	17.0	16.6	–	18.5
	SNBP	7.7	7.7	–	8.0
	Caraíba ^a	28.2	18.2	5.2	5.2

^aAppraisals A and B are in 12.31.90 amounts. The third appraisal was closed on 06.30.93, when copper prices were extremely low in the market.

TABLE 52.A

Account Balance of Federal Funds in Controlled Companies – 1991/95

(In US\$ Million)

COMPANY	CODE	FLOW OF FUNDS FROM THE FEDERAL GOVERNMENT			
		Allocated to Equity in Previous Period	Prior Adjustments Capitalized	Funds Received ^a	Net Total Allocated
Usiminas/Usimec	DP(90)	2,256.1	116.0	183.3	2,188.8
CST	C	2,712.6	0.0	0.0	2,712.6
Acesita	C	397.8	304.2	-41.1	661.0
CSN	CPI(91)	5,554.4	531.1	299.2	5,786.3
Cosipa	CPI(91)	5,906.0	1,020.0	38.0	6,888.0
Açominas	CPI(92)	5,778.6	470.5	-	6,249.1
Piratini	DP(91)	656.4	67.0	-	723.4
Cosinor	90	99.3	12.0	-	111.3
Copesul	91	544.8	-	191.9	352.9
PQU	DP(91)	140.6	-	547.6	-407.0
Petroflex	DP(91)	121.4	-	104.8	16.6
Álcalis	91-BC	279.5	31.9	0.0	311.4
Ultrafertil	C	449.6	-	17.1	432.5
Fosfertil	C	330.2	-	0.8	329.4
Goiásfertil	INF(91)	94.5	-	0.2	94.3
Escelsa	DP	211.5	-	38.6	171.9
Maferasa	DP(90)	42.3	38.0	74.9	5.4
Celma	DP(90)	5.8	9.1	0.0	14.9
Embraer	C	59.1	672.1	1.3	729.9
Lloydbrás	C	166.1	-	35.2	130.9
Cobra	CPI(93)	127.8	-	-	127.8
Caraíba Mineração	-	-	-	-	0.0
SNBP	INF(90)	6.9	-	-	6.9
Enasa	INF(91)	29.3	-	-	29.3
Franave	INF(90)	17.6	-	-	17.6
Total		25,988.1	3,271.9	1,535.3	27,685.1

^aDoes not include sale amount at privatization.

Notation used regarding translation of amounts into U.S. dollars:

C: current dollars;

L: amounts adjusted by the Libor and translated into U.S. dollars;

INF: amounts adjusted by domestic inflator and translated into U.S. dollars;

DP: dollar amounts adjusted by the U.S. GDP deflator for the year; and

CPI: U.S. dollar amounts adjusted by the U.S. CPI for the year.

TABLE 52.B

Account Balance of Federal Funds in Minority Petrobrás System's Stakes – 1991/95 (In US\$ Million)

STAKES OF PETROBRÁS SYSTEM'S	CODE	FLOW OF FUNDS FROM THE FEDERAL GOVERNMENT			Net Total Allocated
		Allocated to Equity Previously	Prior Adjustments	Funds Received ^a	
Polisul	91	32.5		4.1	28.3
PPH	91	9.6		7.3	2.3
Nitriflex	DP(92)	34.5		16.9	17.6
CBE	DP(91)	5.9		16.6	-10.7
Poliiolefinas	DP(91)	11.6		60.5	-49.0
Oxiteno	DP(92)	10.4		43.9	-33.5
Acrinor	L	24.0		13.1	10.9
Coperbo	L	33.1		61.5	-28.4
Polialden	L	25.1		32.2	-7.1
Politeno	L	26.2		55.2	-29.0
Ciquine	L	57.3		15.3	42.0
Copene ^b	L	414.2		283.5	130.7
CPC	C	50.3		6.7	43.6
Salgema	C	45.4		15.7	29.7
CQR	C	31.2		136.4	-105.3
Indag	C	10.1		0.2	9.8
Arafertil	C	11.8		0.3	11.5

^aDoes not include sale amount at privatization.

^bFor 1990/95 only.

Notation used regarding translation of amounts into U.S. dollars:

C: current dollars;

L: amounts adjusted by the Libor and translated into U.S. dollars;

INF: amounts adjusted by domestic inflator and translated into U.S. dollars;

DP: dollar amounts adjusted by the U.S. GDP deflator for the year; and

CPI: U.S. dollar amounts adjusted by the U.S. CPI for the year.

