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01745-0

ALL – AMÉRICA LATINA LOGÍSTICA S.A.

02.387.241/0001-60

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17.01 - SPECIAL REVIEW REPORT – QUALIFIED

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## INDEPENDENT AUDITORS SPECIAL REVIEW REPORT

To  
Management and Shareholders of  
**ALL – América Latina Logística S.A.**

1. We have performed a special review of the Quarterly Information (ITR) of **ALL América Latina Logística S.A.**, referring to the quarter ended on June 30, 2006, which includes the balance sheet, the statement of income, the performance report and relevant information, prepared in accordance with the accounting principles adopted in Brazil. The accounting information on the indirect subsidiary Boswells S.A., on the jointly-owned subsidiary Santa Fé Vagões S.A. and on the investee Geodex Communications S.A., relating to the quarter ended on June 30, 2006, were reviewed by other independent auditors, who issued unqualified Special Review Reports. Our Report, concerning investment amounts and results arising from these subsidiaries and affiliates, is based on the reports of these other independent auditors.
2. Except as to the issues mentioned in paragraph 3, our review was conducted in accordance with specific procedures determined by the Institute of Independent Auditors of Brazil (IBRACON), jointly with the Federal Accountancy Board (CFC), and consisted, mainly of: (a) making inquiries of, and discussions with, managers responsible for the accounting, financial and operating areas of the Company relating to the main criteria adopted for preparing the Quarterly Information; and (b) reviewing the information and subsequent events which have, or may have, significant effects on the financial position and operations of the Company.
3. The wholly-owned subsidiaries Brasil Ferrovias S.A., Novoeste Brasil S.A. and their subsidiaries are, currently, improving their internal controls, aiming at the conclusion of certain accounting items, as well as the implementation of additional controls. Until the issuance date of this Special Report, although these activities are in progress, the following procedures had not been concluded yet:
  - (a) Reconciliation of the accounting balances with the auxiliary controls, for the items of accounts receivable, advances to suppliers, advances from customers (short and long term), credits and debits with congenerous (short and long term), and suppliers, in the consolidated amounts of R\$50,445 thousand, R\$5,047 thousand, R\$51,773 thousand, R\$19,837 thousand, R\$1,116 thousand and R\$218,473 thousand, respectively. Thus, these accounts may be adjusted after the conclusion of the reconciliation works, whose amounts could not be measured until the end of our review.
  - (b) The wholly-owned subsidiaries Brasil Ferrovias S.A., Novoeste Brasil S.A. and their subsidiaries are in process of analysis of the information related to the lawsuits involving the companies. This analysis process is currently in progress, with the support of its external legal advisors. Thus, the accounting balances of the accounts of provision for contingencies in the amount of R\$129,152 thousand

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and court deposits in the amount of R\$297,227 thousand, may be adjusted after the conclusion of these analysis.

4. Based on our special review, as well as on the review made by other independent auditors, except as to the possible adjustments that may take place when the conclusion of the procedures described in paragraph 3 occur, we are not aware of any material modification that should be made to the Quarterly Information referred to in paragraph 1 for it to be in accordance with the accounting principles adopted in Brazil, in compliance with regulations issued by the Securities and Exchange Commission of Brazil (CVM), specifically applicable to the preparation of the Quarterly Information.
5. As mentioned in Note 4 (a) to the Quarterly Information, the indirect subsidiaries ALL - América Latina Logística Central S.A. (“ALL Central”) and ALL - América Latina Logística – Mesopotámica S.A. (“ALL Mesopotámica”) are in process of renegotiation of concession agreements with the Argentine Government. On July 5, 2005, the subsidiaries entered into a “Letter of Understanding” with “*Unidad de Renegociacion y Analisis de Contratos de Servicios Publicos*”, which sets forth a renegotiation proposal of the concession agreements based in certain assumptions. The referred Letter of Understanding must also be approved in a Public Hearing, by the bodies which represent the National Congress and by Decree of the President of that country, therefore, still subject to changes and possible loss of effect. The Quarterly Information – ITR’s, outlined in the first paragraph, does not include possible adjustments or reclassifications, which may arise from the materialization of said renegotiation.
6. As mentioned in Note 4 (c) to the Quarterly Information, the indirect subsidiary ALL - América Latina Logística Central S.A. filed a request to suspend or reduce the concession payments referring to the previous years and which amount approximately to R\$18,000 thousand. Based on the opinion of its legal consultants, who understand these amounts are not due, in view of the economic-financial imbalance shown by concession, that company did not record such obligation on June 30, 2006. Additionally, the Letter of Understanding mentioned in paragraph 5 above indicates that in the event the exemption of payment of these “canon” charges is not approved, such amounts will be added to the investment commitments to be assumed by that Company during the future period of the concession, or even its payment may be required. On the other hand, said subsidiary has been collecting under administrative scope the amounts resulting from toll revenues receivable from *Unidad Ejecutora del Programa Ferroviario Provincial (Provincia de Buenos Aires)* (“U.E.P.F.P.”), not recorded on an accounting basis, at the amount of R\$3,300 thousand, the chances of success in the realization of this asset was classified as probable by its legal advisors. The Quarterly Information (ITR) outlined in paragraph 1 does not include any possible effect which may derive from the conclusion of these issues.
7. As mentioned in Note 4 (d), considering the Resolutions of Inspección General de Justicia (“I.G.J”) 25/2004 and 1/2005, the direct subsidiary ALL – América Latina

