Operator:

Good afternoon, ladies and gentlemen. At this time we would like to welcome everyone to América Latina Logística (ALL)'s 3Q earnings conference call. Today with us we have Bernardo Hees, the CEO, Paulo Basílio, CFO, Rodrigo Campos, IRO, and Sérgio Pedreiro, current CFO and Board Member as of January 2009 for the Company.

We would like to inform you that this event is being recorded and all participants will be in listen-only mode during the Company's presentation. After ALL's remarks are completed, there will be a question and answer session. At that time further instructions will be given. Should any participant need assistance during this call, please press *0 to reach the operator.

We have a simultaneous webcast that may be accessed through ALL's IR website: www.all-logistica.com/ir. The slide presentation may be downloaded from this website; please feel free to flip through the slides during the conference call. There will be a replay facility for this call for one week.

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of ALL management and on information currently available to the Company. They involve risks, uncertainties, and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions, and other operating factors could also affect the future results of ALL and could cause results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to Mr. Bernardo Hees, who will start the presentation. Mr. Hees, you may begin the conference.

Bernardo Hees:

Thanks. Good afternoon, ladies and gentlemen. Thank you for the interest in ALL. This is a little different than the usual presentations, since we already published a preview of the results in the beginning of October; so, I presume you are already familiar with the most part of the numbers and made questions about it in the conference call we held in the 1H of October. So, I am going to try to summarize even further, just commenting and pointing some of the highlights of the results. Paulo is going to go through the figures with Sergio and then I comment on the last developments of the Company and open for more time for the Q&A.

So, beginning: as we already mentioned, we had a poor quarter on volume terms this 2Q08 but very positive on yield terms. We are happy with the EBITDA we achieved; I think it is a quarter that proved our model, as we already mentioned. Every time we have a downturn, a downside on the market, we are able to gain market share, we are able to pass through the diesel crisis that happened in the 1H08. So, we are really pleased with

[1] Preferred shares (ALLL4) and common shares (ALLL3) are also listed at BOVESPA but with no significant liquidity

the EBITDA we are reaching in the 9M, with margins reaching 52% in the 9M. EBITDA growing over 25% on the consolidate of the year.

So, even in a very tough market on the grain side, we were able to grow our profitability on the Company. That also had the help of the Argentina operation that came to a very poor 1H; they had a very strong 3Q with volumes growing over 10% in the quarter; also yield growing significantly in the 3Q, recovering from the strikes and the problems we had in the 1H.

So, that summarizes the 3Q. Opening for commodities and industrial, on chart three. You can see our growth in market share, going from 50% 3Q07 to over 70% 3Q08; that is a lot related to the decrease of the export of the Brazilian ports on the grain side. The Brazilian ports that we serve decreased 33% in the 3Q08; we managed to have stable volumes with a little decrease on the grain side, and I think was very positive. Those volumes that did not go through in the 3Q are coming in the 4Q; that is why we are excited with the perspective for the year. We are already seeing that happen and that is why we are keeping our guidance of volume growth of the Company between 12% and 14%.

When you see, on chart four, the agricultural products stable, with the products that we see that the most part of the decrease in volumes in Brazil was down to corn, actually the agriculture production is building up inventory during the 3Q in order to, they thought about getting better prices in the future. Actually, they focused on the price; the price did not happen but what happened was the exchange rate in Brazil, that went from R$1.70 to almost R$2.20, R2.30. So, they are quite happy in that sense. They lost on the price, but they gained on exchange rate. So, that was a bet that happened to pay for them.

And the volumes now are already going through and they are exporting in order to have their storage facility ready for the new crop season that starts at the end of January, beginning of February 2009.

On the industrial side, as you can see on chart five, we continue our trend of growing significantly through the year. We grew almost 13% in the 9M, especially pushed by intermodal and commodities consumption. And we grew about 12% in the 3Q, with almost all segments having positive growth. So, that is quite a trend that already happened in the 1H and continued in this 3Q08. Our EBITDA with that grew almost 19% in the 9M, with growing 19% revenues in the 3Q, with an average increase of yield of about 6%.