TABLE 53

Bids for Hiring of Consultants and Auditors – 1991/95

COMPANIES & SHAREHOLDINGS	ECONOMIC (APPRAISAL A) & ASSET (APPRAISAL B) EVALUATIONS					EXTERNAL AUDITOR	
	Dates			Bids Received	Winning Bidder	Bids Received	Winning Bidder
	Bid Notice Published	Bids Submitted	Contracts Signed on	Appraisal A Appraisal B	Appraisal A Appraisal B		
CST	Aug. 31, 1990	Oct. 05, 1990	Dec. 04, 1990	11 7	Booz Allen Capitaltec ^a	2	Boucinhas
Usiminas/Usimec	Sep. 06, 1990	Nov. 11, 1990	Dec. 06, 1990	9 5	Máxima ^a Consemp ^a	4	Loudon
Mafersa	Sep. 14, 1990 (B) Oct. 25, 1990	Oct. 16, 1990 (B) Nov. 14, 1990	Dec. 14, 1990	7 2	Arbi Coparibe ^a	4	Rodyo's
Goiásfertil	Sep. 21, 1990 (B) Nov. 08, 1990	Oct. 23, 1990 (B) Nov. 29, 1990	Dec. 21, 1990 (B) Dec. 27, 1990	12 2	Coopers Jaakko Poyry ^a	4	Loudon
ICC	Sep. 27, 1990 (B) Dec. 11, 1990	Oct. 25, 1990 (B) Jan. 09, 1991	Jan. 07, 1991 (B) Feb. 20, 1991	12 3	Price ^a Jaakko Poyry ^a	4	Assete
Ultrafertil/Nitrofertil/ Fosfertil	Oct. 02, 1990 (B) Jul. 22, 1991	Nov. 14, 1990 (B) Aug. 20, 1991	Jan. 14, 1990 (B) Oct. 22, 1991	8 4	Price ^a Atlantic ^a	4	F. Motta
Cosinor	Oct. 11, 1990	Nov. 20, 1990	Jan. 17, 1991	10 2	Coopers LL Projetos ^a	4	F. Mendes
Piratini	Oct. 16, 1990	Nov. 22, 1990	Jan. 16, 1991	13 3	Balm Brasilpar ^a	5	KPMG
Caraíba	Oct. 29, 1990	Nov. 27, 1990	Jan. 23, 1991	7 1	Desenvolvimento LL Projetos ^a	5	Indep
Copesul/Triunfo/ Polisul/PPH	Sep. 16, 1990	Dec. 21, 1990	Feb. 25, 1991	5 10	Interatlântico ^a Projeta ^a	4	Nardon
Celma	Nov. 30, 1990	Dec. 18, 1990	Feb. 14, 1991	7 3	Desenvolvimento Balm ^a	4	Coopers
Enasa/SNBP/Franave	Dec. 10, 1990	Jan. 09, 1991	Mar. 18, 1991	10 2	AFI KPMG ^a	5	Teixeira
Indag/Arafertil	Dec. 20, 1990	Jan. 11, 1991	Mar. 19, 1991	9 5	AFI Máxima ^a	4	F. Motta
Petroflex/Nitriflex	Jan. 24, 1991	Mar. 04, 1991	Apr. 29, 1991	9 8	Price ^a Atlantic ^a	3	Deloitte
Álcalis	Mar. 08, 1991	Apr. 10, 1991	Jun. 18, 1991	10 6	Price ^a Deloitte ^a	5	F. Motta
Acesita	Apr. 29, 1991	Jun. 04, 1991	Aug. 14, 1991	13 10	Máxima ^a Icatu ^a	3	Teixeira
PQU/CBE/Oxiteno/ Polibrasil/ Poliderivados/ Poliolefinas/ Petrocoque	Feb. 07, 1992	Mar. 20, 1992	Jun. 01, 1992	9 7	Arthur D. Little ^a Tozzini ^a	4	Boucinhas
CSN	Feb. 11, 1992	Mar. 25, 1992	Jun. 01, 1992	7 5	Máxima ^a Brasilpar ^a	4	Loudon
Embraer	Feb. 14, 1992	Mar. 30, 1992	Jun. 01, 1992	6 6	Deloitte ^a Projeta ^a	3	Boucinhas
Cosipa	Feb. 20, 1992	Mar. 27, 1992	Jun. 01, 1992	7 4	Setepla ^a Interatlântico ^a	5	Nardon Nasi
Lloydbrás	Mar. 06, 1992	Apr. 28, 1992	Jul. 15, 1992	4 4	AFI ^a Deloitte ^a	3	Boucinhas
Açominas	Mar. 16, 1992	Apr. 29, 1992	Jul. 01, 1992	6 8	Setepla Booz Allen ^a	4	Rodyo's

(continue)

