

**A free translation from Portuguese into English of Special Review Report of Independent Auditors on financial statements prepared in accordance with accounting practices adopted in Brazil**

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**SPECIAL REVIEW REPORT OF INDEPENDENT AUDITORS**

The Board of Directors and Shareholders  
**ALL – América Latina Logística S.A.**  
Curitiba, PR

1. We have performed a special review of the accompanying Quarterly Financial Information of ALL – América Latina Logística S.A., for the quarter ended March 31, 2007, including the balance sheets, statements of operations, report on the Company's performance and other Company' relevant information, prepared in accordance with accounting practices adopted in Brazil.
2. Our review was conducted in accordance with the specific standards established by the Brazilian Institute of Independent Auditors (IBRACON) and the Brazilian Federal Board of Accountancy (CFC), and mainly comprised of: (a) inquiries of and discussions with the management responsible for the Company's accounting, financial and operational areas about the criteria adopted for the preparation of the quarterly information and (b) review of information and subsequent events which have or could have significant effects on the Company's operations and financial position.
3. Based on our special review, we are not aware of any material modification that should be made to the Quarterly Financial Information referred to in paragraph 1 for it to comply with accounting practices adopted in Brazil applicable to the preparation of Quarterly Financial Information, together with specific regulations established by the Brazilian Securities and Exchange Commission (CVM).

4. As mentioned in Note 4(a), the subsidiaries América Latina Logística Central S.A. (“ALL Central”) and América Latina Logística – Mesopotámica S.A. (“ALL Mesopotámica”) are in the process of renegotiating their concession contracts with the government of Argentina. On October 20, 2006, the subsidiaries signed a new “Memorandum of Understanding” with the “*Unidad de Renegociación y Análisis de Contratos de Servicios Públicos*”, which established a proposal for renegotiation of the concession contracts based on the following terms: (i) payment of a concession fee (“canon”) beginning January 2006 through the end of the concession; (ii) obligation to make minimum capital investments beginning January 1, 2006 through the end of the concession; (iii) resolution of past disputed claims between the government of Argentina and subsidiaries, such net claims were in favor of the government and will be converted into capital investment commitments by the subsidiaries beginning from January 2006 through the end of the concession. The Memorandum of Understanding must be ratified by the national congress and by a decree of the President of the republic of Argentina, and therefore is subject to modifications and possible loss of effects. The Quarterly Financial Information referred to in the first paragraph were prepared on the assumption that the conditions agreed to in the Memorandum of Understanding will be ratified as agreed to by the subsidiaries and the government and do not include any adjustments that may arise from future modifications to those conditions.
  
5. As mentioned in Note 4(c), taking into consideration resolutions enacted by an entity of the government of Argentina (Inspección General de Justicia (“I.G.J.”)), the subsidiary ALL - América Latina Logística Argentina S.A. (“ALL Argentina”) should have converted the advances for future capital increase (“aportes irrevocables”) which were recorded in its shareholders’ equity into capital within a 180-day period, for which the latest extension expired on February 21, 2006. The extension was not renewed by the Company to date. If a specific authorization is not obtained from I.G.J., such advances should be converted into capital or reclassified to a liability account. In accordance with Argentinean laws applicable to the subsidiary, any changes to capital need prior approval by the federal government. Therefore, conversion of the “aportes irrevocables” into capital depends on such approval which has not been obtained to date. At March 31, 2007 the balance of “aportes irrevocables” amounts to approximately R\$78,500 thousand and, based on the opinion of its legal advisors, the Company recorded these amounts as shareholders’ equity of the subsidiary because the Company’s intent is to convert these advances into capital in the future after the necessary governmental approvals have been obtained. Management of the subsidiary requested a waiver from immediately converting the “aportes irrevocables” into capital, in accordance with I.G.J. resolutions, because of the legal restrictions which currently prevent the conversion of the advances. No response was obtained through the date this report was issued. The Quarterly Financial Information described in the first paragraph does not include any effects that may arise in connection with the conclusion of this matter.

6. As described in Note 4(c), based on the opinion of its legal advisors, the subsidiary ALL Argentina did not recognize in its Quarterly Information the minority interest, if any, on advances for capital increase granted to its subsidiaries ALL Central and ALL Mesopotámica. Such recognition was sought in court by a non-controlling shareholder. The Quarterly Financial Information does not include potential adjustments or reclassifications that might arise in connection with the conclusion of this matter.
7. As described in Note 6, the subsidiary ALL Central discontinued the recognition of revenues from tolls of “Unidad Ejecutora del Programa Ferroviario Provincial (U.E.P.F.P.)” beginning in January 2002. This decision was made because U.E.P.F.P. does not acknowledge the services provided by ALL Central. In 2004, ALL Central filed a claim with the Federal Court for Litigious and Administrative Matters of the Province of Buenos Aires seeking the payment of toll amounts for the period 1993 to 1995. As a result of the agreements reached with previous shareholders, ALL Argentina has a liability of R\$3,857 thousand (P\$5,510 thousand), associated with the obligation to reimburse 50% of the recovered toll amounts incurred in the periods prior to the date of acquisition of ALL Central and ALL Mesopotámica. Although management believes, based on the opinion of its legal advisors, that the likelihood of a favorable outcome in the collection proceedings initiated against U.F.P.F.P. is high, the receivable of R\$3,585 thousand (P\$5,420 thousand) has not been recorded. The Quarterly Financial Information does not consider any adjustment or reclassifications that might arise in connection with the conclusion of these discussions.
8. Our review procedures was carried out to enable us to issue a Special Review Report on the Quarterly Financial Information referred to in the first paragraph, taken as a whole. The statements of cash flows included in Note 30, prepared in accordance with the accounting practices adopted in Brazil, which are presented to provide supplementary information about the Company, are not required as an integral part of the Quarterly Financial Information. Such statements of cash flows were submitted to the review procedures described in the second paragraph and, based on such procedures, we are not aware of any material modification that should be made to these supplementary statements for them to be fairly disclosed, in all material respects, in accordance with the accounting practices adopted in Brazil.

Curitiba, May 2, 2007,

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2-SP 15199/O-6 -F- PR

Marcos Antonio Quintanilha  
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