

# Message from the Board of Directors

GRI • G4-1



The year 2014 brought Triunfo Participações e Investimentos exceptional gains in the energy segment and important value addition through the acquisitions of Transbrasiliiana and Tijoá, the operational start-up of Triunfo Concebra and the contractual amendments signed by Concer (12th Amendment), Triunfo Concepa (14th Amendment) and Triunfo Econorte (4th Amendment).

In this context, the inclusion of sustainability in the Company's business strategy can be defined as across-the-board, gradual and latent. At a time of expansion for Triunfo, also marked by a significant increase in our workforce, in 2014 we established policies and practices that ensure alignment with the fundamental values of Triunfo and to its commitments to sustainable development.

The first milestone of the year in this regard was the creation of the Triunfo Sustainability Committee, made up of professionals from different areas and divisions across the Company, as well as an independent member from the Board of Directors. With the function of advising the Board on sustainability issues, the Committee spent the year identifying the key environmental, social and economic impacts generated by Triunfo companies in the regions where we are present.

This analysis was backed by a comprehensive process of engaging the diverse stakeholder groups we deal with. To foster dialogue with our stakeholders, we held an event that was the first of its kind in the Company's history: the Triunfo Sustainability Panel. The Company held a total of nine editions in six Brazilian states, in which around 180 people, representing communities, suppliers, clients, the government, investors and Triunfo professionals participated.

More than a mere relationship-building exercise, these panels were special opportunities to listen to the opinions, demands and expectations of those who are closely related to our business. These people helped us to not only confirm the positive and negative impacts – listed by the Triunfo Sustainability Committee – but also to map other aspects relevant to our development strategy.

A more accurate understanding of the social and environmental effects of our operations was essential for updating the Triunfo Sustainability Policy, prepared by the Committee and approved by the Board of Directors in the second half of 2014. Applied to all companies and projects linked to the Company, the Policy is a public announcement of Triunfo's commitment to conduct all its interactions with the environment and society in a sustainable manner. To do so, it has established seven broad guidelines: ethics and integrity, user and client satisfaction, innovation, appreciation of professionals, environmental conservation, community engagement and responsible management.

In a general sense, these guidelines are tied to Triunfo's strategic priorities and indicate the topics considered fundamental for business sustainability in the short, medium and long term. For each of these, we have well-defined plans of action and, whenever possible, performance indicators that allow us to evaluate compliance with the Policy and also possibilities for improvement. As part of this process, we have defined targets for improving practices related to the environment, risk management, value chain and community relations, among other issues.

In this path of continuous improvement, our professionals play a decisive role. That's why, in 2014 we invested heavily to improve people management across Triunfo companies. These investments were aimed at attracting, retaining and training ever more capable professionals to generate value through our precepts. These precepts, as indicated by the Triunfo Sustainability Policy, include ethics and integrity, which serve as the keystone of our corporate culture. We keep a close watch on compliance-related initiatives at both the domestic and global levels and remain focused on strengthening mechanisms to control and evaluate conduct.

We are a Company that provides infrastructure solutions and which is dedicated to business segments that contribute to the growth of Brazil. Considering the economic scenario, we know that the coming years pose even more formidable challenges to sustainable development, yet we are motivated to overcome these challenges.

**Luiz Fernando Wolff de Carvalho**  
**Chairman of the Board of Directors of Triunfo**

# Message from the Board of Executive Officers

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In a year marked by the slowdown of the Brazilian economy, Triunfo Participações e Investimentos continued its trajectory of expansion and incessant quest to generate value. In the toll roads segment, in addition to the operational start-up of Triunfo Concebra – the largest toll road concession in Brazil – in 2014, we acquired at the start of 2015, Transbrasileira, which manages a 321.6-kilometer stretch of the BR-153 highway that runs through the state of São Paulo, between its borders with Minas Gerais and Paraná. This stretch acquired makes up an important highway corridor spanning 1,839.1 kilometers and connecting the Triunfo Concebra and Triunfo Econorte concessions.

With this, we strengthened Triunfo's operations in the toll roads segment and as of 2015, the Company will manage 2,140.5 kilometers of toll roads, making it the third largest highway concession operator in Brazil in kilometers managed. We are focused on further increasing synergies between these projects in an effort to share solutions and optimize resources. The performance of our concessionaires in 2014 shows that this is the right path.

Operating concessionaires posted a 1.2% increase in vehicle equivalent traffic over 2013, led by Triunfo Concepa, operating in Rio Grande do Sul, which registered traffic growth of over 6%. The stretch managed by Triunfo Concepa was elected, for the second consecutive year, the best federal highway in Brazil by the Guia

4 Rodas – Estradas 2014/2015 magazine. This is an important recognition that reaffirms our commitment to operational excellence and user satisfaction – indicators that should only improve with the construction of a fourth lane on the Free Way between the cities of Porto Alegre and Gravataí. The first stage of construction was delivered in 2014, at an investment of R\$ 74 million in the year. The fourth lane will require investments of R\$ 198 million and construction will last till the end of 2015.

