



AMÉRICA LATINA LOGÍSTICA

Our Vision

*"To be the best logistics company in Latin America"*

## **ALL records 1H06 net income of R\$ 98 million**

SÃO PAULO - América Latina Logística (ALL), Latin America's largest rail-based logistics operator, reported a 1H06 net income of R\$ 98 million, 97% up year-on-year. EBITDA (earnings before interest, taxes, depreciation, amortization and leasing) increased by 25%, reaching R\$ 274 million.

Second-quarter EBITDA totaled R\$ 179 million, 22% more than in the 2Q05, accompanied by an EBITDA margin of 53%, up by 4 p. p. Period net income climbed 131% year-on-year to R\$80 million.

Also in the 2Q06, total sales volume increased by 8.8% over the same three months last year and by 9.9% in the case of agricultural commodities despite farmers' protests which blocked roads and railways in May. Exports through the port of Rio Grande jumped by 547%, recovering from the strong drought in 2005.

The first-half result once again underlined our adaptability, allowing us to record substantial growth even in an adverse agribusiness scenario, maintained Bernardo Hees, ALL's CEO.

ALL's first-half report also points out that the company completed the first stage of the restructuring of Brasil Ferrovias in the second quarter, with no ill-effects on services or volume. The purchase agreement was signed on May 9, and the deal was completed on June 16 via a stock swap.

According to ALL, a team of 20 company executives were relocated to head the integration process, which should be finished by the first quarter of 2007. The expected cost of the restructuring is R\$400 million.

In June, Brasil Ferrovias recorded revenue of R\$ 84 million and EBITDA of R\$ 15 million.

For Bernardo Hees, the agreement gives ALL a strategic position in the transportation of commodities and manufactured goods, heralding new investment and growth opportunities by expanding the company's network.

*Source: O Globo, August 15, 2006.*