

**Listing Particulars**  
**Dated June 25, 2012**

**EM Falcon Limited**

*(a private limited company incorporated under the laws of Ireland)*

Series 2012-01

BRL450,000,000 Pass-through Notes due 2022 (the “**Notes**”)

Payable in U.S. Dollars (subject as provided herein)

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”). THE NOTES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT (“**REGULATION S**”).

This Listing Particulars (this “**Listing Particulars**”) is prepared in connection with the Note Issuance Program of EM Falcon Limited (the “**Issuer**”) and must be read in conjunction with the Base Listing Particulars dated April 18, 2012 (the “**Base Listing Particulars**”) and, together with this Listing Particulars, the “**Placement Memorandum**”), issued by the Issuer. Terms used but not defined in this Listing Particulars have the same meanings as in the Base Listing Particulars. The Base Listing Particulars are incorporated by reference into this Listing Particulars.

This Listing Particulars has been prepared for the purpose of giving information about the issue of the Notes.

Application has been made to the Irish Stock Exchange for the approval of this Listing Particulars.

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of the Irish Stock Exchange (the “**Global Exchange Market**”). The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.

The secured assets relating to the Notes will be referred to herein as the “**Charged Assets**”.

The Notes offered hereby are issued pursuant to the Series 2012-01 Indenture described herein (as supplemented, the “**Indenture**”) among The Bank of New York Mellon as trustee (the “**Trustee**”), the Issuer and the other parties thereto.

The holders of the Notes (the “**Holders**”) will have recourse only to the Charged Assets. The Charged Assets will primarily consist of (i) the Underlying Securities described herein, (ii) the Collection Account and (iii) the proceeds of the foregoing. See “The Charged Assets” herein.

The Notes will be issued in Book-Entry form and will be represented by one or more Global Notes in registered form. The Notes will initially be represented by a Global Note registered in the name of the nominee of a common depositary for Euroclear and Clearstream.

The Notes have not been and will not be registered under the Securities Act. The Notes may not be offered or sold within the United States or to U.S. persons at any time.

The Notes will not be rated upon issuance.

**Neither this Listing Particulars nor the Base Listing Particulars shall constitute a prospectus for purposes of the Securities Act. Neither this Listing Particulars nor the Base Listing Particulars are an offering to the public in the United States, and the offering and sale of the Notes pursuant to this Listing Particulars and the Base Listing Particulars shall be subject to the transfer restrictions set forth herein and therein.**

The Issuer accepts responsibility for all the information contained in this Listing Particulars and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information. Information concerning the Underlying Securities Issuer has been accurately reproduced from publicly available information and, so far as the Issuer is aware and able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.

***MORGAN STANLEY***

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## **RISK FACTORS**

**The risk factors below must be read in conjunction with the risk factors set forth in the Base Listing Particulars. To the extent any provision in this Listing Particulars is inconsistent with the Base Listing Particulars, the provisions in this Listing Particulars shall control.**

### **Ratings on the Notes**

The Issuer does not intend to apply for the Notes to be rated upon issuance. Although the Issuer does not intend to apply for the Notes to be rated, there can be no assurance as to whether any rating agency will nonetheless issue an unsolicited rating and, if so, what such rating would be or how such rating would effect investors' perception of the Notes' value.

### **Public Information About Underlying Securities Issuer**

Prospective purchasers of the Notes are urged to undertake their own investigation of the Underlying Securities Issuer. Neither the Issuer nor any Morgan Stanley entity will provide to any prospective Holder any information other than what is set forth herein. The information concerning the Underlying Securities Issuer that is available from public sources will not have been independently checked or verified by the Issuer, the Distributor, any other Morgan Stanley entity, the Trustee or anyone else in connection with the issuance of the Notes. Information concerning the Underlying Securities Issuer may not be available in English and may only be available in Portuguese.

### **Market Value Risk with respect to the Underlying Securities**

In addition to the credit risk with respect to the Underlying Securities, holders of the Notes will be exposed to market value risk with respect to the Underlying Securities. If an Early Redemption Event or an Indenture Event of Default occurs, the Issuer's primary source of funds for redeeming the Notes will be the redemption proceeds or, as the case may be, liquidation proceeds of the Underlying Securities. In the case of a liquidation of the Underlying Securities, if the Issuer cannot sell the Underlying Securities for a price at least equal to the Principal Balance plus an amount equal to all claims which rank in priority to the claims of the Holders of the Notes in accordance with the Priority of Payments, the amount received by the Holders of the Notes will be reduced to reflect the Issuer's shortfall.

### **Currency Risk**

Although the Notes are denominated in Brazilian reais, all payments of interest and principal under the Notes will be made in U.S. dollars. In addition, the Underlying Securities are denominated in Brazilian reais and payments thereunder will be made in Brazilian reais. As a result, payments made under the Underlying Securities in Brazilian reais will need to be converted to U.S. dollars in order for the Issuer to make payments under the Notes. Currency exchange rates are volatile and unpredictable and may be affected by macroeconomic factors and speculation. Such rates and the ability to convert from one currency to another may be influenced by direct governmental action or political or economic developments in Brazil or elsewhere and could lead to significant and sudden changes in the exchange rate between Brazilian reais and U.S. dollars. If the Brazilian real depreciates against the U.S. dollar, the amount payable to investors on any payment date, at maturity or upon acceleration will be less (in U.S. dollar terms) than the U.S. dollar value of such payments were they to be converted from Brazilian reais at the exchange rate in effect on the Issue Date of the Notes, and the effective yield on the Notes (in U.S. dollar terms) will decrease and an investor may lose all or a substantial portion of the original U.S. dollar issue price of the Notes. Historical or prevailing levels of the exchange rate of Brazilian reais to U.S. dollars or any other currency should not be taken as an indication of the future levels of such exchange rate. Depreciation of the Brazilian real against the U.S. dollar may adversely affect the market value of such Notes in U.S. dollars.

Further, in certain circumstances the Brazilian Account Bank may determine in its sole discretion the exchange rate which will apply for converting Brazilian reais to U.S. dollars. There may be a conflict of interest between the Holders of the Notes and the Brazilian Account Bank in relation to any such determination and the Brazilian Account Bank owes no obligations of agency or trust nor any fiduciary obligations towards Holders of the Notes in this regard. In particular the Brazilian Account Bank and its affiliated entities may have interests in other capacities (such as other business relationships and activities) that are adverse to Holders of the Notes.

By its purchase of a Note, each Holder represents that it has sought independent legal, regulatory, tax, business, investment, financial and accounting advice to the extent it deems such advice necessary in evaluating and understanding all the conditions and the risks of such Note, and it is willing to assume (financially and otherwise) all such risks, in particular with respect to the element of exchange rate exposure inherent in such Note.

#### **Notes May be Redeemed at Less Than 100% of Principal if Redeemed Early**

If the Notes are, for any reason, redeemed prior to the Scheduled Maturity Date, Holders will receive either Underlying Securities, Brazilian reais or U.S. dollars, as more fully described herein. In each case the Holder may face delays in receipt or payment. The Early Redemption Amount is calculated by reference to amounts received by the Issuer as holder of the Underlying Securities. The Liquidation Proceeds Amount is the amount received on disposal of the Underlying Securities, and is accordingly liable to be affected by market conditions. The Early Redemption Amount and the Liquidation Proceeds Amount may be, depending on the circumstances and as further described herein, payable via physical delivery of the Underlying Securities, in Brazilian reais or in U.S. dollars, depending on whether certain Local Settlement Conditions are satisfied or a Convertibility Event has occurred and is continuing (and if so, for how long). In addition, any amounts payable or deliverable will be reduced by amounts ranking prior to the Holders in the Priority of Payments.

If an Underlying Securities Default (other than Underlying Securities Default caused by the insolvency or bankruptcy of the Underlying Securities Issuer) occurs prior to the Maturity Date, the Brazilian Account Bank will request the Underlying Securities Issuer to redeem the Underlying Securities in full no later than five (5) calendar days following such request. The Underlying Securities Issuer is under no obligation to so redeem the Underlying Securities. If the Underlying Securities are so redeemed by the Underlying Securities Issuer, either partially or fully, or an Underlying Securities Early Redemption has occurred, the Holder will receive the Early Redemption Amount in U.S. dollars or, subject to the Local Settlement Conditions, in Brazilian reais, corresponding to such Underlying Securities so redeemed, calculated using the PTAX Rate or, if a Convertibility Event has occurred and is continuing for 30 calendar days or longer, using an exchange rate determined by the Brazilian Account Bank in its sole discretion. If any portion of the Underlying Securities are not so redeemed by the Underlying Securities Issuer, an Underlying Securities Default that is caused by the insolvency or bankruptcy of the Underlying Securities Issuer has occurred, or a Tax Redemption Event, Indenture Event of Default (other than an Underlying Securities Default), or a Convertibility Event that is also an Early Redemption Event has occurred, the Holder will receive, subject to deduction of an amount equal to all claims which rank in priority to such Holder in accordance with the Priority of Payments, either (i) subject to the Local Settlement Conditions being satisfied for Physical Delivery, such Holder's pro rata share of outstanding Underlying Securities, (ii) if the Local Settlement Conditions for Physical Delivery are not satisfied, and subject to the Local Settlement Conditions for cash payments being satisfied, at the Holder's request an amount in Brazilian reais or, unless a Convertibility Event has occurred and is continuing, U.S. dollars (calculated using the PTAX Rate), in each case equal to such Holder's pro rata share of the Liquidation Proceeds Amount or (iii) if a Convertibility Event has occurred and is continuing, and, except where a Convertibility Event has occurred that is also an Early Redemption Event, an amount in U.S. dollars equal to such Holder's pro rata share of the Liquidation Proceeds Amount calculated using an exchange rate, determined by the Brazilian Account Bank in its discretion.

If Physical Delivery of the Underlying Securities to the Holder has not otherwise occurred or it is unlawful, impossible or otherwise impracticable to convert the redemption or liquidation proceeds received from the Underlying Securities as set out above, the Issuer will hold the Underlying Securities or the Brazilian reais amounts that would otherwise be deliverable or payable on redemption or liquidation for the account and risk of the relevant Holder until either (i) such transfer is permitted or (ii) the Holder has elected to receive payment in Brazilian reais and the Local Settlement Conditions are satisfied, but the Issuer shall not in any event hold the Underlying Securities or such amounts longer than the Holding Period. If after the expiration of the Holding Period it is still unlawful, impossible or otherwise impracticable to make the necessary payment or delivery, the relevant Holder will receive its pro rata share of the U.S. dollar equivalent, determined in the Brazilian Account Bank's sole discretion, of the Early Redemption Amount or the Liquidation Proceeds Amount, as the case may be, which may be zero.

