

2006 Results



AMÉRICA LATINA LOGÍSTICA

We are always on the move.

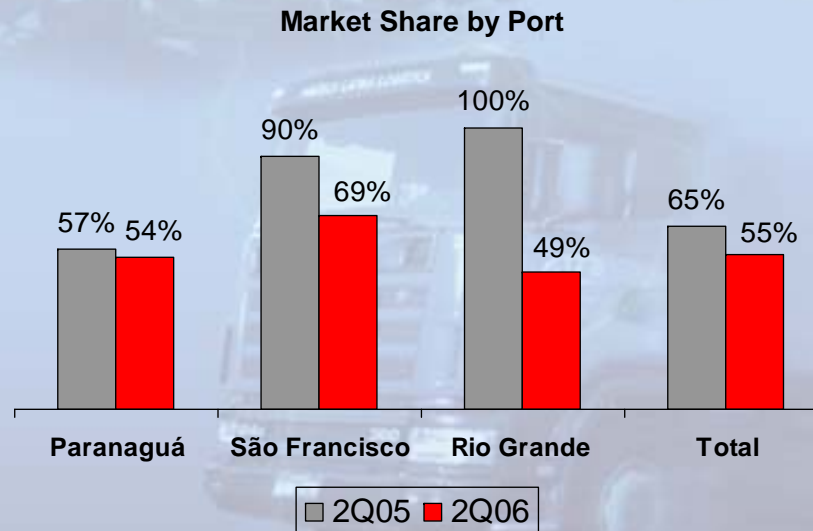
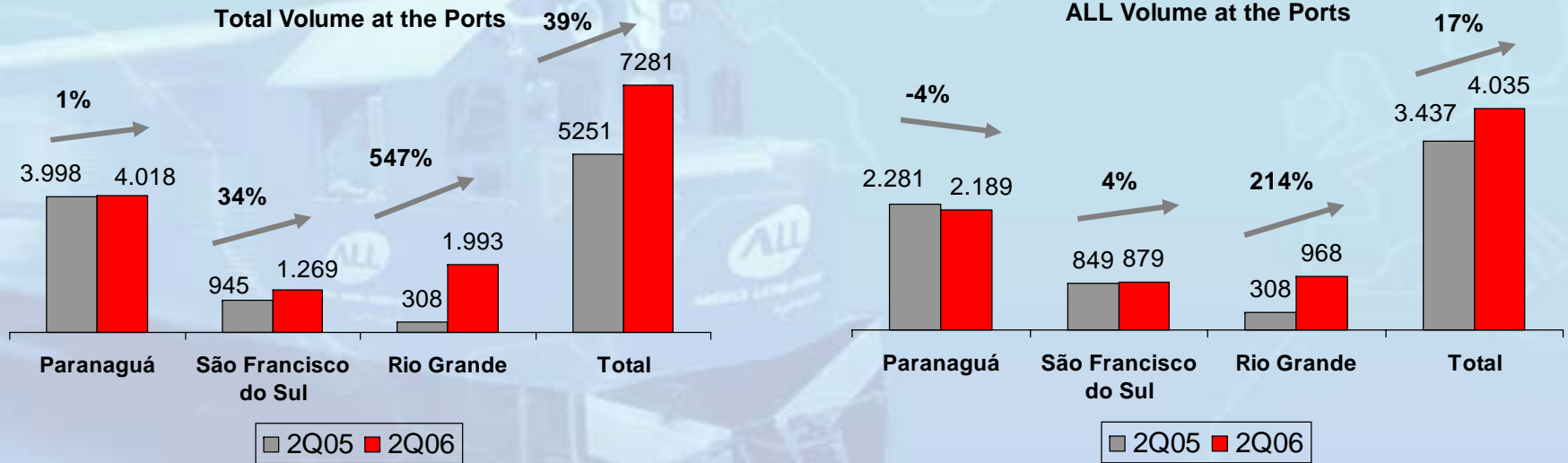


