

**ALL - América Latina
Logística S.A.
and its subsidiaries**
**Quarterly information of periods ended
September 30, 2007 and 2006, and
June 30, 2007 and report
of independent auditors
on special review**

ALL-América Latina Logística S.A. and its Subsidiaries
Balance Sheet ended September 30 and June 30, 2007
(in thousands of reais)

| | Note | Parent Company | | Consolidated | |
|---------------------------------------------|------|----------------|------------|--------------|------------|
| | | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 355,174 | 181,880 | 1,748,581 | 1.376,203 |
| Trade accounts receivable | 6 | 2,398 | 4,212 | 159,407 | 200,431 |
| Inventories | 7 | 148 | | 72,409 | 66,585 |
| Lease and concessions | 8 | | | 6,433 | 6,435 |
| Recoverable taxes | 9 | 38,241 | 16,056 | 125,574 | 155,675 |
| Deferred income tax and social contribution | 10 | 2,511 | 15,600 | 35,524 | 38,548 |
| Dividends and interest on own capital | | 71,309 | 73,427 | | |
| Advances and other accounts receivable | | 12,849 | 24,809 | 53,213 | 45,863 |
| Prepaid expenses | | 2,610 | 2,359 | 10,231 | 7,882 |
| Total current assets | | 485,240 | 318,343 | 2,211,372 | 1,897,622 |
| Non-current assets | | | | | |
| Long-term assets | | | | | |
| Credits with related companies | 19 | 161,600 | 37,812 | 3,708 | 5,626 |
| Lease and concessions | 8 | | | 120,992 | 122,589 |
| Recoverable taxes | 9 | 13,996 | 26,678 | 123,326 | 85,124 |
| Deferred income tax and social contribution | 10 | 50,620 | 37,235 | 83,171 | 83,136 |
| Judicial deposits | 18 | 36 | 134 | 423,636 | 407,749 |
| Long-term investments | 11 | 394,643 | 765,669 | 236,481 | 225,700 |
| Other accounts receivable | | | | 32,287 | 45,050 |
| Prepaid expenses | | 6,423 | 6,384 | 18,364 | 16,192 |
| | | 627,318 | 873,912 | 1,041,965 | 991,166 |
| Permanent assets | | | | | |
| Investments | 12 | 3,199,235 | 3,164,346 | 2,546,125 | 2,550,409 |
| Intangible assets | | 137 | 137 | 139 | 139 |
| Fixed assets | 13 | 3,948 | 4,061 | 3,341,727 | 3,101,107 |
| Deferred charges | 14 | 115,019 | 116,835 | 385,966 | 406,986 |
| | | 3,318,339 | 3,285,379 | 6,273,957 | 6,058,641 |
| Total non-current assets | | 3,945,657 | 4,159,291 | 7,315,922 | 7,049,807 |
| Total assets | | 4,430,897 | 4,477,634 | 9,527,294 | 8,947,429 |

The notes are an integral part of the financial statements

ALL-América Latina Logística S.A. and its Subsidiaries
Balance Sheet ended September 30 and June 30, 2007
(in thousands of reais)

| | Note | Parent Company | | Consolidated | |
|---------------------------------------------------|------|------------------|------------------|------------------|------------------|
| | | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Suppliers | | 15,214 | 10,680 | 530,740 | 431,584 |
| Loans and financings | 15 | 6,463 | 2,111 | 1,011,499 | 630,862 |
| Debentures | 16 | 32,087 | 60,221 | 168,124 | 250,859 |
| Other taxes payable | | 918 | 800 | 208,686 | 183,653 |
| Income tax and social contribution | | | | 39,767 | 10,059 |
| Lease and concessions | 17 | | | 114,336 | 114,653 |
| Payroll and related charges | | | | 79,073 | 82,182 |
| Advances from clients | | | | 37,517 | 14,402 |
| Lease | 28 | | | 11,271 | 11,329 |
| Other accounts payable | | | | 122,511 | 106,791 |
| Dividends and interest on own capital | | 688 | 688 | 812 | 812 |
| Total current liabilities | | 55,370 | 74,500 | 2,324,336 | 1,837,185 |
| Non-current liabilities | | | | | |
| Long-term liabilities | | | | | |
| Loans and financings | 15 | 227,851 | | 1,965,655 | 1,910,003 |
| Debentures | 16 | 1,035,000 | 1,035,000 | 1,359,968 | 1,438,047 |
| Debts payable from related companies | 19 | 155,912 | 54,374 | 93 | 634 |
| Provision for contingencies | 18 | | | 439,213 | 433,988 |
| Lease and concessions | 17 | | | 718,949 | 701,631 |
| Provision for unrealized profit | 20 | 15,035 | 15,221 | | |
| Lease | 28 | | | 3,039 | 3,183 |
| Other accounts payable | | 2,683 | 2,696 | 106,573 | 171,279 |
| Provision for unsecured liabilities in subsidiary | 12 | 342,639 | 857,351 | | |
| Deferred income | 21 | | | 17,183 | 17,456 |
| Total non-current liabilities | | 1,779,120 | 1,964,642 | 4,610,673 | 4,676,221 |
| Minority interest in subsidiaries | | | | 13 | 10 |
| Shareholders' equity | 22 | | | | |
| Capital stock | | 2,129,475 | 2,129,475 | 2,129,475 | 2,129,475 |
| Capital reserves | | (3,865) | 32 | (3865) | 32 |
| Profit reserves | | 315,999 | 315,999 | 315,999 | 315,999 |
| Accrued income (losses) | | 143,060 | (18,237) | 138,925 | (22,716) |
| Advance for future capital increase | | 11,738 | 11,223 | 11,738 | 11,223 |
| Total shareholders' equity | | 2,596,407 | 2,438,492 | 2,592,272 | 2,434,013 |
| Total liabilities and shareholders' equity | | 4,430,897 | 4,477,634 | 9,527,294 | 8,947,429 |

