

**Release about the accident occurred on July, 19th**

An accident involving a train transporting corn, soy meal and sugar occurred early this morning (July 19), a few meters from the bridge crossing the São João river, on the "Serra do Mar", between the cities of Curitiba and Paranaguá. Thirty-five railcars derailed, resulting in damage to the permanent way. There were no casualties. The train was comprised of 45 railcars and 3 locomotives, which were undamaged. Approximately 70 people, including engineers and permanent way, safety and environmental technicians are currently working at the scene of the accident site. Repair of the permanent way has been initiated and should take up to one week. We also launch an internal investigation to determine the causes of the accident. The findings are expected within 30 days.

No major direct damage has been caused to the environment since the train was transporting agricultural bulk. No material impact is expected to occur on the operation of our clients in the Port of Paranaguá, since these clients have enough inventories to continue exporting during the period.

The incident will not have any direct material adverse effect on the Company results, as the transported cargo is covered by insurance and the damaged railcars correspond only to 0,2% of our railcar fleet. Additionally, during the repair period the cargo destined to the Port of Paranaguá is being diverted to the Port of São Francisco do Sul, in the State of Santa Catarina, and the Port of Rio Grande, in the State of Rio Grande do Sul.

Since we obtained the concession of the South Railroad Network seven years ago, occurrence of railway accidents have decreased 78%, as a result of consistent investments in permanent way maintenance, fleet modernization, training and specially technology. All of our locomotives are equipped with on-board computers and GPS, allowing for a better control of the trains by the engineer and the Operational Control Center, which monitors the movement of the trains "real time". The trains are also equipped with derailment detectors in order to reduce risks of railcars derailing and tipping over.