



National Treasury External Debt Early Redemption Program Results in September/October 2007

Since January 2006, the Brazilian National Treasury has been implementing its External Debt Early Redemption Program¹, consisting of direct repurchases of specific target bonds issued by the Federative Republic of Brazil. The Program's main goal is to improve the Brazilian sovereign yield curve, through the reduction of the Republic's outstanding off-the-run bonds, and thus concentrating the liquidity in the sovereign benchmarks.

Since January 2007, the National Treasury's repurchases amount to US\$ 4.8 billion (US\$ 6.2 billion in cash value). In particular, during the months of September and October 2007, the National Treasury bought back a total face value of US\$ 484 million (representing US\$ 621 million in cash value). The table below shows the result of the program in 2007 for each of the target bonds, as well as the resulting outstanding.

| Global | Jan 1st 2007 Outstanding | Repurchased Amount | | | | | | since Jan 2007 | Oct 30 2007 Outstanding * |
|--------------|-----------------------------|--------------------|-----------------|-----------------|---------------|---------------|-----------------|------------------|------------------------------|
| | | Jan/Feb | March/April | May/June | July/August | Sep/Oct | US\$ Mn | | |
| BR 08 | 991,70 | - | 17,70 | - | - | - | 17,70 | 974,00 | |
| BR 09F | 269,93 | 8,00 | 5,80 | - | - | - | 13,80 | 256,13 | |
| BR 09 | 1.005,23 | - | - | - | - | - | - | 1.005,23 | |
| BR 10 | 428,83 | - | - | - | - | - | - | 428,83 | |
| BR 10N | 962,18 | 20,00 | 52,70 | 9,00 | 15,00 | 8,21 | 104,91 | 857,27 | |
| BR 11 | 756,96 | 15,00 | 30,90 | - | 32,50 | 12,00 | 90,40 | 666,56 | |
| BR 12 | 1.108,72 | 40,00 | 70,60 | 51,33 | 41,30 | 15,80 | 219,03 | 889,69 | |
| BR 13 | 1.246,43 | - | 74,08 | 15,00 | 113,01 | 5,00 | 207,08 | 1.039,35 | |
| BR 14 | 1.173,61 | - | 145,40 | 40,40 | 59,00 | 119,20 | 364,00 | 809,61 | |
| BR 15 | 2.100,00 | - | 75,00 | 182,62 | 13,00 | 35,00 | 305,62 | 1.794,38 | |
| A-bond | 4.508,57 | 178,00 | 48,00 | 105,00 | 179,00 | 123,00 | 633,00 | 3.875,57 | |
| BR 19 | 1.500,00 | 45,00 | 35,00 | 5,00 | 15,00 | 47,47 | 147,47 | 1.352,53 | |
| BR 20 | 760,07 | - | 34,90 | 6,00 | - | 27,36 | 68,26 | 691,81 | |
| BR 24 | 2.060,81 | 12,00 | 67,00 | 41,80 | 56,84 | 8,20 | 185,84 | 1.874,97 | |
| BR 24B | 740,27 | 20,00 | 7,00 | 5,00 | - | 8,00 | 40,00 | 700,27 | |
| BR 25 | 2.250,00 | 68,00 | 135,00 | 136,52 | 37,95 | 5,60 | 383,07 | 1.866,93 | |
| BR 27 | 3.435,77 | 6,00 | 88,00 | 367,81 | 22,00 | 23,94 | 507,75 | 2.928,03 | |
| BR 30 | 1.016,70 | 17,50 | 45,09 | 54,35 | 5,00 | 21,05 | 142,99 | 873,71 | |
| BR 34 | 2.697,80 | 40,00 | 209,00 | - | 5,00 | 24,81 | 278,81 | 2.418,99 | |
| BR 40 | 5.157,31 | 105,00 | 587,00 | 104,00 | 309,00 | - | 1.105,00 | 4.052,31 | |
| Total | 34.170,87 | 574,50 | 1.728,16 | 1.123,84 | 903,59 | 484,63 | 4.814,72 | 29.840,78 | |

* The outstanding shown reflects all the trades settled as of October 30, 2007, but not necessarily all the bonds bought back have had the cancellation process concluded.

¹ From January to December 2006, the Program was conducted within the scope of the National Treasury's external borrowing strategy, being executed by the Central Bank's trade desk, and included bonds with maturities up to 2010, afterwards extended to 2012. Since January 2007, the Program is being carried out by the National Treasury external debt trade desk and includes all external debt bonds, independently of their maturities.