#### **Notes May be Redeemed Early if an Early Redemption Event or Indenture Event of Default Occurs**

The Notes will be redeemed prior to the Maturity Date in the event that (i) an Early Redemption Event occurs prior to such date or (ii) an Indenture Event of Default occurs prior to such date and the Holder opts to have its Notes redeemed early. On redemption of the Notes in these circumstances, Holders may not be repaid the full amount of their investment in the Notes. See "Notes May be Redeemed at Less Than 100% of Principal if Redeemed Early" above.

Action or lack of action taken by the government of the Underlying Securities Issuer and changes in political, economic or social conditions in the jurisdiction of the Underlying Securities Issuer could lead to the occurrence of an Early Redemption Event which would affect the rights of the Holders to receive payments in respect of Notes in U.S. dollars and would affect the market conditions and price of the Underlying Securities.

If a Convertibility Event occurs, the Holders may receive an amount in Brazilian reais which cannot be converted to U.S. dollars, or an amount in U.S. dollars converted from Brazilian reais at a rate determined by the Brazilian Account Bank and not by reference to any official currency exchange rate.

### **Underlying Securities Issuer Credit Risk**

The ability of the Issuer to make payments on the Notes in a timely manner or at all is conditional on the actual receipt by the Issuer of corresponding payments of interest and principal from the Underlying Securities Issuer in accordance with the terms of the Underlying Securities. A default by the Underlying Securities Issuer on its payment obligations under the Underlying Securities may result in a Holder of Notes receiving less or no interest or principal payments and/or receiving any such payments later than the anticipated date for payment. In addition, a reduction in the credit rating of the Underlying Securities Issuer or its default on other obligations outstanding may adversely impact the value of the Notes.

### **No compensation for a period over which a Payment Date or the Maturity Date is extended beyond a scheduled Payment Date or Scheduled Maturity Date**

As specified under “Underlying Securities Issuer Credit Risk” above, a failure by the Underlying Securities Issuer to timely make its payment obligations under the Underlying Securities will result in a delay of payment to the Holders. Therefore, a Payment Date and/or the Maturity Date may be extended beyond the scheduled Payment Date and/or the Scheduled Maturity Date. In any such case, no further interest will accrued on the Notes as a result of any such extension other than any such additional amounts that are actually received by the Issuer from the Underlying Securities Issuer in accordance with the terms of the Underlying Securities.

### **Brazilian Account Bank Risk**

The Underlying Securities will be held by the Brazilian Account Bank as custodian and therefore the insolvency of the Brazilian Account Bank could adversely affect the amount or timing of payments on the Notes if the corresponding payments of interest and principal on the Underlying Securities are subject to the claims of creditors of the Brazilian Account Bank. Further, the Brazilian Account Bank may resign as custodian upon 90 days’ written notice to the Issuer if a successor custodian has been selected and appointed by the Trustee on agreement with the Holders of Notes. The resignation of the Brazilian Account Bank and the selection and appointment of a successor custodian may cause payments of interest or principal on the Notes to be delayed.

### **Risk related to failure of Holders to select a Collateral Disposal Agent**

If an Early Redemption Event has occurred and the Underlying Securities are not redeemed by the Underlying Securities Issuer, or the Local Settlement Conditions for Physical Delivery are not satisfied, the Underlying Securities will be liquidated by the Collateral Disposal Agent. The Collateral Disposal Agent is not known at the time of issuance of the Notes. The Collateral Disposal Agent is an entity that must be selected by the Holders. Such Holders must then affirmatively instruct the Trustee of their selection of the Collateral Disposal Agent. The Trustee’s appointment of a Collateral Disposal Agent shall also be subject to the Trustee receiving adequate assurance (as determined by the Trustee) that costs and expenses incurred by the Trustee in connection with its appointment of the Collateral Disposal Agent shall be paid by such Holders. If the Holders fail to select a Collateral Disposal Agent, fail to select a Collateral Disposal Agent in a timely manner or fail to provide the Trustee with adequate assurance that the Trustee’s costs and expenses shall be paid, then the disposal of the Underlying Securities may be delayed or may not occur, in which case the pro rata share of the Liquidation Proceeds Amount that a Holder may receive could be adversely affected or may be zero.

**Risk related to failure to maintain a valid security interest in the Charged Assets**

The Trustee's security interest in the Charged Assets may depend on timely and properly filing recordings, filings or registrations in Brazil, Ireland, the United Kingdom or the United States that evidence such security interest. Such recordings, filings or registrations may need to be made on a periodic basis in order to maintain the validity of the Trustee's security interest. The Trustee takes no responsibility for effecting or monitoring these recordings, filings or registrations. In addition the ability of Trustee, as an entity that is not domiciled or regulated by a relevant governing body in Brazil, to foreclose on the Charged Assets under Brazilian law may be subject to legal or other challenges under Brazilian law. A failure to maintain the validity of the Trustee's security interest in the Charged Assets or of the ability of the Trustee to foreclose on the Charged Assets under Brazilian law may adversely affect the amount that the Holders receive in the event of liquidation, delivery or redemption of the Underlying Securities or other Charged Assets.

## THE NOTES

Principal Balance	BRL 450,000,000
Series	2012-01, comprising Tranche 01 with a Principal Balance of BRL 270,000,000 and Tranche 02 with a Principal Balance of BRL 180,000,000.
Specified Currency	Subject to the occurrence of an Early Redemption Event, an Indenture Event of Default or a Convertibility Event, all payments of interest and principal under the Notes are payable in U.S. dollars. Subject to the occurrence of an Early Redemption Event, an Indenture Event of Default or a Convertibility Event, as described above, any amounts received by the Issuer in Brazilian reais (“BRL”) will be converted into U.S. dollars by the Brazilian Account Bank at the PTAX Rate on the PTAX Determination Date and transferred by the Brazilian Account Bank to the Collection Account no later than two PTAX Business Days after such PTAX Determination Date.
Scheduled Maturity Date	Expected to be 2 February 2022, which is the date falling two Business Days after the Final Maturity Date (as such term is defined in the Underlying Securities and which is expected to be 29 January 2022).
Maturity Date	Subject to the occurrence of an Early Redemption Event or an Indenture Event of Default, the later of (a) the Scheduled Maturity Date and (b) the day falling two Business Days after the date on which the Issuer has actually received all amounts of interest and principal payable to it by the Underlying Securities Issuer in accordance with the terms of the Underlying Securities.
Underlying Securities	Simple, non-convertible and unsecured debentures due 29 January 2022, issued in a single series in a principal amount of BRL 450,000,000, for public distribution, with restricted efforts, by the Underlying Securities Issuer, subject to further issuances from time to time in accordance with the terms of the indenture for the Underlying Securities. The Underlying Securities are issued under the laws of the Federal Republic of Brazil.
Underlying Securities Issuer	Minerva S.A. Further information regarding the Underlying Securities Issuer can be found under



	“The Charged Assets”, below.
Pricing Date	June 20, 2012
Issue Date and Closing Date	Tranche 01: June 20, 2012 Tranche 02: June 21, 2012
Issue Price	Tranche 01: 100% Tranche 02: 100.0621528%
Interest Rate	<p>The Notes are pass-through Notes, and therefore the provisions relating to the determination of interest set out in the Base Listing Particulars shall not apply. See “Distribution Amount” below for payment of the Distribution Amount.</p> <p>The Issuer expects the interest rate on the Notes to be 16.95% per annum, corresponding to the interest rate on the Underlying Securities. However, as described further in “Conditions to Payment”, the Issuer shall not be obliged to make any payment to Holders under the Notes unless and until it has actually received a corresponding payment from the Underlying Securities Issuer under the Underlying Securities.</p>
Distribution Amount	<p>Each Distribution Amount will be paid on the applicable Distribution Amount Payment Date. For purposes hereof, “Distribution Amount” means each payment or distribution of any kind (including of principal, interest, fees, penalties, rights or property of any type) actually received by the Issuer from the Underlying Securities Issuer in respect of the Underlying Securities. The Distribution Amount shall include any payment or distribution of any kind with respect to any distribution relating to the Underlying Securities’ interest period (if any) that commenced immediately prior to the Issue Date. In the absence of a Convertibility Event the Distribution Amount will be converted into U.S. dollars at the PTAX Rate on the PTAX Determination Date. If a Convertibility Event has occurred, but is not an Early Redemption Event, and provided the Local Settlement Conditions are satisfied, the Distribution Amount will not be converted into U.S. dollars and shall be paid in BRL to a Local Account designated by the Holder. If the Local Settlement Conditions are not satisfied and such Convertibility Event has not yet become an Early Redemption Event, such</p>

	<p>Distribution Amount shall be held by the Issuer in the Brazilian Account, at the expense of the Holders, until either (i) such Convertibility Event is no longer continuing, (ii) the Local Settlement Conditions are satisfied and payment can be made in BRL to a Local Account designated by the Holder or (iii) the Holder elects to receive the Distribution Amount in U.S. dollars, converted at the rate determined by the Brazilian Account Bank in its sole discretion for converting BRL into U.S. dollars.</p> <p>In the event a Convertibility Event has become an Early Redemption Event, the provisions specified under “Payments on or after the Maturity Date and upon an Early Redemption Event” shall apply.</p> <p>There shall be no further Distribution Amounts payable or deliverable in relation to any payment or distribution of any kind (including of principal, interest, fees, penalties, rights or property of any type) which is made in respect of the Underlying Securities on or after the Maturity Date.</p>
Distribution Amount Payment Date	<p>Expected to be, from and including February 1, 2013, February 1 and August 1 of each year, being each second Business Day after the applicable PTAX Determination Date up to and including the Scheduled Maturity Date. For purposes hereof, each Distribution Amount Payment Date corresponding to a payment of interest on the Underlying Securities shall be deemed to be an Interest Payment Date, and each Distribution Amount Payment Date corresponding to a payment of principal or other amount (other than interest) on the Underlying Securities shall be deemed to be a Principal Payment Date.</p> <p>There shall be no further Distribution Amounts payable or deliverable in relation to each payment or distribution of any kind (including of principal, interest, fees, penalties, rights or property of any type) which is made in respect of the Underlying Securities occurring on or after the Maturity Date.</p>
Transfer of U.S. Dollar Amounts	<p>Notwithstanding anything herein to the contrary, but subject to the occurrence of an Early Redemption Event, an Indenture Event of Default or a Convertibility Event, the Brazilian Account Bank shall convert funds received into</p>