COMPANIES & SHAREHOLDINGS	ECONOMIC (APPRAISAL A) & ASSET (APPRAISAL B) EVALUATIONS					EXTERNAL AUDITOR	
	Dates			Bids Received	Winning Bidder	Bids Received	Winning Bidder
	Bid Notice Published	Bids Submitted	Contracts Signed on	Appraisal A Appraisal B	Appraisal A Appraisal B		
RFFSA/Agef	(A) Dec. 30, 1993 (B) May 25, 1992	(A) Mar. 07, 1994 (B) Jul. 10, 1992	(A) May 12, 1994 (B) Sep. 29, 1992	8 5	Deloitte ^a Ernst & Young	4	Coopers
Cobra	Jun. 26, 1992	Aug. 19, 1992	Nov. 05, 1992	4 4	Deloitte ^a Máxima ^a	8	Loudon
Copene/Acrinor/ Coperbo/Ciquine/ EDN/Nitrocarbono/ Nitroclor/Polialden/ Politeno	Jul. 03, 1992	Aug. 17, 1992	Nov. 23, 1992	6 8	Price ^a Hanover ^a	3	FSA
Salgema/CPC/CQR/ Cinal	Jul. 20, 1992	Aug. 21, 1992	Nov. 05, 1992	6 6	Arthur D. Little Atlantic ^a	4	Directa
Light/Escelsa	Sep. 03, 1992	Oct. 19, 1992	Jun. 30, 1993	4 9	Deloitte ^a Trevisan ^a	5	Moreira
Polipropileno	Jun. 17, 1994	Jun. 27, 1994	Jul. 11, 1994	3 3 3	Trevisan Natrontec Zalcberg (C)	5	Boucinhas
Deten/CBP/Metanor/ Pronor	Nov. 30, 1994	Jan. 05, 1995	Feb. 14, 1995	11 10	JVS Moura D'Ávila	4	Deloitte
Meridional	Apr. 06, 1995	May 25, 1995	Aug. 16, 1995	2 8	Booz Allen Graphus ^a	3	Deloitte
CVRD	Aug. 02, 1995	Oct. 10, 1995		6	Metaldata ^a Projeta ^a		

^aPartnership or consortium leaders.

BIDDING CONSULTANTS FOR A THIRD APPRAISAL

	DATES			NUMBER OF BIDS	WINNING BIDDER
	Bid Notice Published on	Bids Submitted on	Contract Signed on		
Ultrafértil	Jan. 22, 1993	Feb. 08, 1993	Feb. 17, 1993	9	Trevisan ^a
Caraíba	Jun. 03, 1993	Jul. 13, 1993	Sep. 10, 1993	10	Metaldata

