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### **ANTT approves the acquisition of Brasil Ferrovias by ALL**

The Brazilian Association of Ground Transportation (ANTT) approved last Wednesday the sale of Brasil Ferrovias to América Latina Logística (ALL), in a transaction which created the largest railroad in Latin America, with 21 thousand kilometer of extension.

The transaction was concluded in the beginning of May and was awaiting the approval of the regulatory agency to be effective. The purchase involved the transfer of ALL's shares to the controlling shareholders of Brasil Ferrovias – led by BNDES (Brazilian Development Ban), Previ (Banco do Brasil's Pension Fund) and Funcef (Brazilian Federal Saving Bank's Pension Fund). Actually, the main shareholders of ALL – GP Investimentos, Delara and Judori – will hold a smaller stake in a larger company, which, theoretically, has a higher growth potential.

When approving the transaction, ANTT emphasizes the “interest in rendering an adequate rail transportation service and the preservation and maintenance of the object of concession agreements”. ALL will merge, in an Shareholders' Meeting scheduled for this month, all the shares representing Brasil Ferrovias' capital stock.

The confirmation of the acquisition occurs in the week when the rail industry celebrates the 10<sup>th</sup> anniversary of its privatization process, which started in 1996. It is also the end of the crisis faced by Brasil Ferrovias, which concluded a restructuring process last year, when the company was divided into Nova Brasil Ferrovias (which included Ferronorte and Ferroban, wide gage railroads) and Novoeste Brasil (which included Novoeste, a narrow gage railroads).