	<p>the Brazilian Account into U.S. dollars at the PTAX Rate on the applicable PTAX Determination Date and transfer the resulting amount to the Collection Account no later than two PTAX Business Days after such PTAX Determination Date.</p>
PTAX Rate	<p>The average rate for converting BRL into U.S. dollars as reported by the Central Bank of the Federal Republic of Brazil on the SISBACEN Data System under transaction code PTAX-800 (“<i>Consultas de Cambio</i>” or Exchange Rate Enquiry), “Venda” (or any successor screen established by the Central Bank of Brazil) and also made available on the website of the Central Bank of the Federal Republic of Brazil (<a href="http://www.bcb.gov.br">www.bcb.gov.br</a>) on the relevant PTAX Determination Date. If no such rate is available, a rate of exchange determined by the Brazilian Account Bank acting in good faith in a reasonable manner. The determination of the PTAX Rate by the Brazilian Account Bank shall in the absence of manifest error be final and binding on all parties. If the methodology for the determination of such PTAX Rate has been changed from the methodology applicable on May 22, 2012, and, due to those changes the Brazilian Account Bank cannot find an executable price at such PTAX Rate after using best efforts and requesting firm offers for a rate for converting BRL into U.S. dollars from at least three first line Brazilian financial institutions (which shall include Banco Morgan Stanley S.A.), then a financial institution may be appointed by the Issuer, for the purposes of selling to the Brazilian Account Bank or its affiliates, an amount in U.S. dollars equivalent to the Distribution Amount at the same PTAX Rate that the Brazilian Account Bank would use for conversion. In the event the Issuer fails to appoint such financial institution, then a rate of exchange determined by the Brazilian Account Bank acting in good faith in a reasonable manner. The determination of the PTAX Rate by the Brazilian Account Bank shall in the absence of manifest error be final and binding on all parties.</p>
PTAX Determination Date	<p>The PTAX Business Day immediately subsequent to the relevant Underlying Securities Distribution Date or Underlying Securities Liquidation Distribution Date, as applicable.</p>

Underlying Securities Distribution Date	Each date upon which the Issuer actually receives each payment of interest or principal or any distribution of any kind (including of interest, fees, penalties, rights or property of any type) from the Underlying Securities Issuer in respect of the Underlying Securities.
Underlying Securities Liquidation Distribution Date	Each date upon which the Issuer actually receives any Liquidation Proceeds Amount, early redemption proceeds or other similar amounts in connection with the liquidation or redemption of any of the Charged Assets.
Expected Principal Repayments and Expected Principal Repayment Dates	The Issuer expects the principal on the Underlying Securities to be repaid on the Final Maturity Date. However, as described further in “Conditions to Payment”, the Issuer shall not be obliged to make any payment to Holders under the Notes unless and until it has actually received a corresponding payment from the Underlying Securities Issuer under the Underlying Securities.
Expected Interest Payment Dates	The Issuer expects the interest on the Underlying Securities to be paid on the dates set out in Annex A. However, as described further in “Conditions to Payment”, the Issuer shall not be obliged to make any payment to Holders under the Notes unless and until it has actually received a corresponding payment from the Underlying Securities Issuer under the Underlying Securities.
Early Redemption Events	<p>The occurrence of any of the following events, as determined by the Calculation Agent, will constitute an Early Redemption Event:</p> <ul style="list-style-type: none"> <li>(i) a Tax Redemption Event; or</li> <li>(ii) a Convertibility Event has occurred and is continuing for 30 calendar days and is not otherwise waived by the relevant Holder of Notes; or</li> <li>(iii) an Underlying Securities Default; or</li> <li>(iv) an Underlying Securities Early Redemption.</li> </ul> <p>The Notes will be subject to early redemption by the Issuer following an Early Redemption Event, as described under “Payments on or after the Maturity Date and upon an Early Redemption Event”.</p>

Convertibility Event	“ <b>Convertibility Event</b> ” means, with respect to any intended payment to the Collection Account, the occurrence of a General Non-Transferability Event or a General Inconvertibility Event from and including the applicable PTAX Determination Date for such payment to and including the applicable Payment Date, as described under “Payments on or after the Maturity Date – Early Redemption Event”.
Brazilian Account	Together, (i) a cash subaccount under a Brazilian 2689 Account with the following account details: 995 0001 2633 01 and (ii) a securities subaccount under a Brazilian 2689 Account with the following account details: 002-007813-911.
Deferred Interest	N/A
Form of Securities	Regulation S Global
Type of Note	Fixed Rate
Minimum Denomination (Integral Multiples)	BRL500,000 and Integral Multiples of BRL1,000 thereafter.
Initial Rating	None
Holdover	N/A
ISIN	Tranche 01: XS0793148973 Tranche 02: XS0793148973
Common Code	Tranche 01: 079314897 Tranche 02: 079314897

## APPLICABLE SUPPLEMENT

This Listing Particulars must be read in conjunction with the Base Listing Particulars. To the extent any provision in this Listing Particulars is inconsistent with the Base Listing Particulars, the provisions in this Listing Particulars shall control. **The description of the Notes contained in this Listing Particulars does not purport to be, and is not, complete. In addition to this Listing Particulars and the Base Listing Particulars, prospective purchasers should review the Indenture, the terms of the Underlying Securities and the terms of any other Charged Assets in making their decision to purchase any Notes.**

Notes..... The BRL 450,000,000 Pass-through Notes due 2022 (the “Notes”) of Series 2012-01, to be issued by the Issuer in two tranches on their respective Issue Dates pursuant to the Indenture and, subject to the occurrence of an Early Redemption Event, an Indenture Event of Default or a Convertibility Event, payable in U.S. dollars.

The Notes shall constitute a single “Class” as defined in the Base Listing Particulars.

Issuer..... EM Falcon Limited

Charged Assets ..... All the Issuer’s estate, right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising:

- (a) the Underlying Securities;
- (b) the transaction documents relating to the Notes (other than the Indenture and the Brazilian Pledge Agreement);
- (c) the Collection Account, including all assets, investments and other amounts held in such account;
- (d) the assets, investments and other amounts held in the Brazilian Account;
- (e) all present and continuing right, power and authority of the Issuer, in the name and on behalf of the Issuer, as agent and attorney-in-fact, or otherwise, to make claim for and demand performance on, under or pursuant to any of the foregoing, to bring actions and proceedings thereunder or for the specific or other enforcement thereof, or with respect thereto, to make all waivers and agreements, to grant or refuse requests, to give or withhold notices, and to exercise all rights, remedies, powers, privileges and options, to grant or withhold consents and approvals and do any and all things and exercise all other discretionary rights, options, privileges or benefits which the Issuer is or may become entitled to do with respect to the foregoing; and
- (f) all proceeds, interest, income, profits or gains with respect to cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing.

In addition, the Issuer will enter into the Brazilian Pledge Agreement in respect of its rights to the Underlying Securities held in the Brazilian Account. The Charged Assets will provide the sole source of funds for

payments in respect of the Notes. The Brazilian Account Bank will have separate sub-accounts and the Underlying Securities will be held in the sub-account designated by the Issuer. Each sub-account in the Brazilian Account shall be segregated from any other sub-account.

Underlying Securities .....	Simple, non-convertible and unsecured debentures due 29 January 2022, issued in a single series in a principal amount of BRL 450,000,000, for public distribution, with restricted efforts, by the Underlying Securities Issuer, subject to further issuances from time to time in accordance with the terms of the indenture for the Underlying Securities. The Underlying Securities are issued under the laws of the Federal Republic of Brazil.
Underlying Securities Issuer.....	Minerva S.A. Further information regarding the Underlying Securities Issuer can be found under “The Charged Assets” below.
Brazilian Account .....	Together, (i) a cash subaccount under a Brazilian 2689 Account with the following account details: 995 0001 2633 01 and (ii) a securities subaccount under a Brazilian 2689 Account with the following account details: 002-007813-911.
Trustee .....	The Bank of New York Mellon
Distributor.....	Morgan Stanley & Co. Incorporated
Calculation Agent .....	Morgan Stanley Capital Services Inc.
Collateral Disposal Agent.....	An entity to be specified by the Holders in the Disposal Directions and which shall meet the requirements therein, which entity shall act in accordance with the terms of a power of attorney granted to it by the Trustee pursuant to the Brazilian Pledge Agreement.
Issue Date and Closing Date.....	Tranche 01: June 20, 2012  Tranche 02: June 21, 2012
Scheduled Maturity Date .....	Expected to be 2 February 2022, which is the date falling two Business Days after the Final Maturity Date (as such term is defined in the Underlying Securities and which is expected to be 29 January 2022).
Maturity Date.....	Subject to the occurrence of an Early Redemption Event or an Indenture Event of Default, the later of (a) the Scheduled Maturity Date and (b) the day falling two Business Days after the date on which the Issuer has actually received all amounts of interest and principal payable to it by the Underlying Securities Issuer in accordance with the terms of the Underlying Securities.
Issue Price.....	Tranche 01: 100%  Tranche 02: 100.0621528%
Principal Balance and Authorized Amount .....	Tranches 01 and 02 combined: BRL 450,000,000