Argentina, as I already mentioned, is a completely different story from the 1H08; we had a very positive quarter, with volumes growing almost 13%. Our EBITDA growing 85%; so we managed to grow volumes with the end of the strike from the farmers and we managed to grow in yield with the pass through of inflation and diesel prices that went up significantly in the last three to four months in Argentina. We still have not recovered in the year in the accumulated 9M, with decrease in volumes and EBITDA of, respectively, 1.3% and 15%.

The highway service continues on a positive trend, volume growing over 15% and over 25% in EBITDA, with EBITDA in the 9M08 growing 46.3%, almost surpassing R$14 million in the year.

So, summarizing, I think it was a very positive quarter for the industry, for the highway, for Argentina; it was not a positive quarter on the grain side. I think it proved very well our models, with the volumes in the ports of Brazil decreasing over 30%; us decreasing 5% volumes but gaining significantly in yield and keeping our EBITDA target in line for the year.

I think that summarizes what have been the results. With that, I pass on to Paulo and Sergio, who are going to comment on the figures for the quarter and the 9M. Thanks.

Sérgio Pedreiro:

Thank you, Bernardo. We start looking at our revenues; we have been increasing revenues 25% per year. The 9M it was 17%; we can break it in 9% volume, 8% yield. Moving to slide nine, we can see our growth in EBITDAR: we have been growing 61% per year; in the 9M it was 19% up, achieving a consolidated margin of 52%. And in slide ten, we can see our increase in EBITDA, which was 57% per year, and the 9M achieved 26% up, achieving R$858 million. We had a consolidated EBITDA margin of 45% in the 9M.

Moving to the next page, we can see our net income achieving R$250 million. And in the next slide, we have our net debt/EBITDA structure, with 2.7x net debt/EBITDA. We ended the quarter with a cash position of R$2.5 billion; it is a very strong cash position to end the quarter.

Now, I will pass again to Bernardo, to give additional comments.

Bernardo Hees:

Thanks. As I mentioned, just to summarize the presentation and to leave more time for the Q&A part; we are keeping our expectation for the 2008 figures, with volume growth ranging from 12% to 14% and CAPEX within R$700 million.

As we published yesterday, we are changing a little our guidance for next year, in the face of this uncertainty scenario that all our clients are going through right now. So, we are reducing our CAPEX to R$600 million, and our growth should be between 10% and 12%, with marginal yield increase.

That is more like a conservative approach, keeping our cash position very strong throughout the yeasr, as we are going to continue to improve our model, to grow in good and bad times of the financial market. As we are going through a bad time in the financial market, we are going to be a little more conservative, lowering our CAPEX, focusing on our cash position, but still with a significant growth of volumes of 10% to 12%, with less power price, and that is why we are keeping our guidance with a just marginal yield increase.

From a crop perspective, the indications we have are still positive; the area should be more or less the same, with a little decrease. We are going to have more volumes in Rio Grande do Sul, a little less in Mato Grosso. But for ALL, I would say the crop season should be stable, with a better weather condition but productivity more in line with this year or a little decrease, if we want to be more conservative.

So, that is the scenario we would like to comment. All the plans for growth for next year, locomotives, rail cars are already set, are already under construction. So, we are going to be ready for 2009 volumes.

With that, I welcome any further explanation or questions you may have.

Ivan Fadel, Credit Suisse:

Good morning, gentlemen. I have two questions; the first one would be you mentioned in the release that you want to force ALL to have more productivity gains. Could you get into more details on how this can be achieved and how much of the 10% to 12% growth that you forecast for next year could be achieved from those productivity gains?

Bernardo Hees:

Thanks, Ivan. You are right, it is part of our DNA to be very focused in gaining productivity throughout the year. The next couple of years are not going to be different. The difference here is that we always thought about having half to productivity, half to expansion of assets. And now, we are more like 5% expansions of assets and 6% to 7% productivity gains, between 6% to 8% productivity gains.