TABLE 54

Milestone Schedule - 1990/95

COMPANY	INCLUSION	CONSULTANT CONTRACT		APPROVAL CD/PND	SALE NOTICE (DOU)	OFFERS			FINANCIAL LIQUIDATION			CLOSING DATE
		Appraisal A	Appraisal B			Auction	Employees	Public	Auction	Employees	Public Set Price	
Celma	Nov. 01, 1990	Feb. 14, 1991	Feb. 14, 1991	Jul. 01, 1991	Jul. 15, 1991	Nov. 01, 1991	Sep. 17, 1991	-	Nov. 06, 1991	Oct. 01, 1991	-	Dec. 13, 1991
Usiminas	Aug. 16, 1990	Dec. 06, 1990	Dec. 06, 1990	May 21, 1991	May 31, 1991	Oct. 24, 1991	Nov. 05, 1991	Nov. 08, 1991	Oct. 30, 1991	Nov. 14, 1991	Nov. 22, 1991	...
	-	-	-	-	Oct. 18, 1991	Nov. 18, 1991	-	-	Nov. 21, 1991	-	-	-
Mafersa	Aug. 16, 1990	Dec. 14, 1990	Dec. 14, 1990	Aug. 26, 1991	Sep. 13, 1991	Nov. 11, 1991	Mar. 18, 1992	-	Nov. 18, 1991	Mar. 26, 1992	-	Aug. 03, 1992
Cosinor	Aug. 16, 1990	Jan. 17, 1991	Jan. 17, 1991	Aug. 26, 1991	Sep. 20, 1991	Nov. 11, 1991	Mar. 16, 1992	-	Nov. 20, 1991	Mar. 23, 1992	-	May 15, 1992
SNBP	Nov. 01, 1990	Mar. 18, 1991	Mar. 18, 1991	Oct. 21, 1991	Nov. 13, 1991	Jan. 14, 1992	-	-	Jan. 21, 1992	-	-	...
Indag	Nov. 01, 1990	Mar. 19, 1991	Mar. 19, 1991	Oct. 31, 1991	Dec. 18, 1991	Jan. 23, 1992	-	-	Feb. 04, 1992	-	-	Aug. 06, 1992
Piratini	Aug. 16, 1990	Jan. 16, 1991	Jan. 16, 1991	Dec. 06, 1991	Dec. 16, 1991	Feb. 14, 1992	May 14, 1992	-	Feb. 17, 1992	May 22, 1992	-	Aug. 03, 1992
Petroflex	Nov. 01, 1990	Apr. 29, 1991	Apr. 29, 1991	Nov. 08, 1991	Jan. 08, 1992	Apr. 10, 1992	Jul. 10, 1992	May 29, 1992	Apr. 15, 1992	Jul. 24, 1992	Jun. 05, 1992	Jun. 11, 1993
Goiasfértil	Aug. 16, 1990	Dec. 27, 1990	Dec. 27, 1990	Dec. 16, 1991	Aug. 31, 1992	Oct. 08, 1992	Oct. 30, 1992	-	Oct. 15, 1992	Nov. 16, 1992	-	Apr. 07, 1994
Franave	Nov. 01, 1990	Mar. 18, 1991	Mar. 18, 1991	Dec. 06, 1991	Jan. 10, 1992	(Jun. 23, 1992)	...	-	-	-	-	-
Copesul	Aug. 16, 1990	Feb. 25, 1991	Feb. 25, 1991	Jan. 06, 1992	Jan. 15, 1992	May 15, 1992	Nov. 01, 1993	Jun. 17, 1994	May 22, 1992	Dec. 27, 1993	Jul. 26, 1994	...
Enasa	Nov. 01, 1990	Mar. 18, 1991	Mar. 18, 1991	Feb. 17, 1992	Feb. 28, 1992	(Jun. 26, 1992)	...	-	-	-	-	-
CST	Aug. 16, 1990	Dec. 04, 1990	Dec. 04, 1990	Mar. 23, 1992	Apr. 08, 1992	Jul. 16, 1992	Jun. 26, 1992	-	Jul. 22, 1992	Jul. 22, 1992	-	Oct. 05, 1992
	-	-	-	-	-	Jul. 23, 1992	-	-	Aug. 20, 1992	-	-	-
Álcalis	Nov. 01, 1990	Jun. 18, 1991	Jun. 18, 1991	Apr. 13, 1992	May 05, 1992	Jul. 15, 1992	Aug. 05, 1992	-	Jul. 16, 1992	Aug. 12, 1992	-	Feb. 12, 1993
Fosfértil	Sep. 11, 1990	Jan. 14, 1991	Oct. 22, 1991	May 25, 1992	Jun. 17, 1992	Aug. 12, 1992	Aug. 27, 1992	-	Aug. 20, 1992	Sep. 15, 1992	-	Nov. 09, 1992
Nitriflex	Nov. 01, 1990	Apr. 29, 1991	Apr. 29, 1991	Jun. 01, 1992	Jun. 29, 1992	Aug. 06, 1992	-	-	Aug. 11, 1992	-	-	Jun. 11, 1993
Acesita	Mar. 05, 1991	Aug. 14, 1991	Aug. 14, 1991	Jul. 24, 1992	Aug. 05, 1993	Oct. 22, 1992	Sep. 25, 1992	-	Oct. 28, 1992	Oct. 28, 1992	-	Aug. 02, 1993
Arafértil	Nov. 01, 1990	Mar. 19, 1991	Mar. 19, 1991	Jan. 31, 1994	Feb. 25, 1994	Apr. 15, 1994	-	-	Apr. 29, 1994	-	-	Jun. 24, 1994
PPH	Aug. 16, 1990	Feb. 25, 1991	Feb. 25, 1991	Jun. 29, 1992	Sep. 02, 1992	Sep. 29, 1992	-	-	Nov. 04, 1992	-	-	Apr. 02, 1993
	-	-	-	-	-	Nov. 12, 1992	-	-	Nov. 18, 1992	-	-	-
Triunfo	Aug. 16, 1990	Feb. 25, 1991	Feb. 25, 1991	-	-	-	-	-	-	-	-	-
Polisul	Aug. 16, 1990	Feb. 25, 1991	Feb. 25, 1991	Jun. 29, 1992	Aug. 13, 1992	Sep. 11, 1992	-	-	Sep. 25, 1992	-	-	Apr. 02, 1993
ICC	Aug. 16, 1990	Jan. 07, 1991	Feb. 20, 1991	Jan. 17, 1994	-	-	-	-	...	-	-	-
Ultrafértil	Sep. 11, 1990	Jan. 14, 1991	Oct. 22, 1991	May 06, 1993	Oct. 05, 1992	Jun. 24, 1993	Dec. 10, 1993	-	Jun. 28, 1993	Dec. 17, 1993	-	Mar. 11, 1994
Caraiíba	Aug. 16, 1990	Jan. 23, 1991	Jan. 23, 1991	Jan. 17, 1994	Jan. 27, 1994	Jul. 28, 1994	Aug. 12, 1994	-	Aug. 02, 1994	Aug. 12, 1994	-	Dec. 30, 1994
PQU	Mar. 05, 1991	Jun. 01, 1992	Jun. 01, 1992	May 06, 1993	Sep. 28, 1993	Jan. 24, 1994	Mar. 09, 1994	-	Jan. 31, 1994	Jun. 16, 1994	-	Sep. 21, 1994
CBE	Mar. 05, 1991	Jun. 01, 1992	Jun. 01, 1992	Sep. 28, 1992	Nov. 06, 1992	Dec. 03, 1992	-	-	Dec. 14, 1992	-	-	Apr. 22, 1993