Tranche 01: BRL 270,000,000

Tranche 02: BRL 180,000,000

Principal Payments .....	Each Distribution Amount that corresponds to a payment of principal or other amount (other than interest) under the Underlying Securities shall be deemed to be a Principal Payment hereunder.
Interest Payments.....	Each Distribution Amount hereunder corresponding to a payment of interest under the Underlying Securities shall be deemed to be a payment of interest hereunder.
Business Day .....	Each Brazilian Business Day and any day, other than a Saturday or Sunday, that is a day on which commercial banks are generally open for business in New York and London.
PTAX Business Day.....	Each Brazilian Business Day and any day, other than a Saturday or Sunday, that is a day on which commercial banks are generally open for business in New York.
Brazilian Business Day.....	A day considered by <i>CETIP S.A. – Mercados Organizados</i> (“ <b>CETIP</b> ”), or its successor, as a banking business day in Brazil, according to the Brazilian holiday table available at <a href="http://www.cetip.com.br">http://www.cetip.com.br</a> , or such other page as CETIP or its successor may determine. For the purposes of the PTAX Determination Date only, a Brazilian Business Day will be determined without giving effect to any Unscheduled Holiday.  None of such information, nor any other information on such website, is incorporated herein by reference, and the Issuer is not responsible for any such information.
Unscheduled Holiday.....	A day that is not a PTAX Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m., São Paulo time, two PTAX Business Days prior to such date.
Business Day Convention.....	Following Business Day Convention. “ <b>Following Business Day Convention</b> ” means that the relevant date shall be postponed to the first following day that is a Business Day.
Brazilian Account Bank.....	HSBC Corretora de Títulos e Valores Mobiliários S.A.
Brazilian Pledge Agreement.....	The Agreement entered into between the Issuer and the Trustee on June 20, 2012, as may be amended or supplemented from time to time, pursuant to which the Issuer pledges the Underlying Securities in favor of the Trustee and which provides for (i) the appointment by the Issuer of the Trustee pursuant to a power of attorney under Brazilian law so that the Trustee can given instructions to the Brazilian Account Bank and (ii) the appointment by the Trustee of the Collateral Disposal Agent pursuant to a power of attorney under Brazilian law.
Holdover .....	Not Applicable.
Interest Rate.....	The Notes are pass-through Notes, and therefore the provisions relating to the determination of interest set out in the Base Listing



Particulars shall not apply. See “Distribution Amount” below for payment of the Distribution Amount.

The Issuer expects the interest rate on the Notes to be 16.95% per annum, corresponding to the interest rate on the Underlying Securities. However, as described further in “Conditions to Payment”, the Issuer shall not be obliged to make any payment to Holders under the Notes unless and until it has actually received a corresponding payment from the Underlying Securities Issuer under the Underlying Securities.

Distribution Amount.....

Each Distribution Amount will be paid on the applicable Distribution Amount Payment Date. For purposes hereof, “Distribution Amount” means each payment or distribution of any kind (including of principal, interest, fees, penalties, rights or property of any type) actually received by the Issuer from the Underlying Securities Issuer in respect of the Underlying Securities. The Distribution Amount shall include any payment or distribution of any kind with respect to any distribution relating to the Underlying Securities’ interest period (if any) that commenced immediately prior to the Issue Date. In the absence of a Convertibility Event the Distribution Amount will be converted into U.S. dollars at the PTAX Rate on the PTAX Determination Date. If a Convertibility Event has occurred, but is not an Early Redemption Event, and provided the Local Settlement Conditions are satisfied, the Distribution Amount will not be converted into U.S. dollars and shall be paid in BRL to a Local Account designated by the Holder. If the Local Settlement Conditions are not satisfied and such Convertibility Event has not yet become an Early Redemption Event, such Distribution Amount shall be held by the Issuer in the Brazilian Account, at the expense of the Holders, until either (i) such Convertibility Event is no longer continuing, (ii) the Local Settlement Conditions are satisfied and payment can be made in BRL to a Local Account designated by the Holder or (iii) the Holder elects to receive the Distribution Amount in U.S. dollars, converted at the rate determined by the Brazilian Account Bank in its sole discretion for converting BRL into U.S. dollars.

In the event a Convertibility Event has become an Early Redemption Event, the provisions specified under “Payments on or after the Maturity Date and upon an Early Redemption Event” shall apply.

There shall be no further Distribution Amounts payable or deliverable in relation to any payment or distribution of any kind (including of principal, interest, fees, penalties, rights or property of any type) which is made in respect of the Underlying Securities on or after the Maturity Date.

Distribution Amount Payment Date.....

Expected to be, from and including February 1, 2013, February 1 and August 1 of each year, being each second Business Day after the applicable PTAX Determination Date up to and including the Scheduled Maturity Date. For purposes hereof, each Distribution Amount Payment Date corresponding to a payment of interest on the Underlying Securities shall be deemed to be an Interest Payment Date, and each Distribution Amount Payment Date corresponding to a payment of principal or other amount (other than interest) on the Underlying Securities shall be deemed to be a Principal Payment

Date.

There shall be no further Distribution Amounts payable or deliverable in relation to each payment or distribution of any kind (including of principal, interest, fees, penalties, rights or property of any type) which is made in respect of Underlying Securities occurring on or after the Maturity Date.

Transfer of U.S. Dollar Amounts.....	Notwithstanding anything herein to the contrary, but subject to the occurrence of an Early Redemption Event, an Indenture Event of Default or a Convertibility Event, the Brazilian Account Bank shall convert funds received into the Brazilian Account into U.S. dollars at the PTAX Rate on the applicable PTAX Determination Date and transfer the resulting amount to the Collection Account no later than two PTAX Business Days after such PTAX Determination Date.
PTAX Rate .....	The average rate for converting BRL into U.S. dollars as reported by the Central Bank of the Federal Republic of Brazil on the SISBACEN Data System under transaction code PTAX-800 (“ <i>Consultas de Cambio</i> ” or Exchange Rate Enquiry), “Venda” (or any successor screen established by the Central Bank of Brazil) and also made available on the website of the Central Bank of the Federal Republic of Brazil ( <a href="http://www.bcb.gov.br">www.bcb.gov.br</a> ) on the relevant PTAX Determination Date. If no such rate is available, a rate of exchange determined by the Brazilian Account Bank acting in good faith in a reasonable manner. The determination of the PTAX Rate by the Brazilian Account Bank shall in the absence of manifest error be final and binding on all parties. If the methodology for the determination of such PTAX Rate has been changed from the methodology applicable on May 22, 2012, and, due to those changes the Brazilian Account Bank cannot find an executable price at such PTAX Rate after using best efforts and requesting firm offers for a rate for converting BRL into U.S. dollars from at least three first line Brazilian financial institutions (which shall include Banco Morgan Stanley S.A.), then a financial institution may be appointed by the Issuer, for the purposes of selling to the Brazilian Account Bank or its affiliates, an amount in U.S. dollars equivalent to the Distribution Amount at the same PTAX Rate that the Brazilian Account Bank would use for conversion. In the event the Issuer fails to appoint such financial institution, then a rate of exchange determined by the Brazilian Account Bank acting in good faith in a reasonable manner. The determination of the PTAX Rate by the Brazilian Account Bank shall in the absence of manifest error be final and binding on all parties.
PTAX Determination Date .....	The PTAX Business Day immediately subsequent to the relevant Underlying Securities Distribution Date or Underlying Securities Liquidation Distribution Date, as applicable.
Underlying Securities Distribution Date.....	Each date upon which the Issuer actually receives any payment or distribution of any kind (including of principal, interest, fees, penalties, rights or property of any type) from the Underlying Securities Issuer in respect of the Underlying Securities.
Underlying Securities Liquidation Distribution Date.....	Each date upon which the Issuer actually receives any Liquidation Proceeds Amount, early redemption proceeds or other similar amounts in connection with the liquidation of any of the Charged Assets.

Expected Principal Repayments and Expected Principal Repayment Dates.....	The Issuer expects the principal on the Underlying Securities to be repaid on the Final Maturity Date. However, as described further in “Conditions to Payment”, the Issuer shall not be obliged to make any payment to Holders under the Notes unless and until it has actually received a corresponding payment from the Underlying Securities Issuer under the Underlying Securities.
Expected Interest Payment Dates.....	The Issuer expects the interest on the Underlying Securities to be paid on the dates set out in Annex A. However, as described further in “Conditions to Payment”, the Issuer shall not be obliged to make any payment to Holders under the Notes unless and until it has actually received a corresponding payment from the Underlying Securities Issuer under the Underlying Securities.
Conditions to Payment.....	Subject to the occurrence of an Early Redemption Event, an Indenture Event of Default or a Convertibility Event, payments of the Distribution Amounts and the Redemption Amount, Early Redemption Amount or liquidation proceeds on the Notes shall be subject to the actual and timely receipt and retention by the Issuer of the relevant corresponding amounts (net of tax) due to it from the Underlying Securities Issuer in respect of the Underlying Securities or the Liquidation Proceeds Amount. The Issuer shall not be obliged to make any payment to Holders under the Notes unless and until it has actually received a corresponding payment from the Underlying Securities Issuer in respect of the Underlying Securities or the Liquidation Proceeds Amount. Actual receipt by the Issuer after the relevant due date for payment in respect of any payment under the terms of the Underlying Securities will result in a delay to the corresponding Distribution Amount Payment Date and may cause the Maturity Date to occur after the relevant Scheduled Maturity Date.
Payments on or after the Maturity Date and upon an Early Redemption Event:	
<i>On or after the Maturity Date.....</i>	Unless an Early Redemption Event or an Indenture Event of Default occurs on or prior to the Maturity Date, upon determination by the Brazilian Account Bank that the Issuer has actually received payment in full of all amounts due under the Underlying Securities, the Notes will be redeemed in an amount (the “ <b>Redemption Amount</b> ”) equal to the final payment or distribution of any kind (including of principal, interest, fees, penalties, rights or property of any type) actually received by the Issuer from the Underlying Securities Issuer in respect of the Underlying Securities, and, subject to the occurrence of a Convertibility Event, as converted into U.S. dollars at the PTAX Rate on the applicable PTAX Determination Date. Payment of the Redemption Amount will be made in accordance with the Priority of Payments set out in the Base Listing Particulars. The Redemption Amount will be paid on the Maturity Date.
<i>Early Redemption .....</i>	The Notes will be subject to early redemption by the Issuer following an Early Redemption Event (as described below) (an “ <b>Early Redemption</b> ”).  (I) Upon the occurrence of an Underlying Securities Default, the Calculation Agent will notify the Trustee of such Underlying Securities Default, upon receipt of which the Trustee will, within two Business

Days, direct the Brazilian Account Bank to (i) notify the Underlying Securities Issuer of the occurrence of such event and (ii) request the Underlying Securities Issuer to redeem the Underlying Securities in full as soon as practically possible but in no event later than five (5) calendar days following the date of such request (the “**Cure Period**”), except if the Underlying Securities Default was caused by the insolvency or bankruptcy of the Underlying Securities Issuer, in which case no Cure Period will apply.

