

Project Abstract

I. BASIC FACTS

Date: March 20, 2008
Country: Brazil
Project Name: TECSIS
Project Number: BR-L1173
Borrower: TECSIS Tecnologia e Sistemas Avançados Ltda.

II. TRANSACTION FUNDAMENTALS

A. PROJECT STRUCTURE

TECSIS Tecnologia e Sistemas Avançados Ltda. (“TECSIS” or the “Company”) is a leading manufacturer of wind turbine blades, delivering to its clients in the current year blades for an energy production capacity of 4350 MW. To maintain its position as one of the world’s key blade suppliers to the wind power industry, TECSIS has expanded its operations by more than six times its fixed assets between December 2004 and June 2007. This brisk growth was financed primarily by short and medium-term debt.

In order to achieve a debt structure more consistent with its asset growth, TECSIS wishes to restructure debt that will become due in 2008 and 2009. The operation will free-up cash flows that are currently utilized for debt service in order that they may be used for funding the company’s capital investment needs. The latter include projects to boost TECSIS’ production of new blade product lines for the current and new customers in order to supply the growing market for custom-made blades and includes investments to maintain the Company’s position as one of the most efficient and competitive producers in the wind power blade industry. The proposed US\$ 65 million refinancing will replace TECSIS’ short and medium-term obligations due in 2008 and 2009.

B. DEVELOPMENTAL IMPACT

The project will provide access to financing tenors that are not available from private commercial lenders and support the Company to reach financial self sustainability and pave the way for capacity expansion and sustainable growth.

The project will promote the use of wind power generation as clean energy and represents one of the first projects in the renewable energy technology exports that may have an important demonstration effect for project developers as well as private sources of finance.

IDB will assist the Company in enhancing the necessary mitigation and monitoring plans and procedures to better address applicable environmental, social, health and safety impacts and risks.