2Q06 Highlights

- EBITDAR increased 25.4% in 1H06 reaching R\$274.4 million, EBITDAR margin grew 4.7 points, from 40.8% in 1H05 to 45.5% and volume increased 8.8%, from 9,268 million RTK in 1H05 to 10,082 million RTK in 1H06
- In 2Q06, EBITDAR increased 22.3% and the EBITDAR margin grew 4.0 points reaching 52.9% as volume increased 8.1%
- Net income increased 97% in 1H06 to R\$97.6 million and 131% in 2Q06 to R\$79.7 million
- The first phase of Brasil Ferrovias restructuring process was successfully concluded and ALL and Brasil Ferrovias will be fully integrated by 1Q07

- Agricultural commodities volume increased 9.9% to 5,154 million RTK and 8.6% in 2Q06 to 2,847 million RTK.
- The Company was able to increase volumes despite farmers' protests in May, which interrupted roads for 25 days and our rail network for 20 days
- EBITDAR increased 27.1% reaching R\$58.9 million in 1H06 and EBITDAR margin grew 2.1 points to 58.9% and in 2Q06 , EBTIDAR grew 19.7%, to R\$122.4 million
- Overall, ALL soybean volumes increased 38.6% in 1H06 mainly due to a 100% volume increase in Rio Grande Port, recovering from the severe draught in 2005

Agriculture Commodities



- EBITDAR increased 25.2% in 1H06 reaching R\$61.3 million and the EBITDAR margin increased 2.9%, from 37.8% in 1H05 to 40.7% in 1H06. In 2Q06, EBITDAR increased 21.3% to R\$40.8 million and the EBITDAR margin grew 1.5 points to 47.6%
- Industrial products volume increased 8.8% in 1H06 to 2,666 million RTK and 7.1% in 2Q06 to 1,531 million RTK
- Intermodal industrial volumes increased 15.2% in 1H06 and 12.0% in 2Q06, especially in steel, food products, wood, pulp & paper and export containers