If (a) the Underlying Securities Issuer redeems, either partially or fully, the Underlying Securities within the Cure Period or (b) an Underlying Securities Early Redemption Event occurs, the corresponding redemption amount of the Notes will be an amount in BRL (the “**Early Redemption Amount**”) proportionally equal to (i) the redemption proceeds of the redeemed Underlying Securities minus (ii) an amount equal to all claims which rank in priority to the claims of the Holders in accordance with the Priority of Payments. Unless (a) (i) the Holder has timely informed the Trustee in writing that it wishes to receive payment in cash in BRL and (ii) the other Local Settlement Conditions are satisfied or (b) a Convertibility Event has occurred and is continuing, all redemption proceeds received by the Brazilian Account Bank will be converted into U.S. dollars at the PTAX Rate on the applicable PTAX Determination Date and transferred by the Brazilian Account Bank to the Collection Account no later than two PTAX Business Days after such PTAX Determination Date.

Subject to the Local Settlement Conditions being satisfied, if the Holder has timely informed the Trustee in writing that it wishes to receive payment in cash in BRL, upon receipt of such request the Trustee will, within two Business Days, direct the Brazilian Account Bank to transfer such Holder’s pro rata share of the Early Redemption Amount to a Local Account.

If (a) (i) the Holder has not timely informed the Trustee in writing that it wishes to receive payment in cash in BRL or (ii) the other Local Settlement Conditions are not satisfied and (b) a Convertibility Event has occurred which has become an Early Redemption Event, then the Calculation Agent will notify the Trustee thereof, upon which the Trustee will, within two Business Days, direct the Brazilian Account Bank to transfer to the Collection Account on the second PTAX Business Day following the date on which such Convertibility Event first became an Early Redemption Event an amount equal to all redemption proceeds received by the Brazilian Account Bank, converted into U.S. dollars at a rate determined in the Brazilian Account Bank’s sole discretion.

If (a) (i) the Holder has not timely informed the Trustee in writing that it wishes to receive payment in cash in BRL or (ii) the other Local Settlement Conditions are not satisfied and (b) a Convertibility Event has occurred and is continuing which is not yet an Early Redemption Event, the Issuer will hold the Early Redemption Amount in the Brazilian Account, at the expense of the Holders, until either (i) such Convertibility Event is no longer continuing or (ii) subject to the Local Settlement Conditions being satisfied, the Holder has timely informed the Trustee in writing that it wishes to receive payment in cash in BRL, upon which the Trustee will, within two Business Days, direct the

Brazilian Account Bank to transfer to a Local Account designated by such Holder an amount which shall equal such Holder's pro rata share of the Early Redemption Amount, provided that the Issuer shall not be required to hold the Early Redemption Amount longer than the Holding Period. The Issuer may deduct from the amount payable to the Holders its and its Agents' reasonable costs and/or expenses incurred in connection with holding such redemption proceeds during the Holding Period (including reimbursement of any internal costs).

(II) If (i) following the end of the Cure Period, the Underlying Securities are not redeemed in full by the Underlying Securities Issuer, (ii) an Underlying Securities Default caused by the insolvency or bankruptcy of the Underlying Securities Issuer has occurred, (iii) an Underlying Securities Early Redemption has occurred but not all Underlying Securities are redeemed by the Underlying Securities Issuer, (iv) a Tax Redemption Event has occurred, (v) an Indenture Event of Default (other than an Underlying Securities Default) has occurred, or (vi) in the absence of an Underlying Securities Default or Underlying Securities Early Redemption, a Convertibility Event that is also an Early Redemption Event has occurred, then the Calculation Agent will notify the Trustee thereof, upon which the Trustee will, within two Business Days, direct the Brazilian Account Bank to:

(A) if the Local Settlement Conditions for Physical Delivery are satisfied, deliver any Underlying Securities that have not been redeemed to a Local Account designated by the Holder of the relevant Notes ("**Physical Delivery**"), in a principal amount that is equal to the greater of (i) zero and (ii) such Holder's pro rata share of the amount in BRL equal to (x) the principal amount of outstanding Underlying Securities minus (y) an amount equal to all claims which rank in priority to the claims of the Holders in accordance with the Priority of Payments; or

(B) if the Local Settlement Conditions for Physical Delivery are not satisfied, (i) subject to the Local Settlement Conditions for cash payment being satisfied and if the Holder has timely informed the Trustee in writing that it wishes to receive payment in cash in BRL, transfer an amount in BRL equal to such Holder's pro rata share of the Liquidation Proceeds Amount received by the Brazilian Account Bank from the Collateral Disposal Agent to a Local Account designated by the Holder of the relevant Notes or (ii) unless a Convertibility Event has occurred and is continuing, if the Holder has not timely informed the Trustee in writing that it wishes to receive payment in cash in BRL pursuant to the preceding clause or the Local Settlement Conditions are not satisfied, transfer to the Collection Account an amount in U.S. dollars equal to the Liquidation Proceeds Amount received by the Brazilian Account Bank from the Collateral Disposal Agent, converted into U.S. dollars at the PTAX Rate on the applicable PTAX Determination Date; or

(C) notwithstanding the foregoing, if Physical Delivery has not occurred and a Convertibility Event has occurred and is continuing, then:

(x) except in the case of a Convertibility Event that is also an Early Redemption Event, the Issuer will hold the Liquidation Proceeds Amount in the Brazilian Account, at the expense of the Holders, until either (i) such Convertibility Event is no longer continuing or

(ii) subject to the Local Settlement Conditions being satisfied, the Holder has timely informed the Trustee in writing that it wishes to receive payment in cash in BRL, upon which the Trustee will, within two Business Days, direct the Brazilian Account Bank to transfer to a Local Account designated by such Holder an amount which shall equal such Holder's pro rata share of the Liquidation Proceeds Amount received by the Brazilian Account Bank from the Collateral Disposal Agent; provided that the Issuer shall not be required to hold the Liquidation Proceeds Amount longer than the Holding Period. The Issuer may deduct from the amount payable to the Holders its and its Agents' reasonable costs and/or expenses incurred in connection with holding such liquidation proceeds during the Holding Period (including reimbursement of any internal costs); or

(y) if a Convertibility Event has occurred which has also become an Early Redemption Event, then the Calculation Agent shall notify the Trustee thereof, upon which the Trustee will, within two Business Days, direct the Brazilian Account Bank to determine, in its sole discretion, the rate for converting BRL into U.S. dollars on the first PTAX Business Day following the date on which such Convertibility Event first became an Early Redemption Event and such rate shall be used to calculate the U.S. dollar equivalent of the Liquidation Proceeds Amount received by the Brazilian Account Bank from the Collateral Disposal Agent, which the Brazilian Account Bank shall transfer to the Collection Account no later than the date that is two PTAX Business Days after the expiration of the Holding Period; and the Notes shall then be redeemed at such amount two Business Days following the expiration of the Holding Period.

The "**Liquidation Proceeds Amount**" will be an amount in BRL equal to the greater of (i) zero and (ii) (x) the liquidation proceeds of the Underlying Securities determined in accordance with the provisions described below under "Liquidation of Charged Assets Due to an Early Redemption Event", minus (y) an amount equal to all claims which rank in priority to the claims of the Holders in accordance with the Priority of Payments.

*Liquidation of Charged Assets Due to an Early Redemption Event .....*

Subject to the following paragraph in the event the Underlying Securities are not redeemed by the Underlying Securities Issuer or Physical Delivery is not effected in accordance with the foregoing procedures set out under "Early Redemption", upon receiving notification from the Calculation Agent or the Trustee of an Early Redemption Event or an Indenture Event of Default, the Holders will be required to timely deliver Disposal Directions to the Trustee. The Trustee's appointment of the Collateral Disposal Agent shall be subject to (i) timely receipt of the Disposal Directions, (ii) the Trustee's prior receipt of adequate assurance (as determined by the Trustee) that costs and expenses incurred by the Trustee in connection with its appointment of the Collateral Disposal Agent shall be paid by the Holders and (iii) the satisfaction by the Collateral Disposal Agent of all required legal and compliance requirements of the Trustee, including without limitation any "know your customer" regulations under any applicable law ("**KYC Requirements**"). Upon receipt of such Disposal Directions, adequate assurance and satisfaction of the Trustee's KYC

Requirements, the Trustee shall, within two Business Days and pursuant to a power of attorney, appoint the Collateral Disposal Agent to request firm bid quotations to purchase a total aggregate amount of the Underlying Securities equal to the aggregate amount of Underlying Securities underlying the Notes (a “**Bid Quote**”) from, to the extent reasonably practicable, three leading banks, dealers, brokers or any other active market participants that deal in obligations of the type as such Underlying Securities (as selected by the Collateral Disposal Agent in its reasonable discretion) or any other entity selected by the Holder in the Disposal Directions (each such dealer or entity, which may or may not include an affiliate of such dealer, a “**Reference Dealer**”), in respect of the purchase of some or all of the Underlying Securities from the Issuer. Upon receipt by the Collateral Disposal Agent of such quotations (to the extent provided), the Collateral Disposal Agent shall, in accordance with the terms of the power of attorney granted to it by the Trustee under the Brazilian Pledge Agreement, arrange for the sale of the Underlying Securities to the Reference Dealer which provided the highest quotation(s). If no Collateral Disposal Agent is specified by the Holders in the Disposal Directions and an unsolicited firm bid quotation to purchase a total aggregate amount of the Underlying Securities equal to the aggregate amount of Underlying Securities underlying the Notes (an “**Unsolicited Bid**”) is received by the Brazilian Account Bank, the Brazilian Account Bank shall arrange for the sale of the Underlying Securities to the entity that provided such Unsolicited Bid unless it has received prior objection to such sale from the Holders. If the Underlying Securities have not been sold within six (6) months from the date of the occurrence of an Early Redemption Event or Indenture Event of Default, then the Liquidation Proceeds Amount shall be deemed to be zero, the Notes shall be cancelled by the Issuer and the Underlying Securities shall be cancelled in accordance with their terms by the Underlying Securities Issuer.