(continue)

COMPANY	INCLUSION	CONSULTANT CONTRACT		APPROVAL CD/PND	SALE NOTICE (DOU)	OFFERS			FINANCIAL LIQUIDATION			CLOSING DATE
		Appraisal A	Appraisal B			Auction	Employees	Public	Auction	Employees	Public Set Price	
Poliolefinas	Mar. 05, 1991	Jun. 01, 1992	Jun. 01, 1992	Mar. 11, 1993	Nov. 26, 1992	Mar. 19, 1993	-	-	Mar. 22, 1993	-	-	Jul. 06, 1993
	-	-	-	-	-	-	-	-	Mar. 29, 1993	-	-	-
Oxiteno	Mar. 05, 1991	Jun. 01, 1992	Jun. 01, 1992	Aug. 02, 1993	Aug. 16, 1993	Sep. 15, 1993	-	-	Sep. 22, 1993	-	-	Feb. 04, 1994
Petrocoque	Mar. 05, 1991	Jun. 01, 1992	Jun. 01, 1992	Apr. 29, 1993	May 07, 1993	(Jun. 08, 1993)	-	-	(Aug. 11, 1993)	-	-	-
Açominas	Jan. 16, 1992	Jul. 01, 1992	Jul. 01, 1992	Jun. 28, 1993	Jul. 14, 1993	Sep. 10, 1993	Sep. 24, 1993	-	Sep. 15, 1993	Oct. 04, 1993	-	Mar. 22, 1994
Cosipa	Jan. 16, 1992	Jun. 01, 1992	Jun. 01, 1992	May 20, 1993	Jul. 02, 1993	Aug. 20, 1993	Sep. 23, 1993	Sep. 09, 1994	Aug. 26, 1993	Oct. 29, 1993	Sep. 21, 1994	-
	-	-	-	-	-	Jun. 23, 1994	-	-	Jun. 27, 1994	-	-	-
Embraer	Jan. 14, 1992	Jun. 01, 1992	Jun. 01, 1992	Mar. 07, 1994	Apr. 04, 1994	Dec. 07, 1994	Dec. 05, 1994	-	Dec. 07, 1994	Dec. 16, 1994	-	-
Lloydbrás	Jan. 16, 1992	Jul. 15, 1992	Jul. 15, 1992	Feb. 21, 1994	Feb. 25, 1994	(May 11, 1994)	(May 03, 1994)	-	(May 18, 1994)	(May 25, 1994)	-	-
CSN	Jan. 16, 1992	Jun. 01, 1992	Jun. 01, 1992	Jun. 11, 1992	Sep. 29, 1992	Apr. 02, 1993	Apr. 20, 1993	Jul. 02, 1993	Apr. 12, 1993	May 17, 1993	Jul. 09, 1993	Jan. 03, 1995
	-	-	-	-	-	Mar. 03, 1994	-	-	Mar. 07, 1994	-	-	-
	-	-	-	-	-	Apr. 15, 1994	-	-	Apr. 19, 1994	-	-	-
Cobra	Feb. 27, 1992	Nov. 05, 1992	Nov. 05, 1992	Jan. 31, 1994	Feb. 28, 1994	(Apr. 08, 1994)	-	-	-	-	-	-
Copene	Aug. 16, 1990	Nov. 23, 1992	Nov. 23, 1992	May 09, 1995	Sep. 17, 1995	Aug. 15, 1995	Oct. 13, 1995	-	Aug. 29, 1995	Sep. 11, 1996 ^a	-	Dec. 30, 1994
Acrinor	Aug. 16, 1990	Nov. 23, 1992	Nov. 23, 1992	Jun. 13, 1994	Jul. 25, 1994	Aug. 16, 1994	-	-	Aug. 25, 1994	-	-	Dec. 30, 1994
Ciquine	Aug. 16, 1990	Nov. 23, 1992	Nov. 23, 1992	Jun. 13, 1994	Jul. 25, 1994	Aug. 17, 1994	-	-	Aug. 26, 1994	-	-	Dec. 30, 1994
Coperbo	Aug. 16, 1990	Nov. 23, 1992	Nov. 23, 1992	Jun. 13, 1994	Jul. 25, 1994	Aug. 16, 1994	-	-	Aug. 25, 1994	-	-	Dec. 30, 1994
Polialden	Aug. 16, 1990	Nov. 23, 1992	Nov. 23, 1992	Jun. 13, 1994	Jul. 25, 1994	Aug. 17, 1994	-	-	Aug. 26, 1994	-	-	Dec. 30, 1994
Politeno	Aug. 16, 1990	Nov. 23, 1992	Nov. 23, 1992	Jun. 13, 1994	Jul. 25, 1994	Aug. 18, 1994	-	-	Aug. 31, 1994	-	-	Dec. 30, 1994
CPC	Nov. 01, 1990	Nov. 05, 1992	Nov. 05, 1992	Aug. 17, 1995	Aug. 02, 1994	Sep. 29, 1995	-	-	Oct. 16, 1995	-	-	-
Salgema/CQR	Nov. 01, 1990	Nov. 05, 1992	Nov. 05, 1992	Aug. 17, 1995	Aug. 02, 1994	Oct. 05, 1995	-	-	Oct. 16, 1995	-	-	-
Nitrocarbono	Aug. 16, 1990	Nov. 23, 1992	Nov. 23, 1992	Jun. 27, 1995	Nov. 07, 1995	Dec. 05, 1995	-	-	Jul. 17, 1995	-	-	-
Pronor	Aug. 16, 1990	Feb. 14, 1995	Feb. 14, 1995	Jun. 27, 1995	Nov. 07, 1995	Dec. 05, 1995	-	-	Dec. 18, 1995	-	-	-
CBP	Aug. 16, 1990	Feb. 14, 1995	Feb. 14, 1995	Jun. 27, 1995	Nov. 07, 1995	Dec. 05, 1995	-	-	Dec. 18, 1995	-	-	-
Deten	Aug. 16, 1990	Feb. 14, 1995	Feb. 14, 1995	Jun. 27, 1995	Nov. 15, 1995	(Dec. 05, 1995)	-	-	(Dec. 18, 1995)	-	-	-
Polipropileno	Aug. 16, 1990	Jul. 11, 1994	Jul. 11, 1994	Dec. 02, 1995	Dec. 01, 1995	Jan. 10, 1996 ^a	-	-	-	-	-	-
RFFSA/Agef	Mar. 10, 1992	May 12, 1994	Sep. 29, 1992									
1st. Western System				Aug. 17, 1995	Nov. 30, 1995	Mar. 05, 1996 ^a	-	-	Mar. 11, 1996 ^a	-	-	-
Light	Jun. 22, 1992	Jun. 30, 1993	Jun. 30, 1993	Dec. 26, 1995		...						
Escelsa	Jun. 22, 1992	Jun. 30, 1993	Jun. 30, 1993	May 09, 1995	Jun. 26, 1995	Jul. 11, 1995	Jul. 18, 1995		Jul. 17, 1995	Aug. 09, 1995	-	-