And that is related to several things. First, the operations conditions we are achieving in the large gate, in what we used to call “Brasil Ferrovias”, that connects the Center-West to Santos, are even better than we expected for this year. Our level of safety, our turnover of rail car cycles, the reliability of our locomotives, the transit time from Mato Grosso to Santos; and that gives us an expectation that we can push further productivity gains than we expected before. That is actually good news, but to gain productivity we are going to continue to focus on the things we are focusing today, that is better: loading and unloading facilities at the ports and at the factories of our clients; gain in transit time cycles from our rail cars by achieving better safety records, by achieving higher commercial speed in our trains by applying technology to the trains and moving to our rail yards faster.

But the results we are achieving today, I think it is very reasonable to focus more in the next two years in productivity gains then in expansion of fleet. That being said, that is why we are more relying in keeping our cash, pushing further the productivity gains, and gaining market share at the market place.

Ivan Fadel:

OK. And what would be – I understand you have a solid case of gain in market share, even in rough conditions, when markets are not good or markets are shrinking; and you said you have a flat outlook for the crop in the regions if your average went down between the Mid-West and South. But if the markets come down, or if the harvest come down, what would be the level where you would start to be worried about your guidance? Is it a -5% in the crop next year? Is it a -10%? Is there a threshold where you would be worried about your guidance for the next year?

Bernardo Hees:
Ivan, good question. I think the main concern in this scenario is not really the volumes, because really the market share we still have to capture is pretty significant. So, if a catastrophe should happen in Mato Grosso to turn on the point like downside of 30% and over. I think the point to concern is more on the price policy. The last few crops, actually the spot market suffered more on the price. I think we are already being conservative here by mentioning a marginal increase in yield as we are railroaders and operational people.

We like to be conservative, so in the scenario you are describing, which I think is not really reasonable, I would not be much concerned on the volume term. I would be more concerned on the yield term.

Ivan Fadel:

I see. Since you mentioned the yields – just my last question –, you said marginal increase for the next year. Does it mean that it, of course, should be below inflation, then?

Bernardo Hees:

Yes.

Ivan Fadel:

OK. Do you have a ballpark, maybe 50% of inflation or something like that?

Bernardo Hees:

It is going to depend a lot on how it is going to come the crop expectation; you are going to have a more clear view I would say on the second half of December. But I think it is going to be a little over a flat scenario for yield; we should not have an expectation of low indications of inflation. It is going to be even lower than that. That we are going for volumes and going to see what the expectations are for the crop season for next year.

Ivan Fadel:

All right; fair enough. Thank you very much, Bernardo.

Rodrigo Góes, UBS:

Good afternoon. Bernardo, I wonder if you could talk a little bit about the cut to your CAPEX budget for 2009, the R$100 million. Is that related to specific cuts in particular areas? Does it have to do with following commodity prices and the impact of that on some of the materials you may be purchasing? What are you actually cutting here?

Paulo Basílio:

Hi, Rodrigo. Actually, we are keeping the maintenance cost that we have and we are cutting some expansion investments, like locomotive and cross yards; so, actually reducing the expansion part of our CAPEX mainly on locomotives, crossing yards, and railroads.

Rodrigo Góes:

OK. And is that basically the driver behind your lower volume guidance? In other words, your lower volume guidance does not have anything to do with the deteriorating economic environment; it has more to do with you basically cutting back on expansion CAPEX. Is that a fair read?

Paulo Basílio:

Yes. It is exactly that. We are reducing our capacity.

Rodrigo Góes:

OK. So, in other words, if you had not done this and in view of the deteriorating macroeconomic environment worldwide, you would have maintained the, let us say, 12% to 14% volume growth guidance that you originally had?

Paulo Basílio:

That is right. But we are doing that because we are being more conservative in cash flow for next year. We are reducing more CAPEX than we are reducing margin.

Bernardo Hees:

That is a pretty fair reading, Rodrigo.