Another important project is currently underway at Concer. Significant progress was made in 2014 on the Nova Subida da Serra, which connects Rio de Janeiro and Petrópolis. By the end of the year, the new Duque de Caxias Toll Plaza, new accesses to Xerém and 11 of the 32 special works envisaged in the project (such as overpasses and bridges) had been concluded. Work is currently underway on the massive contention and excavation of the largest highway tunnel in Brazil, stretching approximately five kilometers. The entire project is budgeted at around R\$1 billion and will improve traffic flow and, more importantly, make it safer.

In Paraná, we finally managed to resolve the impasse with the concession granting authority. With the signature of the fourth amendment, Triunfo Econorte put an end to the numerous lawsuits driven by populist and opportunistic interests that sought to invalidate the concession agreement over the last eight years. With the legal reasoning restored, we can now focus our efforts on a new and important cycle of investments to improve the highways managed by Triunfo Econorte in the region.

The synergies we achieved in the toll roads segment have become a goal for other sectors in which we operate, particularly energy, which too grew in 2014. Through Tijoá Participações e Investimentos S.A., a Special Purpose Company established in partnership with Furnas, Triunfo took over the concession for operating the Três Irmãos Hydroelectric Plant in Andradina (SP). The concession is for 30 years starting from October 10, 2014, when the concessionaire took responsibility for the plant.

The new project, with installed capacity of 807.5 MW and physical guarantee of 217.5 MW, joins the plants operated by Triunfo Rio Canoas and Triunfo Rio Verde, which posted excellent performance in 2014. In Goiás, the Salto Hydroelectric Plant sold 594 MWh in 2014, while the Garibaldi Plant, located in Santa Catarina, sold 668 MWh.

Also in Santa Catarina, after completion of works to strengthen the quay, Portonave began expanding its backyard and acquired new equipment. By the end of 2015, the container storage area will expand from 270 thousand m<sup>2</sup> to 410 thousand m<sup>2</sup>, improving the quality of services offered to importers and exporters. Furthermore, the Company received 15 new Terminal Tractors (TT) to increase productivity – an area in which Portonave broke the South American record on October 18, when it reached the mark of 270.4 containers handled per hour while serving the vessel MSC Agrigento.

At Aeroportos Brasil Viracopos, the year 2014 was of intensive efforts to complete expansion work on the Viracopos International Airport in Campinas (SP), which was essential to receive foreign delegations and tourists coming to participate in the World Cup in Brazil. The completion of bulk of the expansion work enabled the airport to significantly increase its international operations, from three to 38 weekly flights. At the end of the year came yet another achievement: Viracopos was the first airport in Brazil to receive the Authorized Economic Operator certification from the World Customs Organization (WCO). This certification, signed by Brazil's Federal Revenue Service, raises Viracopos to the level of a Safe Airport for the customs services of 30 countries that make up the WCO, thus facilitating foreign trade procedures. Furthermore, in 2014, the Airport was elected for the second time as the best airport in Brazil in a survey among passengers conducted by the Civil Aviation Department (SAC) of the Office of the President of Brazil.



**WE OPTED FOR SUSTAINABLE  
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The pursuit of expansion that characterizes Triunfo does not exempt us from the responsibility of constantly reviewing our projects and acting decisively whenever certain initiatives fail to advance as expected. This was the case with Vetria Mineração, closed down in 2014 mainly due to prevailing market conditions and the outlook for iron ore prices. While suspending the project, we undertake to evaluate, define and adopt the measures required to minimize the economic, social and environmental impacts of this decision.

The termination of these two activities affected the Company's debt levels and also had a negative impact on our economic and financial performance in 2014. Nonetheless, we closed the year with a balance of R\$ 218.7 million available to shareholders. Adjusted net revenue came to R\$ 1.3 billion in the year, up 36.7% over 2013, while consolidated adjusted Ebitda increased 85.9%, reaching R\$ 972.6 million.

Thus, we are once again sharpening the focus on segments in which Triunfo has vast expertise to ensure the roll-out of the Company's strategic plan and to mitigate risks that could affect our results. This is how we guarantee the economic and financial sustainability of our business, which is inherently tied to our social and environmental commitments. In 2014, we created instruments, guidelines and indicators to guide our sustainable development initiatives, as explained in this report.

No wonder then that the first stakeholder group with whom we shared the new Triunfo Sustainability Policy was our professionals. At the end of 2014, our workforce numbered almost 4.5 thousand, all of whom take on the daily responsibility of making their contribution towards achieving the corporate objectives. That's why we gave special attention to our professionals during the year, renewing our people management practices and investing heavily in training and in identifying leaders, who will disseminate our culture and values. Early results of these efforts are already evident: Portonave and Triunfo Concepa joined the list of best companies to work in 2014 in Santa Catarina and Rio Grande do Sul, respectively, according to the Great Place to Work Institute. This confirms that all our efforts have been effective in consolidating the appreciation of professionals as an important differential at Triunfo.

We are sure that the Company stands out in the infrastructure sector not only for its capacity to deliver but also, and increasingly, by how we do business. We opted for sustainable development and are grateful for the support we have received from our professionals, shareholders, suppliers, communities, governments and partners in building the results. We will remain focused on generating and sharing value.

**Carlo Alberto Bottarelli**  
**CEO of Triunfo**