Following an Early Redemption Event, the Collateral Disposal Agent shall only attempt to obtain bids in accordance with the previous paragraph if the Trustee and at least 75% of the Holders have not, within five Business Days after the Holders have received notice of such Early Redemption Event, agreed to mutually acceptable terms on which the Trustee shall instruct the Collateral Disposal Agent not to liquidate the Underlying Securities following the occurrence of an Early Redemption Event but instead to wait until the earlier of (i) the Issuer’s receipt of payment in full of the amounts then actually due to it in accordance with the terms of the Underlying Securities, and (ii) the Scheduled Maturity Date, in which case an Indenture Event of Default shall be deemed to apply.

The liquidation proceeds or acceleration proceeds (as the case may be) of the Underlying Securities that are received by the Collateral Disposal Agent shall be transferred by the Collateral Disposal Agent to the Brazilian Account Bank immediately upon receipt of such proceeds.

“**Disposal Directions**” means a written direction of at least 75% of the Holders of the aggregate principal amount of the outstanding Notes delivered to the Trustee by the Holders, which direction shall (a) specify the Holders’ selection of a Collateral Disposal Agent which shall be (i) a broker dealer established in Brazil and duly authorized to conduct its

business by the Central Bank of Brazil and (ii) have a combined capital and surplus of at least BRL 100 million, (b) specify the entity, if any, selected by the Holders (with the consent of the Collateral Disposal Agent) to provide firm bid quotations to purchase a total aggregate amount of the Underlying Securities equal to the aggregate amount of Underlying Securities underlying the Notes and (c) set out the CDA Terms.

None of the Calculation Agent, the Trustee, the Brazilian Account Bank or any other Agent shall have any responsibility or liability in respect of the entity selected by the Holders as Collateral Disposal Agent, the failure of the Holders to duly or timely select such Collateral Disposal Agent or the failure of the Holders to provide the Trustee with adequate assurance that the Trustee's costs and expenses incurred in connection with appointing the Collateral Disposal Agent shall be paid by such Holders.

By their acceptance of the Notes, the Holders thereby agree and acknowledge that:

(i) the Trustee shall have no responsibility whatsoever to monitor or supervise the Collateral Disposal Agent;

(ii) the Trustee shall not be required to enter into any document which requires it to compensate, reimburse or indemnify the Collateral Disposal Agent in any manner whatsoever;

(iii) the Holders are responsible for the selection, compensation, indemnification of the Collateral Disposal Agent and that they are responsible for negotiating these terms with the Collateral Disposal Agent and memorializing them in a contract with the Collateral Disposal Agent (the "**CDA Terms**"), which contract shall be delivered to the Trustee as part of the Disposal Directions;

(iv) the Holders waive any and all claims arising out of or relating in any way to the actions of the Trustee and the Collateral Agent in connection with their actions related to or arising out of the sale, liquidation or other actions to realize proceeds from the Underlying Securities, including without limitation the adequacy of the bids or the Liquidation Proceeds Amount;

(v) any and all of claims of the Holders under the Notes or the Indenture will be satisfied in full by their receipt of their pro rata portion of the liquidation proceeds, if any, from any sale or liquidation of the Underlying Securities, minus an amount equal to all claims which rank in priority to the claims of the Holders in accordance with the Priority of Payments;

(vi) all fees, costs and expenses of the Trustee's agents and counsel will be paid in accordance with the Priority of Payments and the Holders waive any and all claims to challenge the amount or payment of such fees, costs or expenses; and

(vii) the Holders waive any and all claims in connection with the



conversion of BRL into U.S. dollars.

*Early Redemption Event*..... The occurrence of any of the following events, as determined by the Calculation Agent, will constitute an Early Redemption Event:

(i) a Tax Redemption Event; or

(ii) a Convertibility Event has occurred and is continuing for 30 calendar days (the “**Holding Period**”) and is not otherwise waived by the relevant Holder of Notes; or

(iii) an Underlying Securities Default; or

(iv) an Underlying Securities Early Redemption.

“**Convertibility Event**” means, with respect to any intended payment to the Collection Account, the occurrence of a General Non-Transferability Event or a General Inconvertibility Event from and including the applicable PTAX Determination Date for such payment to and including the applicable Payment Date.

“**General Inconvertibility Event**” means: (a) the occurrence of any event or circumstance (including an event that occurs as a result of the enactment, promulgation, execution, ratification, interpretation, application of, or any change in or amendment to, any law, rule, or regulation by any Governmental Authority) that generally makes it impossible, illegal or impracticable to convert BRL into U.S. dollars through customary legal channels or to effect currency transactions on terms as favorable as those available to residents, in either case, in the Federal Republic of Brazil; or (b) it becomes impossible to determine a rate of exchange for the conversion of BRL into U.S. dollars; or (c) the imposition of any incremental taxes or charges that could amount to any of the foregoing.

“**General Non-Transferability Event**” means the occurrence of any event (including an event that occurs as a result of the enactment, promulgation, execution, ratification, interpretation, application of, or any change in or amendment to, any law, rule, or regulation by any Governmental Authority) that makes it impossible, illegal or impractical generally to transfer through customary legal channels any funds (including funds in BRL inside the Federal Republic of Brazil and in U.S. dollars outside of the Federal Republic of Brazil), securities or other assets: (i) between accounts inside the Federal Republic of Brazil; or (ii) between accounts held outside of the Federal Republic of Brazil of a financial institution domiciled or regulated by a relevant governing body in the Federal Republic of Brazil and an account held by any other party outside of the Federal Republic of Brazil; or (iii) the imposition of any incremental taxes or charges that could amount to any of the foregoing.

“**Governmental Authority**” means the government of the Federal Republic of Brazil, any other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or

pertaining to government.

“**Tax Redemption Event**” shall have the meaning given to such term in the Base Listing Particulars.

An “**Underlying Securities Default**” means one of the following events: (i) the acceleration of the outstanding Underlying Securities under the terms of the Underlying Securities; (ii) the failure of the Underlying Securities Issuer to pay an installment of principal of, or any amount of interest due on (to the extent that interest is not permitted to be deferred under the terms of the Underlying Securities), the related Underlying Securities after the due date thereof and after the expiration of any applicable grace period; or (iii) the occurrence of any event of default under such Underlying Securities caused by the insolvency or bankruptcy of the Underlying Securities Issuer. An Underlying Securities Default shall be deemed to have occurred for all purposes notwithstanding the rescission or annulment of such declaration of acceleration under such Underlying Securities or the subsequent payment (after such applicable grace period) of such overdue principal or interest.

An “**Underlying Securities Early Redemption**” occurs when the Underlying Securities are redeemed pursuant to an early redemption prior to their scheduled maturity date, unless such Underlying Securities amortize in accordance with their terms following the occurrence of an early amortization event in respect of the Underlying Securities pursuant to the terms thereof and the holder of such Underlying Securities receives payment in full in respect of the principal amount of outstanding Underlying Securities being redeemed.

*Local Settlement Conditions* ..... If an Early Redemption Event has occurred and the relevant Holder of Notes has elected to receive payment in cash in BRL or Physical Delivery to a Local Account, the following conditions must be satisfied (the “**Local Settlement Conditions**”):

(a) the Holder has timely informed the Trustee in writing that it wishes to receive Physical Delivery or payment in cash in BRL;

(b) the Holder provides the Trustee with the full bank wire details of a nominated on-shore Brazilian account (which shall without limitation include any Brazilian 2689 Account) to which it would like the Underlying Securities or BRL, as applicable, to be delivered or transferred (the “**Local Account**”);

(c) (i) the Holder directs any financial institution or custodian through which the Holder has a beneficial interest in any Notes that are held by Euroclear, Clearstream, or a common depository for Euroclear or Clearstream, as applicable, to send a message (which may be by SWIFT or any other electronic messaging service) to Euroclear, Clearstream, or such common depository, disclosing (A) the ISIN number of such Notes, (B) the account number through which it holds such Notes, (C) the name and contact details of the direct or indirect Account Holder(s) (each a “**Financial Intermediary**”) through which it holds such Notes, (D) the nominal amount of such Notes and the currency in which such Notes are denominated and (E) the name, email address and other contact details of such Holder, (ii) the Holder provides the Trustee with

any information that may be requested or required by the Trustee to effect local settlement, in cash in BRL or by Physical Delivery and (iii) the Holder provides a written undertaking to the Trustee and the Issuer that it will, within five Business Days after payment in cash in BRL or Physical Delivery has taken place (as determined by the Brazilian Account Bank), send to the Financial Intermediary (with a copy to the Trustee and the Issuer) a duly signed notice in the form set out in Annex B, addressed to Euroclear and/or Clearstream, as applicable (the “**Clearing System Notice**”);

(d) the Holder represents, and provides evidence demonstrating to the Brazilian Account Bank’s satisfaction (determined in its sole discretion), which evidence may include any required governmental licenses, permits, authorizations or approvals, that it is legal under the laws of Brazil for it to receive such Physical Delivery or BRL payment through the Local Account;

(e) the Brazilian Account Bank determines, in its sole discretion, that it can make such payment or Physical Delivery legally in the manner in which it customarily makes (i) such payments on instruments similar to the Notes or (ii) such delivery of instruments similar to the Underlying Securities, and in each case without limiting its ability to make payments in BRL or effect Physical Delivery to the Local Accounts of the other Holders; and

(f) if the Holder has requested Physical Delivery to a Local Account, the Brazilian Account Bank has consented, in its sole discretion, to such Physical Delivery.

The Calculation Agent will determine whether the Local Settlement Conditions have been satisfied or not within thirty Business Days of the Holder having timely informed the Trustee in writing that it wishes to receive Physical Delivery or payment in cash in BRL. If the Calculation Agent fails to make such determination then the Underlying Securities will be liquidated as provided for under the section entitled “Liquidation of Charged Assets Due to an Early Redemption Event”. Otherwise, payment by Physical Delivery shall be made as provided for under the sections entitled “Payments on or after the Maturity Date and upon an Early Redemption Event – On or after the Maturity Date” and “Payments on or after the Maturity Date and upon an Early Redemption Event – Early Redemption”; *provided that* if the Holder has requested Physical Delivery and such Physical Delivery is not effected within thirty Business Days of the Calculation Agent’s determination then the Underlying Securities will be liquidated as provided for under the section entitled “Liquidation of Charged Assets Due to an Early Redemption Event”.

If the Brazilian Account Bank fails to make the determinations provided for in clauses (d), (e) or (f) above within five Brazilian Business Days after it has been notified that the Holder of Notes has elected to receive payment in cash in BRL or Physical Delivery, as the case may be, to a Local Account, the Local Settlement Conditions shall be deemed not to be satisfied.