Rodrigo Góes:

OK. And I guess, continuing to see that as a pretty big number, 12% to 14%, of which was the original guidance. But now perhaps you are basically sacrificing prices a little bit to get that big number? Is that also sort of your strategy now?

Bernardo Hees:

That is actually right as well, Rodrigo. I think we have a great opportunity for capturing volumes in a scenario that is going to be much tougher because of the market share position we have. And with the EBITDA margin we have, by capturing volumes is no point in not taking advantage of these opportunities.

Actually, it is a similar story from the beginning of the Company, because if you take from 1997 until 2005, we happen to grow all the years. And the Brazilian economy did not grow properly. From 2005 on, Brazil started growing faster, 3% to 4%, what is very good. And what happened, actually, is that we continued to grow in the same scenario but losing a little bit of market share. Now, I think we are going to grow gaining market share at this scenario, from the grain; it is going to be a more stable scenario, different from a growing scenario that happened in the last three years.

But you are right in your assumption that we are actually sacrificing a little yield in order to capture the volumes.

Rodrigo Góes:

OK. Got it. Perfect. Thank you very much, guys.

Nick Sebrell, Morgan Stanley:

Good afternoon, gentlemen. First question: could you discuss a bit how current challenges facing agriculture in general in Brazil might impact your clients more specifically? What I am asking is is there any reason why your clients might be less affected by tight credit conditions, weaker currency, lower prices, etc.? Just thinking that on average you deal with large entities, so I thought maybe there might be escaping some of what we are seeing in the market.

And then, as a follow on: how much downside do you see as a current crop forecast in 2009, in light of what we are seeing, all those things that I mentioned?

Second question: how has October and month-to-date November traffic looked? Are you on track to meet 12% annual growth if those trends keep continuing or do you need to see acceleration in the rest of the months and in December, to make that 12%? And just checking my math, I think we need to see over 20% year-over-year volume growth in the 4Q to make 12% for the year; is that right?

Bernardo Hees:

Hi, Nick. Starting from the last part of your question, you are right, we are expecting a very strong 4Q. As we planned, there was a ramp up in October, November, December, and this happened as we planned. So, we really should be able to keep with the guidance and that is why we are keeping working hard, we are quite busy at the moment; what we expected to be, and we are. And I think we are going to be busy until the end of the year, which is positive news.

That being said, the first part of your question is about the expectation of the crop for next year and how it is looking. I have been talking with the tradings, and they are my clients, and there are some things that happened that are positive. First, they decided to finance about 50% to 60% what they financed last year, on USD amount. Because the USD went up and the prices of the commodities went down, that signified more volumes, so that was quite a good moment to happen — this down in the price of the commodities, because they are keeping the same amount of USD they want to finance, and that means more volume than they are setting with the farmers for next year.

The second thing that happened in Brazil that was positive is that the farmers actually took advantage of the exchange rate in the 1H and they built up a lot of inventory of fertilizers. If you take the balance sheet of the fertilizer companies in the 1H08 were quite significant in the role; the growth in volumes were over 30% from a year, 2007, that was already positive. And the reasons the farmers did that, actually, Nick, was because they were really afraid about the prices of fertilizers going up.

Remember in Brazil, four or five months ago, the discussion was that fertilizer prices would go up by 30% to 40% in 2009. The scenario changed so fast we actually forget. But remember that even Petrobras did not sell that site that they had in Amazonas for a Canadian company; they decided not to sell in order to have a fertilizer influence because they were afraid that the fertilizer prices would go up even more than they already went up in the 1H.

With that scenario, all the farmers built up inventories. In the end, it did not happen what they expected; they expected the price would go up, but the prices went down for fertilizers. Actually, the exchange rate went up instead. So, they took advantage of the R$1.60 exchange rate and they were actually quite happy about that. So, they had the fertilizers, they had the land; they are already planting the soybean.