Highway Services & Argentina Operations

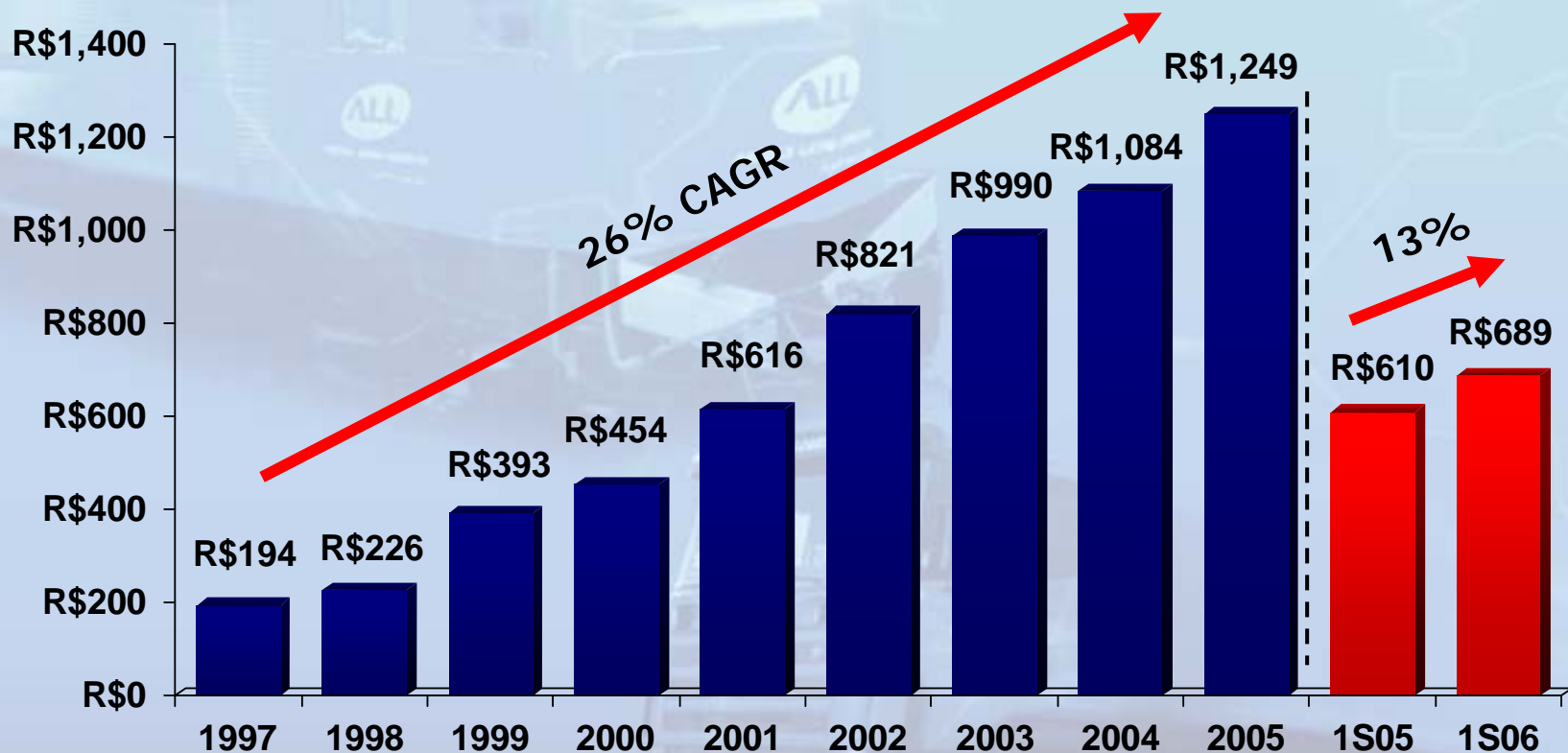


- Highway services EBITDA increased 224.4% in 1H06 to R\$3.2 million and the EBITDA margin increased from 1.5% to 5.6%. In 2Q06, we closed new contracts with clients such as Unilever, Ambev and Bosch
- Argentina volume increased 8.3% in 2Q06, recovering from a weak 1Q06. In 1H06, volume grew 6.0% to 2,028 million RTK and revenues increased 10.6% to P\$103.1 million, with a yield growth of 4.3%
- ALL Argentina EBITDAR increased 18.9% in 1H06 to P\$27.8 million and 48.7% in 2Q06, from P\$13.3 million to R\$19.8 million. In 2Q06, all operational indicators were significantly improved such as diesel consumption and locomotive availability

Consolidated Gross Revenues



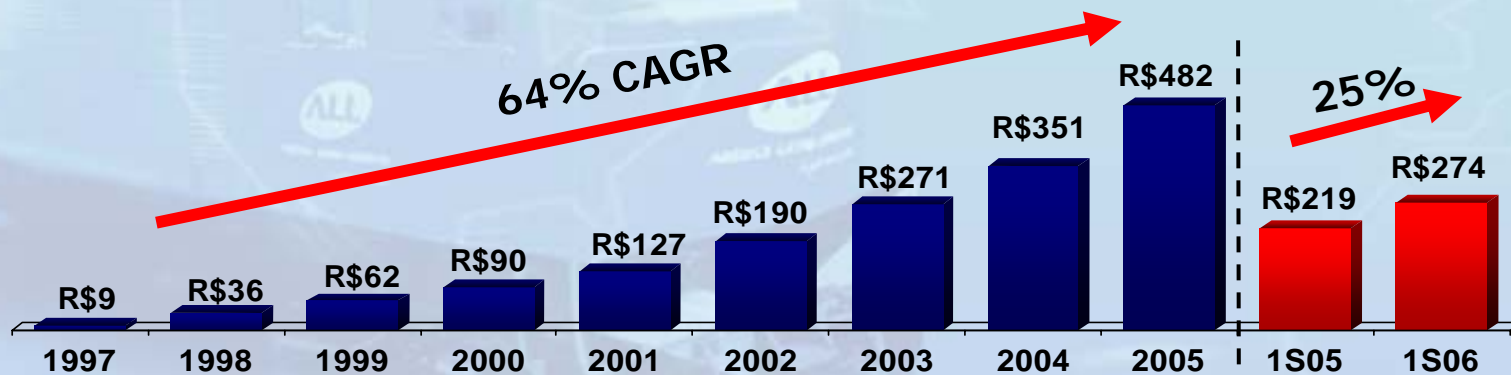
Consolidated Gross Revenues (R\$ million)