Upon satisfaction of the Local Settlement Conditions and subject to the procedures set out under “Early Redemption” above, the Trustee shall

deliver the bank wire details of the Local Account to the Brazilian Account Bank with an instruction to make payment in BRL or Physical Delivery, as applicable, to such Local Account.

The Holder may be required to make the representation and provide the evidence detailed in clause (d) above in respect of any date even if it has previously made such representation or provided such evidence on a prior date. The Holder agrees that it shall deliver the Clearing System Notice to the Financial Intermediary, with a copy to the Trustee and the Issuer, instructing Euroclear and/or Clearstream to (i) in respect of any payment of an Early Redemption Amount or Liquidation Proceeds Amount, cancel and reduce the outstanding principal amount of its Notes, in an amount proportional to the principal amount of Underlying Securities in respect of which the payment in cash in BRL or Physical Delivery to it has taken place or (ii) in respect of any Interest Payment, make a recordation on the Notes that a payment of interest (in respect of the applicable interest period) has been made, in each case within five Business Days after payment in cash in BRL or Physical Delivery has taken place (as determined by the Brazilian Account Bank).

The Trustee, the Issuer, the Calculation Agent, the Collateral Disposal Agent and the Brazilian Account Bank make no representations as to the current or future legality of making or receiving payments in the Federal Republic of Brazil or in BRL or as to the current or future legality of delivering the Underlying Securities in the Federal Republic of Brazil or elsewhere. Each Holder acknowledges that restrictions may currently exist that make local settlement, in BRL or in relation to Physical Delivery, unlawful within the Federal Republic of Brazil, in which case payments may be made only in U.S. dollars in accordance with the terms set forth above.

Specified Currency .....	Subject to the occurrence of an Early Redemption Event, an Indenture Event of Default or a Convertibility Event, all payments of interest and principal under the Notes are payable in U.S. dollars. Subject to the occurrence of an Early Redemption Event, an Indenture Event of Default or a Convertibility Event, as described above, any amounts received by the Issuer in Brazilian reais (“ <b>BRL</b> ”) will be converted into U.S. dollars by the Brazilian Account Bank at the PTAX Rate on the PTAX Determination Date and transferred by the Brazilian Account Bank to the Collection Account no later than two PTAX Business Days after such PTAX Determination Date.
Authorized Denominations and Minimum Subscription .....	BRL500,000 and integral multiples of BRL1,000 in excess thereof.
Ratings .....	The Notes will not be rated upon issuance.
Listing .....	Application has been made to the Irish Stock Exchange for the Notes to be admitted to trading on the Global Exchange Market.
MS Note Redemption .....	In the case of any Notes held by a Morgan Stanley Affiliate, such Morgan Stanley Affiliate (each such person, a “ <b>Morgan Stanley Noteholder</b> ”) shall have the option, exercisable at any time and from time to time by written notice, to require the Issuer to redeem all or some only of the Notes held by it (or beneficially owned by it) (the

**“Morgan Stanley Noteholder Option”**).

Upon an exercise of the Morgan Stanley Noteholder Option, the Calculation Agent will:

- (i) arrange for the sale or liquidation of the Relevant Portion of the Underlying Securities (rounded down, if appropriate, to the nearest denomination) and that amount of the Underlying Securities shall be released from the security constituted by the Charged Assets; and
- (ii) identify any changes to the terms and conditions of the Notes which Morgan Stanley Capital Services Inc. considers are required in order to reflect and account for the redemption pursuant to the exercise of the Morgan Stanley Noteholder Option and to ensure that the amounts payable on those Notes which are not redeemed are the same (in all material respects) as the amounts which would have been payable on those Notes but for that redemption. Upon identification by Morgan Stanley Capital Services Inc. of any such changes, the terms and conditions of the Notes will be deemed to be amended without any further action required by or consent from any other party.

For this purpose, **“Relevant Portion”** means, in relation to the aggregate principal amount of outstanding Underlying Securities, a share thereof corresponding to the proportion which the Principal Balance of the Notes to be redeemed bears to all of the Notes (including the Notes to be redeemed).

The Redemption Amount in respect of all the Notes to be redeemed in the event of an exercise of the Morgan Stanley Noteholder Option is an amount in U.S. dollars equal to (a) the proceeds of sale or liquidation of the Relevant Portion (subject to any rounding) of the Underlying Securities (net of the costs incurred in effecting that sale or liquidation) as converted into U.S. dollars at the PTAX Rate on the PTAX Determination Date less (b) an amount equal to all claims which rank in priority to the claims of the Holders in accordance with the Priority of Payments (and a pro rata amount will be payable in respect of each Note).

Governing Law .....

The Notes will be governed by the law of the State of New York.

Transfer Restrictions.....

The Notes have not been and will not be registered under the Securities Act and the Issuer will not be registered under the Investment Company Act. The Notes will be offered only to non-U.S. persons in offshore transactions in reliance and in accordance with Regulation S under the Securities Act, in Authorized Denominations for any single beneficial owner. Each purchaser of the Notes (whether by initial purchase or by transfer) will be deemed to have made the representations and agreements set forth in the Notice to Investors and the Transfer Restrictions sections in the Base Listing Particulars.

Each Holder and beneficial owner of a Note will be deemed to acknowledge and agree that (a) the Distributor may obtain or be in possession of non-public information regarding the Underlying Securities Issuer which may not be made available to any Holder and

(b) the Distributor makes no representations with respect to the Underlying Securities Issuer or the accuracy or completeness of any information regarding the foregoing.

Limited Recourse.....	The Notes are limited recourse obligations of the Issuer. The payment of principal, interest and other amounts in respect of the Notes will be made solely from amounts actually received in respect of the Charged Assets in accordance with the Priority of Payments and not from the assets relating to any other Series or from the general assets of the Issuer. Holders of the Notes will not have any recourse to the general assets of the Issuer or any assets forming part of the Charged Assets of any other Series of Notes. Moreover, no recourse shall be had for the payment of any amount owing in respect of the Notes or the Indenture against any officer, director, employee, stockholder or incorporator of the Issuer. The Charged Assets in respect of the Notes shall not be available or used to meet liabilities to, and shall be absolutely protected from, any creditors of the Issuer who are not Secured Parties in respect of the Notes, and who accordingly shall not be entitled to recourse to such Charged Assets. The fees and claims of, amongst others, the Trustee and any agent or receiver shall have priority over the claims of the Holders of the Notes in respect of the Charged Assets. The obligations of the Issuer to pay any amounts due and payable in respect of the Notes shall be limited to the proceeds available at such time to make such payments in accordance with the Priority of Payments. If the net proceeds of realization of the security constituted by the Indenture upon enforcement thereof (as converted to U.S. dollars in accordance with the terms hereof) are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a “ <b>shortfall</b> ”), all of the obligations of the Issuer in respect of the Notes and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds which shall be applied in accordance with the Priority of Payments. In such circumstances the Issuer will not be obligated to pay, and the other assets (if any) of the Issuer will not be available for payment of, such shortfall which shall be suffered by the Secured Parties in accordance with the Priority of Payments (applied in reverse order), the rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and shall not thereafter revive and none of the Holders or the other Secured Parties may take any further action to recover such amounts. The application of any proceeds by the Trustee in accordance with the Priority of Payments shall be without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any Secured Party; provided that the Trustee will not be required to take any action that would involve the Trustee in any liability or expense unless previously indemnified and/or secured to its satisfaction in its sole discretion.
Collection Account.....	Notwithstanding anything to the contrary in the Base Listing Particulars, the Collection Account shall be an account located in the United Kingdom established with the Trustee.
Indemnification of Trustee.....	Notwithstanding anything to the contrary in the Base Listing Particulars, the Applicable Indenture will contain provisions for the indemnification of the Trustee for any loss, liability or expense incurred

without negligence, willful misconduct or bad faith on its part arising out of or in connection with the acceptance or administration of the Trust, subject to the provisions of the Standard Terms of Indenture pertaining to limited recourse and non-petition.

Trustee's receipt of notice of default with respect to any Underlying Securities..... Notwithstanding anything to the contrary in the Base Listing Particulars, if an event of default occurs and is continuing with respect to any Underlying Securities, the Trustee will notify each Holder of the Notes of such occurrence only after receipt of written notice of such default.

Collateral Disposal Agreement..... The power of attorney pursuant to which the Collateral Disposal Agent is appointed shall be a "Collateral Disposal Agreement" for the purposes of the Base Listing Particulars.

Voting and Noteholder Meetings..... Notwithstanding anything to the contrary in the Base Listing Particulars, without the consent of at least 75% of the Holders of the Notes of the relevant Series, the Issuer may not (a) change the Scheduled Maturity Date or any Payment Date, or reduce the Principal Balance of any Note or the amount of interest payable thereon or change the coin or currency in which any Note or interest thereon is payable; (b) change the Inverse Order of Seniority for reduction of Principal Balance or change the Priority of Payments for the application of Collections; (c) impair the right to institute suit for the enforcement of any such payment on or after the date any such payment becomes due and payable; (d) reduce the percentage of Principal Balance, whether of a Class or Classes, the consent of the Holders of which is required for the execution of any amendment or supplement to the Applicable Indenture, or the consent of the Holders of which is required for any waiver of compliance with provisions of the Applicable Indenture or for any waiver of Indenture Events of Default under the Applicable Indenture and their consequences provided for in the Applicable Indenture; (e) change any obligation to redeem Notes or change any redemption price or dates; (f) permit the creation of any lien ranking prior to or on a parity with the lien of the Trustee for the benefit of, *inter alios*, the Holders under the Applicable Indenture with respect to any part of the Charged Assets, or except as otherwise permitted thereunder, terminate the lien under the Applicable Indenture on any property at any time subject thereto or deprive a Holder of the security afforded by such liens; or (g) modify certain provisions of the Applicable Indenture relating to amendments, control or limitation on suits by Holders.

Replacement of the Brazilian Account Bank..... The Brazilian Account Bank may, on 90 days' prior written notice to the Issuer, resign as custodian, provided that the Trustee has received written direction of at least 75% of the Holders of the aggregate principal amount of the outstanding Notes delivered to the Trustee by the Holders, specifying a successor thereto and such successor has been appointed.