The notes are an integral part of the financial statements

ALL-América Latina Logística S.A. and its Subsidiaries
Statements of income
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais)

| | Note | <u>Parent Company</u> | | <u>Consolidated</u> | |
|--------------------------------------------------------------------------|------|-------------------------|----------------------|-------------------------|-----------------------|
| | | <u>New Presentation</u> | | <u>New Presentation</u> | |
| | | <u>09/30/2007</u> | <u>09/30/2006</u> | <u>09/30/2007</u> | <u>09/30/2006</u> |
| Gross revenue from services | | | | | |
| Provision of cargo transportation services and other | | 24,093 | 15,309 | 1,844,807 | 1,442,451 |
| Gross revenue deductions, mainly taxes (ICMS, ISS, PIS and COFINS) | | (1,781) | (2,027) | (228,659) | (179,640) |
| Net revenue from services | | <u>22,312</u> | <u>13,282</u> | <u>1,616,148</u> | <u>1,262,811</u> |
| Cost of services provided | | <u>(17,668)</u> | <u>(236)</u> | <u>(992,571)</u> | <u>(775,199)</u> |
| Gross profit | | <u>4,644</u> | <u>13,046</u> | <u>623,577</u> | <u>487,612</u> |
| Income from shareholding | | | | | |
| Equity accounting | 12 | 70,904 | 154,138 | 220 | 1,464 |
| Reversal (Provision) for unsecured liabilities in subsidiaries | 12 | 118,069 | (44,612) | | |
| Goodwill amortization in subsidiaries | 12 | (8,602) | (5,565) | (9,830) | (7,038) |
| Loss in investment | 12 | (9,536) | (55,101) | (9,536) | (55,101) |
| | | <u>170,835</u> | <u>48,860</u> | <u>(19,146)</u> | <u>(60,675)</u> |
| Other operating income (expenses) | | | | | |
| Selling | | (778) | | (6,769) | (8,333) |
| General and administrative | | (3,310) | (5,827) | (68,065) | (69,622) |
| Other operating income, net | | 558 | 558 | 29,556 | 15,947 |
| | | <u>(3,530)</u> | <u>(5,269)</u> | <u>(45,278)</u> | <u>(62,008)</u> |
| Operating income before financial income | | <u>171,949</u> | <u>56,637</u> | <u>559,153</u> | <u>364,929</u> |
| Financial expenses | 25 | (100,640) | (89,246) | (514,496) | (453,459) |
| Financial income | 25 | 127,803 | 108,341 | 212,920 | 214,200 |
| | | <u>27,163</u> | <u>19,095</u> | <u>(301,576)</u> | <u>(239,259)</u> |
| Operating income | | <u>199,112</u> | <u>75,732</u> | <u>257,577</u> | <u>125,670</u> |
| Non-operating income, net | | | (148) | (2,561) | (5,352) |
| Income before taxes | | <u>199,112</u> | <u>75,584</u> | <u>255,016</u> | <u>120,318</u> |
| Provision for income tax and social contribution | 24 | | (5,676) | (55,402) | (55,337) |
| Deferred income tax and social contribution | | (2,854) | (1,989) | (2,309) | 3,986 |
| Minority interest in subsidiaries | | | | (13) | (15) |
| Net income for the period | | <u>196,258</u> | <u>67,919</u> | <u>197,292</u> | <u>68,952</u> |
| Number of shares at the end of the period (in thousands) | | <u>2,882,220</u> | <u>2,865,016</u> | <u>2,883,220</u> | <u>2,865,016</u> |
| Net income per one thousand shares at the end of the period – R\$ | | <u>68.07</u> | <u>23.71</u> | <u>68.43</u> | <u>24.07</u> |