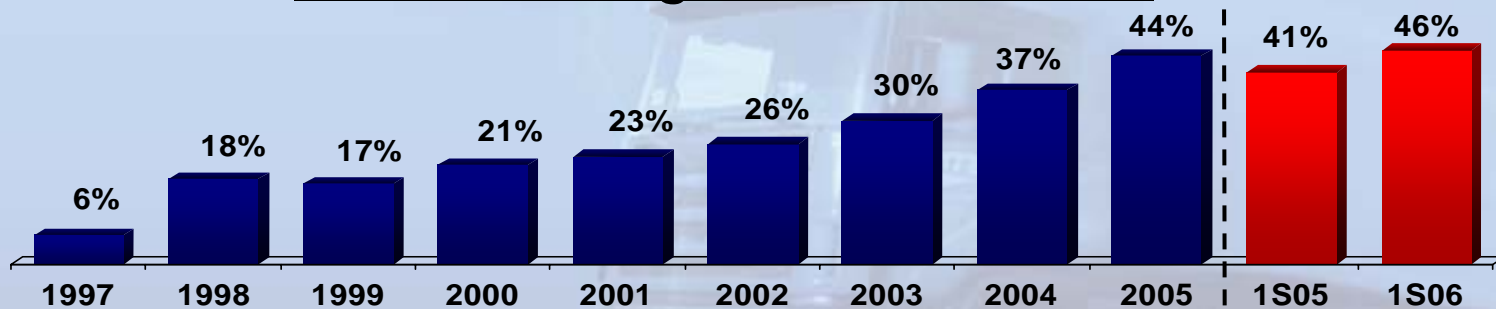
Notes:

- (1) 1997 was the first year of operation after the privatization – Data from March 97 to February 98. 1999 figures account for the beginning of the Argentine operation.
- (2) The financial results from ALL Argentina were not consolidated with those of ALL Brazil as of December 1, 2001, following the sale of our then-existing interest in ALL Argentina to Logispar. Data for 2001 and 2003 are the combined results of ALL Argentina plus ALL Brazil. In December 2003, we acquired Logispar and consequently started consolidating its results with ALL Brazil as of January 1, 2004.

EBITDAR – Consolidated (R\$ million)