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Logística Argentina S.A. should have decided on the destination of advances for future capital increase (“aportes irrevocables”), recorded in its shareholders’ equity, within a term of 180 days, term which was extended successive times, but it expired on February 21, 2006, without being extended until this present moment. Should no specific authorization be obtained from I.G.J., such advances shall be converted into capital stock or reclassified to liability account. Pursuant to Administrative Resolution applicable to the subsidiary, alterations in its capital stock shall be previously approved by the Argentine Government and, consequently, the compliance with conversion of “aportes irrevocables” into capital stock depends on said approval, which until this present moment it did not occur. On June 30, 2006, the balance of “aportes irrevocables” amounted to approximately R\$83,000 thousand and, based on its legal advisors’ opinion, the management of the parent company ALL – América Latina Logística S.A. opted to consider it as shareholders’ equity account of the subsidiary for purpose of registration of the investment, for as owner of usufruct rights of such company’s shares, maintains firm its intention of converting these advances into capital in the future, when there is no regulatory restriction, preventing it. The subsidiary’s management issued a request of waiver to the application of said Resolutions to I.G.J., in view of current regulatory impediment in carrying out the conversion of advances, and until the date of issue of this Report, no answer was obtained. The Quarterly Information outlined in paragraph 1 does not include any possible effect, which may derive from the conclusion of such issue.

8. As mentioned in note 14, the wholly-owned subsidiaries Brasil Ferrovias S.A., Novoeste Brasil S.A. and their subsidiaries have individual controls of the assets comprising their fixed assets, reconciled with the accounting balances. A physical finding of these assets is being carried out, aiming to improve the referred individual controls. The conclusion of this finding may result in possible adjustments to the accounts of fixed assets.
9. According to note 18, the indirect subsidiaries Ferroban – Ferrovias Bandeirantes S.A. and Ferrovias Novoeste S.A. are in process of discussion with Rede Ferroviária Federal S.A. (RFFSA), in liquidation, about certain transactions resulting from concession and leasing agreements. In view of the current stage of these conversions, it is not possible at this moment to ensure that some adjustment, positive or negative, to the accounting balances currently recorded, will be necessary when these negotiations are concluded.
10. Our review procedures were conducted with the purpose of issuing a Limited Review Report on the Quarterly Information - ITR outlined in the first paragraph. The supplementary information mentioned in Note 27, corresponding to the statements of cash flow (parent company and consolidated), prepared in accordance with the accounting principles adopted in Brazil, are being presented in order to provide additional information on the Company, although they are not required as an integral part of the Quarterly Information - ITR. This information was submitted to the same review procedures described in the second paragraph. Based on such procedures, we do not have cognizance of any relevant change which should be

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made in relation to the statement of cash flow for it to be in compliance with the accounting principles adopted in Brazil.

Curitiba, August 7, 2006

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC (Regional Accounting Council)-2-SP 15199/O-6 “F” PR

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