The Brazilian Account Bank may also be removed by the Trustee, on agreement with at least 75% of the Holders of the aggregate principal amount of the outstanding Notes, by directing the Issuer to request the resignation of the Brazilian Account Bank (i) on 90 days' prior written notice to the Brazilian Account Bank, or (ii) immediately in the event the Brazilian Account Bank becomes subject to insolvency or bankruptcy proceedings or otherwise defaults in the performance of its

duties.

Further Issues.....

The Issuer may from time to time without the consent of the Holders create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes of the same Series. References to the Notes include (unless the context requires otherwise) such other further issues of Notes forming a single series with the outstanding Notes of the same series constituted by the Indenture or any supplemental indenture to the Indenture, and any other Notes may be constituted by a supplement to the Indenture.



## **DOCUMENTS INCORPORATED BY REFERENCE**

This Listing Particulars must be read and construed in conjunction with the Base Listing Particulars, which are incorporated by reference into this Listing Particulars. This Listing Particulars must also be read and construed in conjunction with the published audited financial statements of the Issuer as of and for the period ended June 30, 2011. Such financial statements are the most recently published audited financial statements of the Issuer and have been filed with the Irish Stock Exchange. Such annual financial statements shall be deemed to be incorporated in, and form part of, this Listing Particulars, save that any statement contained in any of the documents incorporated by reference in, and forming part of, this Listing Particulars shall be deemed to be modified or superseded for the purpose of this Listing Particulars to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Listing Particulars.

## **USE OF PROCEEDS**

The proceeds from the issuance and sale of the Notes are expected to be applied by the Issuer to (i) acquire the Underlying Securities and (ii) make any up front payments due from the Issuer in connection with any Applicable Transaction Agreements.

## THE CHARGED ASSETS

**This Listing Particulars does not provide detailed information with respect to the Underlying Securities Issuer. An investor in the Notes should obtain and evaluate the same information concerning the Underlying Securities Issuer as it would if it were investing directly in the Underlying Securities.**

Underlying Securities ..... Simple, non-convertible and unsecured debentures due 29 January 2022, issued in a single series in a principal amount of BRL 450,000,000, for public distribution, with restricted efforts, by the Underlying Securities Issuer, subject to further issuances from time to time in accordance with the terms of the indenture for the Underlying Securities. The Underlying Securities are issued under the laws of the Federal Republic of Brazil.

Underlying Securities Issuer ..... Minerva S.A.

The registered address of the Underlying Securities Issuer is at the prolongamento da Avenida Antonio Manço Bernardes, s/nº, Rotatória Família Vilela de Queiroz, Chácara Minerva, Zip Code 14781-545, City of Barretos, State of São Paulo. The Underlying Securities Issuer is incorporated under the laws of the Federal Republic of Brazil and enrolled with the General Taxpayers' Register under CNPJ/MF number 67.620.377/0001-14. The securities of the Underlying Securities Issuer are listed on BM&FBOVESPA - Securities, Commodities and Futures Exchange (*BM&FBOVESPA - Bolsa de Valores, Mercadorias e Futuros*). BM&FBOVESPA is a Brazilian company, created in 2008, through the integration between the São Paulo Stock Exchange (Bolsa de Valores de São Paulo) and the Brazilian Mercantile & Futures Exchange (*Bolsa de Mercadorias e Futuros*)

The Underlying Securities Issuer's corporate purpose is the pursuit of business opportunities in the meat, agricultural and livestock industries, including the agro-industry, which includes: (1) the production, purchase, sale, import and export of meat and meat by-products derived from beef, pork and poultry and other animals; (2) development, construction and operation of slaughterhouses and companies that process meat and meat by-products; (3) the purchase, sale, import or export of livestock (cattle, hogs, poultry and other live or slaughtered animals) and fresh or processed meat and its by-products; (4) the construction or installation, including through third parties, of machinery and equipment used to process meat and its by-products; (5) the purchase, sale, renting, lease, exchange or disposition of any assets or fixtures; (6) the transportation and entering into of agreements to transport and resell our products by land, water or air; (7) the purchase, sale, pursuit, borrowing and lease of cattle raising farms and other types of agricultural ranches, as well as companies that prepare, cool and freeze food; (8) the pursuit of opportunities in the warehouse business, especially cold warehouses, that store meat and meat by-products and other perishable food items; (9) the manufacturing, purchase, sale and marketing of animal feed and agricultural products; (10) the purchase, construction, sale, lease, maintenance and operation of tank trucks, refrigerated trucks, bulldozers, trucks for transportation of people and/ or cargo; (11) the purchase of goodwill, business and assets, corporations, associations or companies and the assumption of liabilities, in full or in part (including the payment there for with cash, shares, obligations and other securities); (12) the construction, acquisition or representation of slaughterhouses, warehouses, plants and producers; (13) the production, purchase, sale, import and export of fish and seafood products;

(14) the provision of services to third parties; and (15) the performance of all necessary acts directly or indirectly linked to its corporate purpose.

## GENERAL INFORMATION

1. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this Listing Particulars a significant effect on the financial position of the Issuer, nor so far as the Issuer is aware are any such proceedings pending or threatened.
2. There has been no material adverse change in the financial position of the Issuer since June 30, 2011.
3. Save as disclosed herein, there has been no significant change and no significant new matter has arisen since the publication of the Base Listing Particulars.
4. Copies of the following documents in physical form will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and the Principal Paying Agent for so long as the Notes are outstanding:
  - (i) this Listing Particulars;
  - (ii) the Brazilian Pledge Agreement;
  - (iii) the documentation relating to the opening of the Brazilian Account;
  - (iv) the Applicable Indenture;
  - (v) the Base Listing Particulars;
  - (vi) the Memorandum and Articles of Association of the Issuer; and
  - (vii) the most recently published audited financial statements of the Issuer in respect of the period ending on June 30, 2011.
5. On issue, the Notes will be represented by a Regulation S Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream. The Regulation S Global Note will be exchangeable in whole but not in part for Definitive Notes in the limited circumstances specified in the Regulation S Global Note.
6. The Notes have been accepted for clearance through Euroclear and Clearstream. The Common Code and the ISIN for the Regulation S Global Note are 079314897 and XS0793148973, respectively.
7. The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer passed on or about 21 May 2012.
8. The Issuer does not intend to provide post issuance transaction information regarding the Notes and/or the performance of any Charged Assets, other than information which it is required to provide to the Holders of the Notes in accordance with the Conditions of the Notes.
9. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Global Exchange Market of the Irish Stock Exchange.
10. The total expenses incurred in connection with the admission to trading on the Global Exchange Market of the Notes are approximately EUR 3,250.

**ANNEX A**

**SCHEDULE OF EXPECTED INTEREST PAYMENT DATES**

Expected Interest Payment Date
29 January 2013
29 July 2013
29 January 2014
29 July 2014
29 January 2015
29 July 2015
29 January 2016
29 July 2016
29 January 2017
29 July 2017
29 January 2018
29 July 2018
29 January 2019
29 July 2019
29 January 2020
29 July 2020
29 January 2021
29 July 2021
29 January 2022

ANNEX B

FORM OF CLEARING SYSTEM NOTICE

[Euroclear Bank S.A./N.V. (“Euroclear”)]

Attention: ..... [●]  
Telephone: ..... [●]  
Fax: ..... [●]

[Clearstream Banking, *société anonyme* (“Clearstream”)]

Attention: ..... [●]  
Telephone: ..... [●]  
Fax: ..... [●]

Re: Local Settlement in respect of the BRL 450,000,000 Pass-through Notes due 2022 (the “Notes”) of Series 2012-01 issued by EM Falcon Limited (the “Issuer”)

Reference is made to the Indenture dated as of June 20, 2012 (as supplemented, the “Indenture”) among the Issuer and The Bank of New York Mellon, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to BRL[●] aggregate principal amount of Notes held in the form of a Regulation S Global Note with [Euroclear or Clearstream, as applicable] (ISIN No. XS0793148973, Common Code No. 079314897) over which [name of Holder] (the “Holder”) has a beneficial ownership interest (the “Designated Notes”). The Holder’s beneficial interest is held in Account Number [Number] of [Bank] with [Euroclear or Clearstream, as applicable].

[As a result of the Holder having received payment in cash in Brazilian reais (the “Local Distribution Amount”), the Holder irrevocably instructs [Euroclear or Clearstream, as applicable] to make a recordation on the Designated Notes that a payment of interest (in respect of the interest period ending [insert date of scheduled interest payment] has been made. The Holder certifies that (i) it has received the Local Distribution Amount in full settlement of the Issuer’s obligation to make an interest payment on [insert date of scheduled interest payment] under the Designated Notes and the Indenture and (ii) it has no further payment or other claims on the Issuer or the Trustee under the terms of the Designated Notes or the Indenture in respect of such interest payment.]<sup>1</sup>

[As a result of the Holder having received [payment in cash in Brazilian reais][Physical Delivery of the Underlying Securities] (the “Local Settlement Amount”), the Holder irrevocably instructs the cancellation and removal of the Designated Notes from the records of [Euroclear or Clearstream, as applicable]. The Holder certifies that (i) it has received the Local Settlement Amount in full settlement of the Issuer’s obligations under the Designated Notes and the Indenture and (ii) it has no further payment or other claims on the Issuer or the Trustee under the terms of the Designated Notes or the Indenture.]<sup>2</sup>

You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Name of Holder]

By:

Name:

Title:

Dated: \_\_\_\_\_, \_\_\_\_\_

<sup>1</sup> Insert bracketed text only where the Holder has received local payment of interest in respect of the Designated Notes.

<sup>2</sup> Insert bracketed text only where the Holder has received local payment of an Early Redemption Amount or Liquidation Proceeds Amount in respect of the Designated Notes.

**REGISTERED OFFICE OF THE COMPANY**

**EM FALCON LIMITED**

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Dublin 2  
Ireland

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**THE BANK OF NEW YORK MELLON**

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United Kingdom

**PRINCIPAL PAYING AGENT, AGENT BANK AND  
TRANSFER AGENT**

**THE BANK OF NEW YORK MELLON**

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United Kingdom

**REGISTRAR**

**THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.**

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L-2453 Luxembourg

**IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**

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Earlsfort Terrace  
Dublin 2  
Ireland

**LEGAL ADVISORS**

**To the Issuer and the Distributor**

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**To the Issuer**

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