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ALL – AMÉRICA LATINA LOGÍSTICA S.A.

02.387.241/0001-60

09.01 - REPORT OF INDEPENDENT AUDITORS - UNQUALIFIED

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

1. We have audited the balance sheets of ALL – América Latina Logística S.A. and the consolidated balance sheets of ALL – América Latina Logística S.A. and its subsidiaries on December 31, 2006 and 2005 and the related statements of income, statements of changes in shareholder's equity and statements of changes in financial position related to the years then ended, prepared under the responsibility of its management. Our responsibility is to express an opinion on those financial statements. The financial statements of the indirect subsidiary Boswells S.A., whose investment represents a provision for unsecured liabilities of R\$2,308 thousand on December 31, 2005 and generated a negative equity accounting result of R\$670 thousand and of the affiliated company Geodex Communications S.A., whose investment represents R\$67,403 thousand on December 31, 2005 and generated an equity accounting revenue of R\$1,120 thousand, regarding that fiscal year, were audited by other independent auditors, who issued unqualified reports. Our opinion, concerning the amount of these investments and the equity accounting result generated by them, is based on the opinion of those other auditors.
2. We conducted our audit in accordance with auditing standards applicable in Brazil and it comprised: (a) the planning of our audits taking into consideration the significance of balances, the volume of transactions and the accounting and internal control systems of the Company, (b) the verification, on a test basis, of evidences and records supporting the amounts and accounting information disclosed, and (c) the evaluation of the most representative accounting practices and estimates adopted by the Company's management, as well as the presentation of financial statements taken as a whole.
3. In our opinion, based on our audit and on the report of other independent auditors, as mentioned in paragraph 1, the aforementioned financial statements fairly represent, in all material aspects, the equity and the financial position of ALL – América Latina Logística S.A. and the consolidated equity and financial position of ALL – América Latina Logística S.A. and its subsidiaries on December 31, 2006 and 2005, the results of its operations, the changes in shareholders' equity and changes in financial position related to the years then ended, in conformity with the accounting practices adopted in Brazil.
4. As mentioned in Note 4 (a), the indirect subsidiaries América Latina Logística Central S.A. ("ALL Central") and América Latina Logística – Mesopotámica S.A. ("ALL Mesopotámica") are in renegotiation process of concession agreements with the Argentine Government. On October 20, 2006 the subsidiaries executed a new "Letter of Understanding" with "*Unidad de Renegociación y Análisis de Contratos de Servicios Públicos*" which sets forth a renegotiation proposal of the concession agreements based on the following assumptions: (i) Recognition commitment of liabilities of concession fees ("canon") as from January 2006 up to the end of the concession; (ii) Assumption of investment commitments by ALL Central and ALL Mesopotámica as from January 1, 2006 up to the end of the concession; (iii) Recognition of mutual claims between the Argentine Government and the subsidiaries, whose balance in favor of the Argentine Government will be converted into investment commitments to be complied with by the subsidiaries as from January 2006 up to the end of the concession. The referred Letter of Understanding must be approved by the bodies that represent the National Congress and by Decree of the President of that country, therefore, still subject to changes and possible loss of effect. The financial statements

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described in paragraph 1 were prepared based on the presupposition that the conditions agreed in the said Letter of Understanding are confirmed; however, they do not include possible adjustments that may arise from future alterations in such conditions.

5. As mentioned in Note 4 (c), considering the Resolutions of *Inspección General de Justicia* ("I.G.J") 25/2004 and 1/2005, the direct subsidiary ALL - América Latina Logística Argentina S.A. should have decided about the allocation of advances for future capital increase ("aportes irrevocables"), which were recorded in its shareholders' equity, within a 180-day term, which was extended many times; however, it expired on February 21, 2006, and it had not been extended until this moment. If a specific authorization is not obtained by I.G.J, such advances shall be converted into capital stock or reclassified to a liability account. In accordance with the Administrative Resolution applicable to the subsidiary, the alterations in its capital stock shall be previously approved by the Argentine National Government and, consequently, the enforcement of the conversion of "aportes irrevocables" into capital stock depends on the said approval, that did not occur until now. On December 31, 2006, the balance of "aportes irrevocables" totaled approximately R\$83,000 thousand and, based on the opinion of our legal advisors, the Company's management chose to consider it as an account of the subsidiary's shareholders' equity for purposes of investment registration, for as a holder of the right of enjoyment of its shares, it firmly maintains its intention to convert such advances into capital in the future, when a regulamentary restriction that hinders it. The subsidiary's management issued a waiver request from the application of the aforementioned Resolutions to I.G.J, in view of the current regulatory impediment to proceed to the conversion of advances, and no answer was obtained until the date of this Report. The financial statements described in paragraph 1 does not include any possible effect that may arise from the conclusion of this matter
6. As described in Note 4 (c), the direct subsidiary ALL Argentina did not recognized in its financial statements a possible minority interest on advances for capital increase granted to its subsidiaries ALL Central and ALL Mesopotámica, judicially required by a non-controlling shareholder, based on the opinion of its legal advisors. The financial statements do not include potential effects of adjustments or reclassifications that may arise as a result of the conclusion of these discussions.
7. As described in Note 6, the direct subsidiary ALL Central interrupted the recognition of revenues linked to tolls of *Unidad Ejecutora del Programa Ferroviario Provincial* (U.E.P.F.P.) as from January 2002. This decision is based, mainly, on the lack of recognition of services rendered by the aforementioned Unit. In 2004, ALL Central filed a lawsuit at the National Administrative Litigation Court of the province of Buenos Aires, requiring the payment of toll amounts related to the period between 1993 and 1995. Due to agreements entered into with previous shareholders, ALL Argentina records a liability in the approximate amount of R\$3,857 thousand (P\$5,510 thousand), linked to the liability of reimbursing 50% of recovered amounts, related to the tolls incurred in the periods prior to the acquisition date of ALL Central and ALL Mesopotámica. Based on the Management's opinion, supported by its legal advisors, the suit related to collection of amounts filled against U.F.P.F.P. has a relatively high probability of success, although the amount receivable of approximately P\$5,420 thousand (R\$3,800 thousand) is not accounted for. The financial statements do not include possible adjustments or reclassifications that may arise as a result of these discussions.
8. Our audit was conducted with the purpose of issuing an opinion about the financial statements described in the first paragraph, taken as a whole. The statements of cash flow, corresponding to the years ended on December 31, 2006 and 2005, presented in order to

(A free translation of the original in Portuguese)

FEDERAL PUBLIC SERVICE
CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION
STANDARD FINANCIAL STATEMENTS - DFP
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

External Disclosure

December 31, 2006 Brazilian Corporate Law

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provide additional information on the Company, as shown in Note 30, are not required as an integrating part of the financial statements, in accordance with the accounting practices adopted in Brazil. The statements of cash flow were submitted to the same auditing procedures described in the second paragraph and, in our opinion, they are fairly presented in all their material aspects regarding the financial statements taken as a whole.

Curitiba February 26, 2007

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

Marcos Antonio Quintanilha
Accountant CRC-1-SP-132776/O-3 T-SC-S-PR