^aForecast dates.

Notes: 1 - In offers to employees and to the public, dates are offer deadlines and final settlement of each operations.

2 - Dates in parenthesis represent cancelled offers.

TABLE 55.A

Number of Employees in Majority-owned Companies – 1991/95

SECTOR	CONTROLLED COMPANY	YEAR SOLD	NUMBER OF EMPLOYEES	
Steel	Usiminas	1991	13,618	(Dec. 1991)
	CST	1992	6,000	(Jun. 1992)
	Acesita	1992	7,231	(Jun. 1992)
	CSN	1993	16,812	(Apr. 1992)
	Cosipa	1993	13,082	(Dec. 1992)
	Açominas	1993	4,734	(Dec. 1992)
	Piratini	1992	2,306	(Jun. 1991)
	Cosinor	1991	621	(Aug. 1991)
Petrochemical	Copesul	1992	1,360	(Nov. 1991)
	PQU	1994	1,024	(Apr. 1992)
	Petroflex	1992	1,569	(Dec. 1991)
	Álcalis	1992	1,159	(Jun. 1991)
Fertilizers	Ultrafétil	1993	2,084	(Aug. 1992)
	Fosfétil	1992	1,976	(May 1992)
	Goiasfétil	1992	677	(Dec. 1991)
	Arafétil	1994	721	(Sep. 1993)
Others	Escelsa	1995		
	Mafersa	1992	2,603	(Dec. 1991)
	Celma	1991	1,585	(May 1991)
	Embraer	1994	5,885	(Dec. 1992)
	Lloydbrás	-	714	(Sep. 1993)
	Cobra	-	1,321	(Jul. 1993)
	Caraíba	1994	817	(Jun. 1993)
	SNBP	1992	186	(Oct. 1991)
	Enasa	-	397	(Jan. 1992)
	Franave	-	259	(Dec. 1991)
Total			88,741	

