



Dear Sir/Madam,

The **Brazilian National Treasury** released the Federal Public Debt Monthly Report – April 2009.

Please find below the main points:

Primary Market Transactions

In April, **Federal Public Debt - FPD** issuances reached R\$ 21.2 billion and redemptions corresponded to R\$ 38.9 billion, resulting in net redemptions of R\$ 17.6 billion (R\$ 15.7 billion refers to net redemption of **Domestic Federal Public Debt – DFPD** and R\$ 2.0 billion refers to net redemptions of the **External Federal Public Debt – EFPD**).

Debt Outstanding

The FPD outstanding in the market decreased 1.02%, moving from R\$ 1,398.24 billion in March to R\$ 1,384.03 billion in April. The DFPD outstanding (which represents 91.17% of the FPD) decreased 0.47%, shifting from R\$ 1,267.79 billion to R\$ 1,261.79 billion in the same period.

Debt Profile

The share of fixed-rate bonds on the FPD decreased from 28.03% in March to 26.76% in April due to large maturities and its statistical effects. The share of floating-rate (Selic) securities moved from 33.71% in March to 34.96% in April. On its turn, the share of inflation linked bonds increased from 27.30% to 27.89% in the same period

Maturity Profile

FPD maturities in the next 12 months decreased from 29.97% in March to 28.58% in April. Almost 50.5% of DFPD securities scheduled to mature in up to 12 months corresponds to fixed-rate securities, followed by floating-rate (Selic) securities (33.71%).

Average Term to Maturity

The average FPD term to maturity remained practically stable, at 3.55 years in April.

Average Life

Average FPD life, which indicates the remaining term of public debt principal, decreased from 5.65 years in March to 5.63 years in April. **Mind this indicator as the most appropriate one for cross country comparisons.**

DPF Average Cost

In cumulative 12-month terms, the average cost of DFPD decreased from 13.40% per year in March to 13.24% per year in April, due to a smaller change in some indexes (Selic, IPCA and IGP-M) when compared to the same month of the previous year. With regard to the EFPD, the average cost moved from 43.43% per year in March to 40.43% in, mainly as a result of US dollar depreciation against BRL real (5.91% in April 2009) when compared with the same month of the preceding year (depreciation of 3.54%). As a result, the FPD average cost in cumulative 12-month terms moved from 15.60% per year in March to 15.13% in April.

The full document of the Federal Public Debt monthly Report – April 2009 (Portuguese only) can be found at:

http://www.tesouro.fazenda.gov.br/hp/downloads/divida_publica/relatorio_abr09.pdf.

The full English version of this report will be released soon at:

http://www.tesouro.fazenda.gov.br/english/hp/public_debt_report.asp.

Yours Faithfully,

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