

## Debt, Capitalization and Cash

	2Q02	1Q02	2Q01
<b>Short Term Debt</b>	<b>215,860</b>	<b>254,729</b>	<b>175,380</b>
Commercial loans (in US\$)	71,775	71,868	97,329
Commercial loans (in R\$)	8,139	18,364	-
<b>Current portion of long-term debt</b>	<b>135,946</b>	<b>164,497</b>	<b>71,543</b>
Net Sul Notes	32,000	32,000	-
International Finance Corporation	20,579	35,329	35,329
Eximbank	2,224	2,510	1,411
Zero-Coupon Guaranteed Notes	45,711	45,711	-
Other long-term debt (US\$)	1,336	1,736	2,626
Debentures 1998 (R\$-denom.)	-	-	6,508
BNDES (R\$-denom.)	15,184	20,808	32,046
Leasing (R\$-denom.)	389	580	131
Future Flow Securitization(R\$-denom.)	9,733	25,822	-
Other long-term debt (R\$ - denom.)	8,789	-	-
<b>Long Term Debt</b>	<b>354,683</b>	<b>410,309</b>	<b>573,464</b>
Senior Guaranteed Notes - 2004	97,692	97,692	97,692
Net Sul Notes	80,000	80,000	80,000
International Finance Corporation	29,346	47,011	64,675
Eximbank	3,638	4,300	5,497
Zero-Coupon Guaranteed Notes	45,711	45,711	45,711
Other long-term debt (US\$)	1,699	2,240	11,796
Convertible Debentures 2006 (R\$-denom.)	129,144	154,636	146,426
Debentures 2001 (R\$-denom.)	68,605	83,982	84,663
BNDES (R\$-denom.)	15,781	21,882	45,506
Leasing (R\$-denom.)	491	772	131
Future Flow Securitization (R\$-denom.)	9,733	25,822	52,063
Other long-term debt (R\$ - denom.)	8,789	10,759	10,846
<b>Current portion of long-term debt</b>	<b>(135,946)</b>	<b>(164,497)</b>	<b>(71,543)</b>
<b>Total Debt</b>	<b>570,544</b>	<b>665,037</b>	<b>748,844</b>
<b>Cash</b>	<b>16,583</b>	<b>13,908</b>	<b>107,430</b>
<b>Net Debt</b>	<b>553,960</b>	<b>651,130</b>	<b>641,414</b>
<i>US dollar-denominated debt</i>	329,861	348,821	402,098
	57.8%	52.5%	53.7%
<i>Brazilian real-denominated debt</i>	240,683	316,217	346,746
	42.2%	47.5%	46.3%

- **Total Debt** was **US\$ 570.5 million** at the end of 2Q02, a 14.2% decrease compared to **US\$ 665.0 million** at the end of 1Q02, mainly due to the Real depreciation. **Cash Balance** went up 19.2% compared to the previous quarter and ended at **US\$ 16.6 million**. As a consequence, **Net Debt** was **US\$ 554.0 million**, a 14.9% drop compared to **US\$ 651.1 million** at March 31, 2002.
- In 2Q02, **net amortizations** were **US\$ 37.0 million**, US\$ 17.7 million of which were related to the IFC, US\$ 11.7 to future flow securitization, US\$ 2.6 million to BNDES and US\$ 1.2 million to Eximbank. **Interest costs** during the quarter were approximately **US\$ 22.4 million**, being US\$ 9.7 million of which related to the payment of interests of the Senior Guaranteed Notes and US\$ 7.2 million, to the 3<sup>rd</sup> issue of debentures. The Zero Coupon Guaranteed Notes, totaling **US\$ 52 million**, were settled in July.