

# Tuper S.A.

## SUMMARY OF PROPOSED INVESTMENT

This Summary of Proposed Investment is prepared and distributed to the public in advance of the IFC Board of Directors' consideration of the proposed transaction. Its purpose is to enhance the transparency of IFC's activities, and this document should not be construed as presuming the outcome of the Board decision. Board dates are estimates only.

|                               |                                 |
|-------------------------------|---------------------------------|
| <b>Project number</b>         | 29564                           |
| <b>Company name</b>           | Tuper S.A.                      |
| <b>Country</b>                | Brazil                          |
| <b>Sector</b>                 | Industrial & Consumer Products  |
| <b>Environmental category</b> | B                               |
| <b>Date SPI disclosed</b>     | May 12, 2010                    |
| <b>Projected board date</b>   | June 15, 2010                   |
| <b>Department</b>             | Global Manufacturing & Services |
| <b>Status</b>                 | Pend FAP                        |

### Overview

#### Project description

Founded in 1970, Tuper S.A. ("Tuper" or the "Company") is a Brazilian medium-sized producer of a wide range of steel tubes, steel-related products and automotive exhaust systems.

Tuper is undertaking a \$140 million capital expenditure program to be implemented in 2010-2012 (the "Investment Program"), as follows: (i) the construction of a new production line dedicated to higher diameter steel tubes (i.e. 5 to 12 inches) to be used for the production of structural tubes and for the production of API-rated tubes for the oil & gas industry; (ii) expansion of Tuper's production of automotive exhaust systems, including an expansion of the manufacture of complete exhaust systems for OEMs and catalytic converters; (iii) R&D; and (iv) working capital needs. All expansion plans will occur on the existing facilities of the company.

### Sponsor/Cost/Location

#### Project sponsor and major shareholders of project company

Tuper is majority-owned by 3 main families: Bollmann (47%), Grosskopf (25%) and Gschw endtner (23%). The remaining 5% is held by 3 minority shareholders.

#### Total project cost and amount and nature of IFC's investment

The project is a \$140 million capital expenditure program to be implemented in 2010-2012. The proposed IFC investment will comprise up to \$40 million for IFC's own account, consisting of a combination of senior loan, quasi-equity and/or straight equity investment.

#### Location of project and description of site

Tuper's investment comprises an expansion of its plant in São Bento do Sul, a small city (~70k inhabitants) where Tuper is headquartered, located over 500 km away from São Paulo city.

### Development Impact

#### Anticipated development impact of the project

(i) Employment Generation: the Investment Program is expected to generate approx. 200 additional direct jobs reaching 2,000 employees by 2012; (ii) Reduce harmful emissions: Tuper is leading producer of an environmentally friendly automotive exhaust system solution in Brazil. By financing the Investment Program, IFC will be supporting Tuper to expand its presence in the local market, and even abroad, and helping to reduce harmful emissions from vehicles and (iii) Lower construction cost of low income housing: Tuper's construction solution with steel molds reduces the usage of wood and other materials during construction, with the respective decrease in the construction cost.

#### IFC's expected development contribution

(i) Providing long term funding, which is not readily available in the local market. As an equity investor, IFC will also contribute to enhance the Company's IPO prospects; (ii) Corporate Governance: support Tuper's senior management in implementing best practices in social sustainability and corporate governance in preparation for an IPO within 3-5 years; and (iii) share IFC's global expertise in energy efficiency contributing to improve Tuper existing operations and its Investment Program.

### Environmental and social issues - Category B

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This is a category B project according to IFC's Procedure for Environmental and Social Review of Projects because a limited number of specific environmental and social impacts may result that can be avoided or mitigated by adhering to generally recognized performance standards, guidelines or design criteria.

Key environmental and social issues reviewed during the appraisal include the following: Tuper's management of social, environmental, and health and safety matters; Incorporation of environmental and health and safety considerations during the design, construction and operation of the new production lines; Resource conservation, including efficient use of energy and water; Wastewater reduction, treatment and disposal; Hazardous waste management; Labor and working conditions; Occupational health and safety, including machine guarding, and welding fumes and noise exposure; Fire protection and emergency response.

To view the environmental documents for this project, [click here](#)

### Contacts

#### For inquiries about the project, contact:

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#### Local access of project documentation

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This document will be publicly disclosed locally for review and comment at:

i) Tuper's office:  
Rod. BR 280, 955 – Bairro Oxford  
Sao Bento do Sul – SC – Brazil

ii) Tuper's website: [www.tuper.com.br](http://www.tuper.com.br)

### Attachments

There are no attachments for this document