EBITDAR Margin – Consolidated

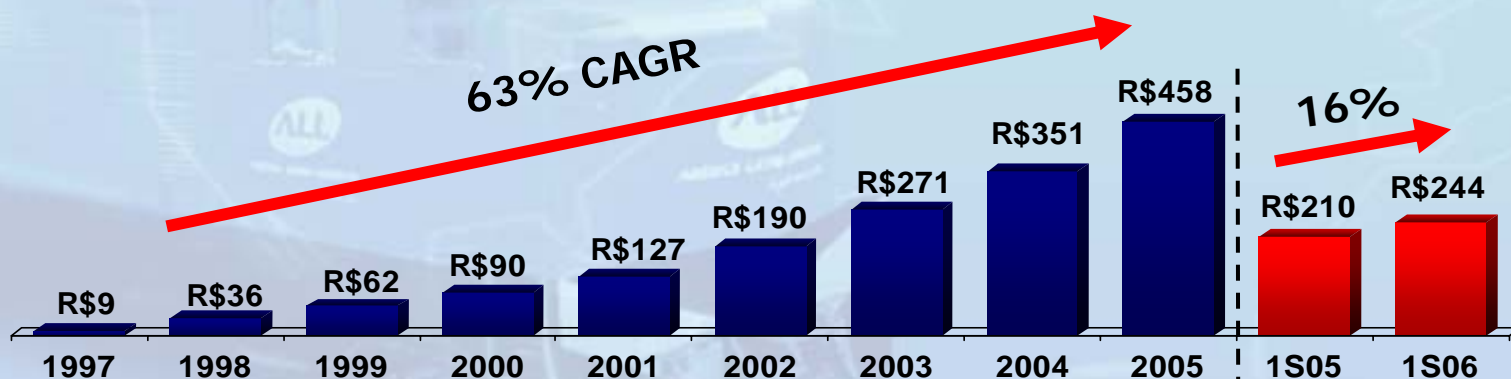


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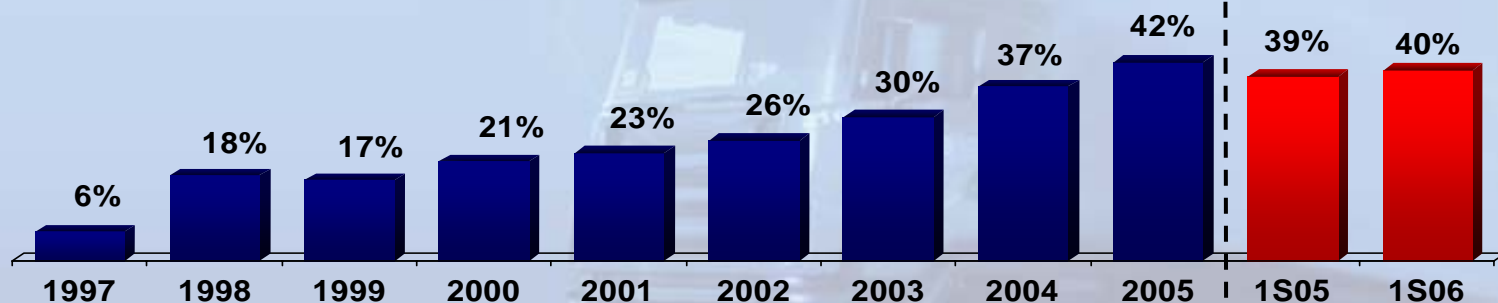
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Consolidated EBITDAR

EBITDA – Consolidated (R\$ million)



EBITDA Margin – Consolidated

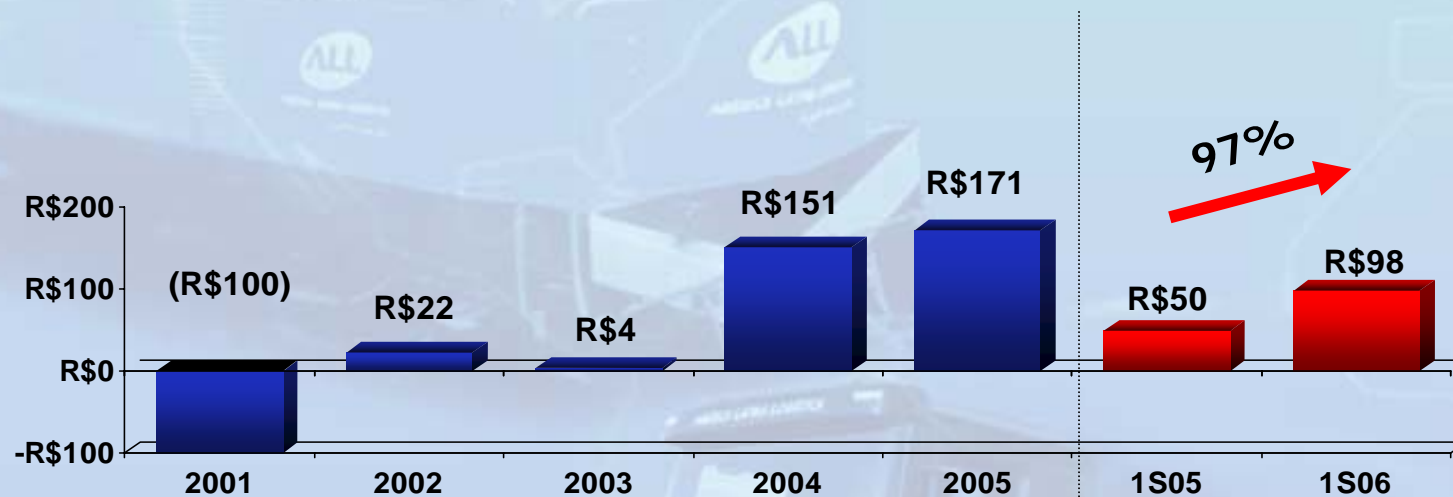


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Consolidated Net Income

Net Income – Consolidated (R\$ million)