TABLE 55.B

Number of Employees in Petrobrás System's Minority Stakes – 1991/95

SECTOR	MINORITY STAKES	YEAR SOLD	NUMBER OF EMPLOYEES	
Petrochemical	Polisul	1992	510	(Dec. 1991)
	PPH	1992	636	(Dec. 1991)
	Nitriflex	1992	804	(Dec. 1991)
	CBE	1992	205	(Jun. 1992)
	Oxiteno	1993	1,372	(Jun. 1993)
	Poliiolefinas	1993	737	(Jun. 1992)
	Acrinor	1994	207	(Dec. 1993)
	Coperbo	1994	453	(Dec. 1993)
	Polialden	1994	315	(Dec. 1993)
	Politeno	1994	446	(Dec. 1993)
	Ciquine	1994	747	(Dec. 1993)
	Copene	1995	1,160	(Jun. 1995)
	CPC	1995	519	(Dec. 1994)
	Salgema	1995	600	(Dec. 1994)
	CQR	1995	180	(Dec. 1994)
	Nitrocarbano	1995	290	(Dec. 1994)
	Pronor	1995	328	(Dec. 1994)
CBP	1995	12	(Dec. 1994)	
Fertilizers	Indag	1992	423	(Oct. 1991)
	Arafertil	1994	721	(Sep. 1993)
Total			10,665	

TABLE 56

Reimbursable Expenses and Sale Proceeds per Company Privatized

(In US\$ Thousand)

COMPANY	SALE PROCEEDS (A)	EXPENSES (B)	% (B/A)
Controlled Companies			
Usiminas	1,941,165	9,883	0.51
CSN	1,495,254	6,268	0.42
Copesul	861,501	4,554	0.53
Açominas	598,513	4,105	0.69
Cosipa ^a	585,707	4,498	0.77
Acesita	465,386	2,936	0.63
CST	353,631	3,617	1.02
PQU	287,534	2,209	0.77
Petroflex	234,124	1,894	0.81
Ultrafértil	205,580	1,226	0.60
Embraer	192,187	2,730	1.42
Escelsa	399,932	1,610	0.40
Fosfértil	182,001	1,148	0.63
Piratini	106,636	1,665	1.56
Celma	91,109	1,645	1.81
Álcalis ^a	81,406	1,515	1.86
Mafersa	48,770	1,460	2.99
Cosinor	15,049	772	5.13
Goiásfértil	13,053	847	6.49
SNBP ^a	12,014	630	5.24
Mineração Caraíba	5,769	709	12.30
Total (1)	8,176,320	55,921	0.68
Total Petrobrás System's Interests			
Poliolefinas	87,100	847	0.97
PPH	59,359	763	1.29
Polisul	56,800	745	1.31
Oxiteno	53,942	1,062	1.97
Politeno	44,867	574	1.28
Nitriflex	26,190	908	3.47
Copene	270,444	2,005	0.74
CPC	99,564	1,426	1.43
Salgema	139,213	1,598	1.15
CQR	1,708	457	26.74
Nitrocarbano	29,550	452	1.53
Pronor	63,452	113	0.18
CBP	36	70	193.28
Coperbo	25,949	483	1.86
Ciquine	23,689	569	2.40
Polialden	16,728	454	2.71
Acrinor	12,142	471	3.88
CBE	10,858	396	3.64
Arafértil	10,756	617	5.74
Indag	6,804	472	6.94
Total (2)	1,039,152	14,483	1.39
Total 1 + 2 = (3)	9,215,472	70,403	0.76
Minority Interest (4)	395,471	-	-
Privatization in Progress^b (5)	-	17,344	-
Overall Total (3 + 4 + 5)	9,610,943	87,748	-

^aProcess not yet concluded.^bIncludes sales in progress, sales on hold, companies excluded from the PND and in liquidation.

TABLE 57**Reimbursable Expenses per Class of Expense (Summary) – 1990/95**

(In US\$ Thousand)

TYPE OF SERVICE	1990	1991	1992	1993	1994	1995	TOTAL	%
Consulting B	305	8,581	15,198	14,095	12,001	7,606	57,787	64.83
Adversiting	746	5,573	6,906	550	1,289	1,103	16,167	19.19
Consulting A	93	3,070	2,756	1,466	1,167	1,444	9,996	11.26
Fees & Charges	0	2,076	124	60	374	0	2,635	3.30
Other Consultants	0	28	93	129	46	506	802	1.01
Process Audit	0	95	154	37	31	43	361	0.41
Overall Total	1,144	19,424	25,231	16,337	14,909	10,702	87,748	100.00

TABLE 58**Reimbursable Expenses per Sector – 1990/95**

(In US\$ Thousand)

SECTOR	1990	1991	1992	1993	1994	1995	TOTAL	%
Steel	644	9,974	11,730	6,244	4,612	540	33,743	38.46
Chemical/Petrochemical	108	3,089	8,415	4,606	6,113	4,350	26,682	30.41
Transport. Services	25	1,021	2,127	1,929	1,530	1,275	7,907	9.01
Transport. Materials	124	2,849	690	956	429	787	5,835	6.65
Fertilizers	204	2,138	2,023	858	289	0	5,512	6.28
Power Utilities	0	0	6	1,064	1,408	2,997	5,474	6.24
Other	39	352	240	682	527	101	1,941	2.21
Financial Services	0	0	0	0	0	653	653	0.74
Overall Total	1,144	19,424	25,231	16,337	14,909	10,702	87,748	100.00