I went to the Mato Grosso area in the end of October, I would say that more than 60% of the area is already planted, and it is going to continue to be planted through November until the end of the month. 100% is going to be planted for next year. What I think is we are going to need to have a more clear scenario is about the corn season of the 2H09. They are probably going to sell the soybean, they are going to capitalize, they are going to buy the fertilizer and they are going to plant the corn. So, from a crop season of 2009 expectation, I would say that the farmers already have all the insumptions they need, they have the financing from the tradings, they have the financing that came from Banco do Brasil, and they are quite well capitalized. Because from 2005 to 2008, they had terrific years; they really had very positive years, they are strong in cash right now and they are going to be using this cash position that they built in order to finance some wholes that they may not have for the corn for the 2H. So, 2009 I think is still going to have a positive volume scenario for the crop.

Nick Sebrell:

OK. All right. And then just a side question, I mean, given the discussion on fertilizer, we can probably expect maybe a little bit weak in fertilizer volume for the 4Q traffic. We already talked about corn, soy is probably normal; and sugar, do you see any opportunity in sugar in the 4Q? Are you seeing greater shipments or is that pretty much as normal?

Bernardo Hees:

Nick, you are right. Fertilizers used to have a stronger 4Q and we are not going to see that. Fertilizers are stronger than the 3Q but still, I would say, weak. I think what is going to happen is that people, as the farmers sell the soybean in the beginning of next year then they are going to start buying fertilizers again, as they do not expect that the prices are going to go up anymore, and they think the exchange rate is going to be pretty much

stable between R$2.20 and R$2.40, and the prices of fertilizers are really going down in the last 60 days.
So, I think your prediction I would say is quite right, that we are not going to have pressure in order to buy fertilizers. We are going to have more fertilizer in the 1Q09 than we had in the 4Q08.

On the sugar we are moving quite significantly, but that is the normal scenario. They normally have strong October and November; they are performing, I would say, as normal.

Nick Sebrell:

OK. Bernardo, thank you very much.

Paula Kovarsky, Itaú Securities:

Good afternoon, Bernardo. I had a question on yields; actually, the very fact is that the Brazilian transportation matrix is still very concentrated on trucks and that is probably the reason why you believe you can get more market share. But my concern is that in times of a crisis and people more squeezed in terms of commodity prices, do you fear additional informality could be built into the system compromising yields? Or, in other words, is that a reason why you are betting on only marginal yield increase?

Bernardo Hees:

Paula, actually, the trucking business in Brazil is already very informal, very fragmented and very informal. So, it is hard to expect more informality. I think they are informal and they are going to continue to be that way; I hope one day this scenario will change but it is not really the scenario that we are working in the coming years.

I think your comment is in the right direction, that as we think next year is going to be more a play of gaining market share by adding the capacity, especially by gaining in productivity from the existing asset base that we manage, we should not have a pricing power that we normally had in 2008 and in the past years. And that is why we are guidancing on a marginal increase in yields; and it is hard for us to predict what is going to happen in the spot market on a monthly basis. But I think we are able to pass through all the inflation, all the diesel price this year, which was very positive. I think next year is more a scenario of stable prices on the logistic market.

Paula Kovarsky:

But the question was, I mean, since they are informal, in a crisis scenario would they not be more willing to burn margins?

Bernardo Hees:

Actually, they are quite already cash oriented so they really do not have those margins to burn, Paula. You are going to continue to have peaks on prices when you are between

March and May because the trucking is going to be pressured in Mato Grosso to take the grain from the farmers.

So, I really do not think it is reasonable to think that they are going to be lowering the productions they have that is already very cash-oriented in thinking, Paula. But I really do not think it is reasonable that they are going to be pressuring for gain in yield. I think they are going to be keeping the way they worked this year, especially if what we are predicting happens, that the crop season is going to be stable or a little lower than this year.

But they are already very cash-oriented; they do not have that margin that you are thinking to burn. They can burn in some peaks, like the second half of March, beginning of April. But I would say a few weeks they can really burn margin.

Paula Kovarsky:

OK. Thank you.