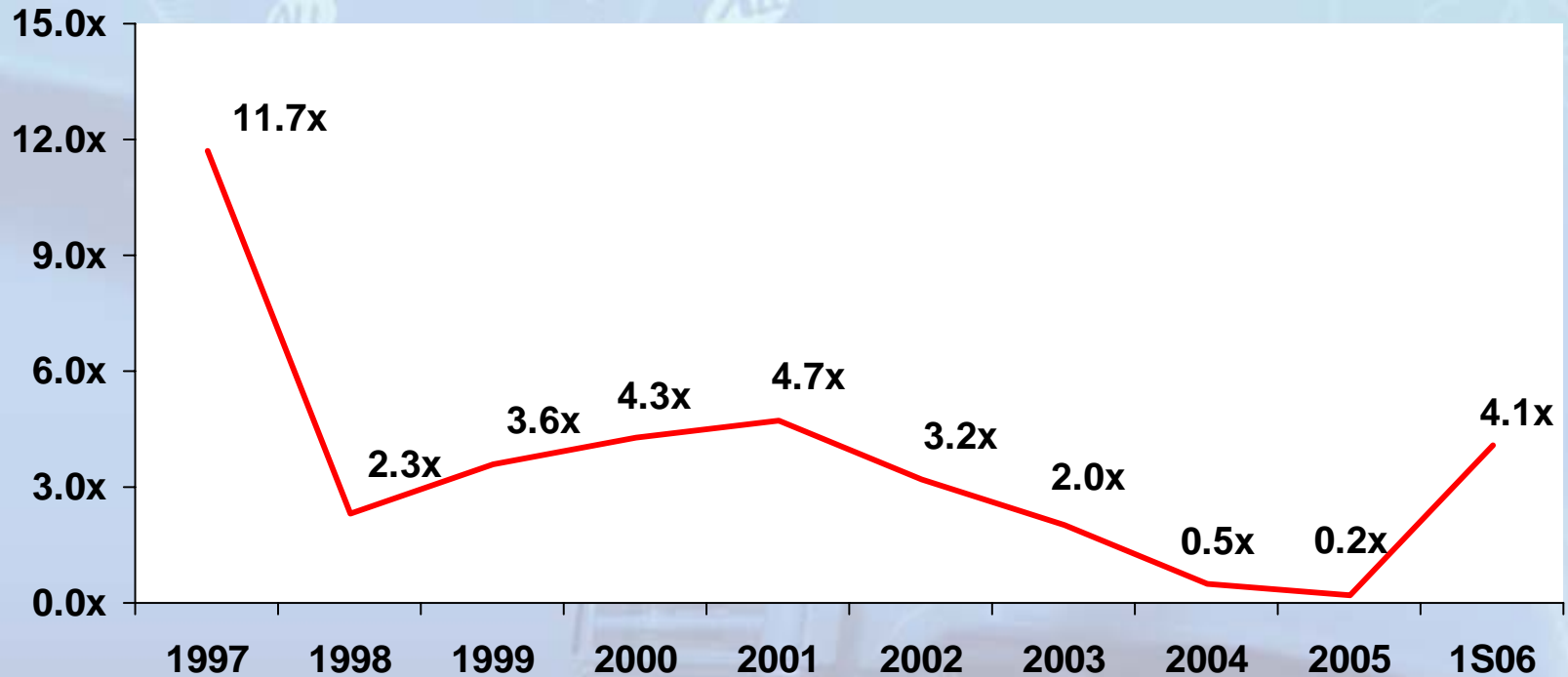
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Capital Structure

Solid Reduction in Net Debt/EBITDA

Nat Debt/EBITDA



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- We concluded the acquisition of Brasil Ferrovias, after all necessary approvals on June 16
- The first phase of the restructuring process was successfully completed, with the reduction of the work force from 4,500 to 2,000 employees with no negative impact on operations
- For 2006 we expect volumes and revenues in line with 2005 and a slight improvement in EBITDAR, reflecting the impact of the cost reduction made in the end of 1H06
- Brasil Ferrovias restructuring costs are estimated at R\$400 million and 2006 CAPEX should be R\$250 million

- ALL and Brasil Ferrovias will continue to operate independently in 2006, ALL's goals remain unchanged and our target is to have ALL and Brasil Ferrovias fully integrated in 1Q07
- The reversion of the high current level of accidents and poor asset productivity standards in Brasil Ferrovias put a strong operational challenge ahead of us. We expect the turn around process to be completed in 2 to 3 years



We make forward-looking statements that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management, and on information currently available to us. Forward-looking statements include statements regarding our intent, belief or current expectations or that of our directors or executive officers.

Forward-looking statements also include information concerning our possible or assumed future results of operations, as well as statements preceded by, followed by, or that include the words "believes," "may," "will," "continues," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Our future results and shareholder values may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.