TABLE 59

Total Reimbursable Expenses per Company – 1990/95

(In US\$ Thousand)

COMPANY	1990	1991	1992	1993	1994	1995	TOTAL	%
Acesita	–	571	2,363	2	–	–	2,936	3.35
Açominas	–	–	924	3,180	2	–	4,105	4.68
Acrinor	9	0	30	52	377	3	471	0.54
Agef	–	–	93	142	75	78	388	0.44
Álcalis	–	577	935	2	–	–	1,515	1.73
Alclor	–	–	24	52	116	–	192	0.22
Alcoolquímica	–	–	–	–	–	–	0	0.00
Arafértil	–	301	97	47	172	–	617	0.70
CBE	–	–	285	110	–	–	396	0.45
CBP	–	–	–	–	1	70	70	0.08
Celma	27	1,596	22	–	–	–	1,645	1.87
Cinal	–	–	25	51	124	–	200	0.23
Ciquine	9	0	44	74	439	3	569	0.65
Cobra	–	–	123	450	251	–	824	0.94
Copene	9	0	90	174	706	1,027	2,005	2.28
Coperbo	9	0	35	59	379	3	483	0.55
Copesul	8	824	1,317	2,098	296	11	4,554	5.19
Cosinor	43	722	6	–	–	–	772	0.88
Cosipa	–	–	1,535	2,682	266	15	4,498	5.13
CPC	–	–	64	138	384	839	1,426	1.62
CQR	–	–	28	60	186	183	457	0.52
CSN	–	–	1,588	376	4,286	18	6,268	7.14
CST	262	1,184	2,108	4	58	–	3,617	4.12
CVRD	–	–	–	–	–	20	20	0.02
Deten	–	–	–	–	1	135	135	0.15
EDN	9	0	38	60	275	75	457	0.52
Embraer	–	–	559	956	429	787	2,730	3.11
Enasa	8	316	232	4	–	–	560	0.64
Escelsa	–	–	3	449	322	837	1,610	1.83
FCC	–	–	–	–	–	–	0	0.00
Fosfértil	16	168	964	–	–	–	1,148	1.31
Franave	8	316	322	4	–	–	651	0.74
Goiasfértil	93	411	339	1	3	–	847	0.97
ICC	63	662	61	1	98	–	884	1.01
Indag	–	259	213	–	–	–	472	0.54
Koppol (Poliderivados)	–	–	182	6	–	150	339	0.39
Light	–	–	3	615	1,086	2,160	3,864	4.40
Lloydbrás	–	–	543	289	717	42	1,591	1.81

(continue)

COMPANY	1990	1991	1992	1993	1994	1995	TOTAL	%
Maferesa	97	1,253	109	-	-	-	1,460	1.66
Meridional	-	-	-	-	-	653	653	0.74
Metanor	-	-	-	-	1	26	26	0.03
Mineração Caraíba	39	352	24	90	201	3	709	0.81
Nitriflex	-	359	548	2	-	-	908	1.04
Nitrocarbano	9	0	31	53	220	139	452	0.51
Nitroclor	9	0	29	54	219	-	310	0.35
Nitrofertil	16	168	62	70	-	-	317	0.36
Nuclep	-	-	-	-	-	-	0	0.00
Oxiteno	-	-	619	385	59	-	1,062	1.21
Petrocoque	-	-	171	100	-	0	271	0.31
Petrofertil	-	-	-	-	-	-	0	0.00
Petroflex	-	422	1,470	2	-	-	1,894	2.16
Piratini	38	383	1,243	1	-	-	1,665	1.90
Polialden	9	0	35	60	347	3	454	0.52
Polibrasil	-	-	246	6	-	379	631	0.72
Poliiolefinas	-	-	335	512	-	-	847	0.96
Polipropileno	-	-	-	-	32	89	121	0.14
Polisul	8	304	353	81	-	-	745	0.85
Politeno	9	0	36	60	466	3	574	0.65
PPH	8	300	369	87	-	-	763	0.87
PQU	-	-	920	159	1,130	0	2,209	2.52
Pronor	-	-	-	-	1	113	113	0.13
RFFSA	-	-	802	1,628	812	1,233	4,476	5.10
Salgema	-	-	47	105	356	1,090	1,598	1.82
SNBP	8	389	227	4	1	-	630	0.72
Triunfo	8	303	110	4	-	10	434	0.49
Ultrafertil	16	168	287	738	17	-	1,226	1.40
Usiminas	300	7,112	1,963	-	-	507	9,883	11.26
Valec	-	-	-	-	-	-	0	0.00
Overall Total	1,144	19,424	25,231	16,337	14,909	10,702	87,748	100.00



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