Andrew West, Harding Loevner:

Good afternoon, guys. Continuing on about the trucking question, what is the outlook for the diesel fuel price possibly coming down in the next year? And assuming that truckers would then price free at operating cost, is that likely to have an impact on – if that happened, would that likely have an impact on the rail rate?

And then, beyond that, looking at your trend in cost per revenue to mile, or revenue/ton/kilometer, do you have any particular goals? Do you think you can actually get negative changes in cost per revenue/ton/kilometer in the coming year or the coming several years? Any sort of detail on what you think would be achievable targets in terms of those trends?

Rodrigo Campos:

Andrew, we are working here with price stability on the diesel; this is behind this guidance of marginal yield growth. It is hard for us to know what Petrobras will do in terms of domestic price. I can tell you that on this upward trend on international oil prices did not reflect here in Brazil, as the price of the diesel maintained stable from January 2006 until May 2008, when we have an increase of 8%.

So, all this time the diesel price was stable and it is hard to say what will happen for the future, but Petrobras clearly acts like a buffer. We are working with this price stability for the future.

In terms of our cost, the main costs we have is diesel, as you mentioned, Andrew, and we have been reducing the diesel consumption year over year; these gains tend to be more marginal in the next coming years. But we have been reducing between 1% to 2% average diesel price consumption. So, we still expect to gain productivity on this side, which should still increase efficiency in terms of average price per R/T/K.

Andrew West:

What about beyond just the fuel efficiency, which I know has been improving over the years? What about when you start taking into account labor costs, maintenance, and all these other costs; can you still achieve overall improvement in cost per R/T/K or not?

Rodrigo Campos:

We work with stability of those – if we take maintenance, it should improve a little bit in terms of R/T/K, because there is part of the maintenance which is fixed, part is variable; so, it is a mix. In terms of labor, as well, part is variable, part is fixed. So, we should have some gain in terms of cost per R/T/K.

Andrew West:

What about in terms of just running longer trains?

Rodrigo Campos:

Yes, there should be a potential gain in terms of productivity. But this gain of productivity is more pronounced in terms of R/T/Ks per rail cars and R/T/Ks per locomotives. So, when we say that we should grow more in productivity than adding assets, it is those types of measures that we are thinking.

Andrew West:

Great. Thanks.

Rusty Johnson, Harding Loevner:

Yes, I think my question has been answered, really is driven off the diesel price. I just wonder whether to what degree take-or-pay contracts would be linked to that? If pricing does come down, the truckers probably will come down; how do take-or-pays adjust in a falling fuel price environment? Is it material?

Bernardo Hees:

Hi, Rusty. As Rodrigo mentioned, we really do not expect Petrobras to lower prices, especially when they are trying to build up cash position for the pre-salt opportunities they want to fulfill. The take-or-pay agreements actually happen like a pass through of diesel prices. When they go up, I pass through the diesel prices; when they come down, I pass through to the tariff as well.

On the market place – I have been in this business for over ten years –, I have seen Petrobras lowering price only once in my life; actually, in May 2005 or 2006, I am getting old and forgetting already. And that was actually the only time I saw the trucking business building up margin.

So, I really do not see, if Petrobras lowers prices, the market place reacting to that. I see the market place reacting to more volumes or less volumes; much more than diesel prices. But I think the most probable scenario is to have a stable diesel price, as Rodrigo said. But if the diesel price comes down, my contracts have an agreement for lowering tariff.

Rusty Johnson:

OK. Thank you.

Operator:

Gentlemen, we seem to have no further questions. At this time, I would like to turn the call over to Mr. Bernardo Hees for final considerations. Mr. Hees, you may give your final considerations.

Bernardo Hees:

I just want to thank for the interest in ALL, for the confidence in the work we have been doing here, and to say that we are 100% available for further explanations or questions that may come up in the coming days. Thank you very much.

Operator:

Thank you. This concludes today's ALL's 3Q08 earnings conference call. You may disconnect your lines at this time.