

Rio de Janeiro (Brazil) - Closing Trem de Corcovado transaction - in December 2017, the long awaited financial closing of the Trem de Corcovado transaction finally was announced.

At the end of December 2017, AIL closed a structured project finance transaction in Brazil for the world famous touristic mountain railway Trem de Corcovado in Rio de Janeiro.

The railway to the Corcovado exists since the year 1884 and runs from Cosme Velho to the summit of the Corcovado Mountain at an altitude of 710 m (2330 ft), inside the Tijuca National Park. The summit is



known for its statue of Christ the Redeemer, considered one of the "Seven Wonders of the World", and offers a breathtaking view over the city and beaches of Rio. The monument is visited by more than 2.2 mio. visitors per year.

Trem do Corcovado will replace the existing veteran rolling stock material by three modern and energy-efficient tailor-made rack rail units from Stadler. In addition to the investment in the rolling stock material, Trem do Corcovado also invests in the touristic infrastructure (new visitor center, gift shops, boarding area, restrooms etc.). The new rolling stock will allow Trem de Corcovado to cope with the continuously increasing passenger streams and to offer their passengers a modernized and comfortable way of travelling.



The long-term funding of the transaction on a completely private base can be considered innovative, particularly since the general economic situation in Brazil currently is challenging for private funding. AIL Structured

Finance, as advisor of the Swiss rolling stock manufacturer Stadler Rail,

structured the financing scheme and invited selected banks to provide a financing offer.

The transaction is strongly supported by the Swiss Export Risk Insurance (SERV), the financing bank as well as the strong commitment of the owners from Trem de Corcovado. Heribert Knittlmayer, Head of Insurance Business & Deputy CEO of SERV: "We are very pleased with the outcome of this transaction and that SERV can provide all the necessary support to its Swiss exporters. It is one of our core tasks to support our customers especially in turmoiling economical environments and markets. We are looking forward to seeing the new trains in operation and are convinced that the passengers of Trem de Corcovado will highly appreciate the comfort of the new trains built in Switzerland." Peter Jenelten, Executive Vice President Marketing & Sales of Stadler, also mentioned that he couldn't be happier with the support of SERV: "SERV and its team members have been an excellent support in this transaction. Stadler is glad to count on such a reliable and professional risk taker which helps us to staying competitive in the global markets and to contribute to a sustainable workplace Switzerland."

Throughout the entire period, from the beginning of the initial commercial offer from Stadler until financial closing, AIL was strongly involved in the structuring and adjustment of the tailor-made financing solution.

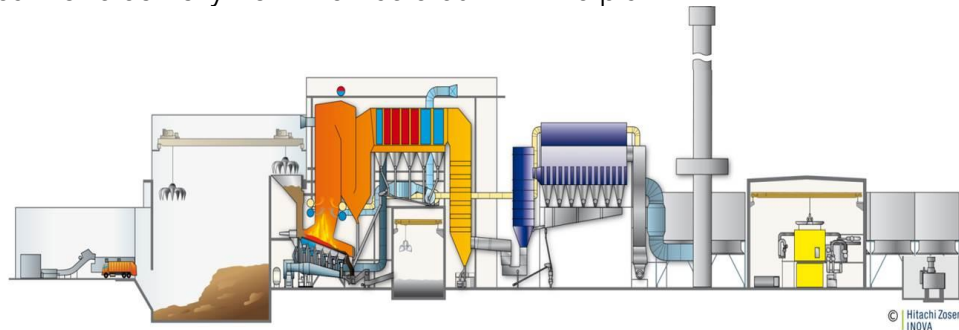
This transaction again shows that with committed and dedicated partners a financing can be closed despite a challenging economic environment in the country of the buyer.

AIL Support for Hitachi Zosen Inova's Energy from Waste Plant in Istanbul

Since a couple of years, AIL Structured Finance is advising Hitachi Zosen Inova (HZI) in risk mitigation and financing issues for several projects.

Hitachi Zosen Inova: HZI formed from the former Von Roll Inova has been founded in 1933 as a department of the Ludwig von Roll Eisenwerke dedicated to thermal waste treatment. Six years later, a first incineration plant was built in Dordrecht, in the Netherlands. The expansion of the company occurred from the 1960th, acting later under the well-known company name Von Roll Inova. The company has integrated the Japanese group Hitachi Zosen Corporation in 2010. HZI's innovative and reliable waste and flue gas treatment solutions have been part of over 600 reference projects delivered since 1933. To find out more about HZI, please visit www.hz-inova.com.

The Technology HZI's Activities: From pure incineration plants, HZI developed quite rapidly energy from waste plants, which were able to produce hot water, steam or electricity from the waste burnt in the plant.



An energy from waste plant is composed of four sub-systems: grate combustion, energy recovery, flue gas treatment and residue treatment. HZI carries out entirely the engineering, comprising also the electrical and control technology, the balance of plant and the energy use. HZI designs all equipment and installation and purchase it from long term suppliers. During the project execution, HZI acts as project manager.

The Project: The Istanbul Metropolitan Municipality (city of Istanbul), the initiator of the project has launched an international tender for the turnkey delivery of an energy from waste plant, which has been awarded to a consortium comprising the Swiss company HZI as consortium leader and an important Turkish civil contractor Makyol.

The energy from waste plant will be composed of three lines and will have a total capacity of one million tons per year, which will be the biggest plant of this type in Europe. The plant will be fueled by municipal solid waste. The energy

recovery capacity of the plant will be around 70 MW net electricity. HZI will also operate and maintain the plant during at least the first year of operation. Besides supplying electricity, the new plant will also deliver added value for the region economically: more than a fifth of all components will be produced by local businesses, while all the work regarding the construction will be carried out exclusively by local workers.

The Payment Security: AIL has been mandated by HZI to carry out a risk analysis and propose risk mitigation measures. The payment security shall apply for the entire scope of HZI. The main issue was to study in detail each phase of the project and to make sure that an adequate security was available for each of these phases.

As the city of Istanbul was the buyer of the plant, the insurance cover could be based on the creditworthiness of the city with a corresponding budget, therefore no additional security package was required.

Payment Security for Stadler' Tram project in the Czech Republic

AIL has arranged an insurance cover of SERV for Stadler to secure the payments under a delivery contract concluded with Dopravni Podnik Ostrava, the transport company of the city of Ostrava, in the eastern part of the Czech Republic.

Dopravni Podnik Ostrava has initiated a project to renew its fleet of tramways, trolleybuses and buses. Under this project, Stadler Bussnang has been selected to supply 40 tramways. The project is financed through the European Fund for Regional Development and Czech public budgets.

The funds of the European Union are usually granted based on a specific project in the framework of defined priorities (country strategies). The EU funds shall be disbursed to a local authority, which shall be manager of the funds received. According to the project progress, the local authority will transfer EU and local funds to the initiator of the project, Dopravni Podnik. Dopravni Podnik pays Stadler according to the payment terms under the delivery contract.

In cases of a funding from the European Union, it is important to understand the money flows. As the funds are not disbursed directly to the supplier, the more transfers of the money, the higher risks it may represent for the supplier. The support of SERV gives Stadler the sufficient comfort for a smooth execution of the project.

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