The notes are an integral part of the financial statements

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

1 Operations

(a) The Company

ALL - América Latina Logística S.A. (the "Company" or "Parent Company") was established on September 30, 1997 and started its operating activities in April 1999, when the shareholders of former Ferrovia Sul-Atlântica S.A. (currently ALL-América Latina Logística do Brasil S.A., ALL Brasil) contributed all of the shares of ALL Brasil in exchange for all of the Company's shares.

The Company's main corporate objectives are:

- . to hold stock ownership in other companies, ventures and consortia, the purpose of which is related to transportation services, including rail transportation;
- . to perform activities relating to transportation services, such as logistics, intermodal transportation, port operations, movement and storage of goods, operation and administration of storage warehouses and general warehouses;
- . to acquire, lease or lend locomotives, wagons and other rail equipment to third parties;
- . to perform other activities within the Company's structure;
- . multimodal transportation operator.

Considering the appreciation potential of its assets and with a view to providing its investors and the market with full business transparency, on May 31, 2004 ALL joined the Special Corporate Governance Practices - Level 2 implemented by the São Paulo Stock Exchange (BOVESPA), where its shares are traded. ALL is the first land freight transportation Company to join this special corporate governance level, undertaking to fully comply with the related requirements.

According to the commitments taken by parent company ALL - América Latina Logística do Brasil S.A. with the BNDES, the Company should adapt its Bylaws to the rules of the Novo Mercado (New Market) of BOVESPA by February 1, 2004. Management requested and obtained from BNDES on March 7, 2006, the extension of this deadline for February 1, 2008, therefore, eliminating all the penalties determined (early maturity of the debt and execution of guarantees).

The Company operates rail transportation in Southern Brazil through ALL Brasil, and in the Central-West region and State of São Paulo through the concessionaires, indirect subsidiaries, Ferroban, Ferronorte and Novoeste, of Brasil Ferrovias and Novoeste Brasil. It operates in Argentina through its subsidiary ALL - América Latina Logística - Argentina S.A. (ALL Argentina), holding company of ALL - América Latina Logística - Central S.A. (ALL Central) and ALL - América Latina Logística - Mesopotâmica S.A. (ALL Mesopotâmica), and also provides road transportation services in Brazil through ALL - América Latina Logística Intermodal S.A. (ALL Intermodal).

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

ALL Brasil holds the right to operate part of the Brazilian rail network (Malha Ferroviária Sul - Southern Rail Network), with a total length of 6,586 km, by February 2027, a period that may be renewed by the granting authorities for an additional 30 years, covering the States of Paraná, Santa Catarina and Rio Grande do Sul. The Company also has an agreement to operate, on an exclusive basis, 874 km of rail lines in the State of São Paulo.

Brasil Ferrovias is a publicly-held company and holding of the cargo rail transportation industry, the predominating activity of which being the direct control of the concessionaires Ferronorte S.A. Ferrovias Norte Brasil (Ferronorte) and Ferroban – Ferrovias Bandeirantes S.A. (Ferroban), the indirect control of Portofer Transportes Ferroviários Ltda. (Portofer), and shared control of Terminal XXXIX de Santos S.A. (Terminal XXXIX).

Ferroban has the right to operate part of the Brazilian rail network, with an approximate length of 4,186 km by December 2028, a period that may be renewed by the granting authorities for an additional 30 years, covering the entire State of São Paulo.

Ferronorte is a logistics Company which links the North and Central-West regions to the South and Southeast regions of Brazil and to Port of Santos. It is the only railroad in the Country recently built with private capital. Its concession agreement was executed on May 19, 1989, between the Federal Government and Ferronorte, by which the concession for the development of a cargo rail system was granted to Ferronorte, comprising the construction, operation, exploration and preservation of the road between Cuiabá (State of Mato Grosso) and Uberlândia, Santa Fé do Sul, Porto Velho and Santarém, for a 90-year period, which may be extended for another 90 years. There are no payment obligations at any amount while the agreement is valid.

The first segment of Ferronorte was inaugurated in 1999, with a length of 421 km, connecting Aparecida do Taboado (State of Mato Grosso do Sul) to Alto Taquari (State of Mato Grosso). In April 2002, another 90-km segment was inaugurated, interconnecting Alto Taquari and Alto Araguaia, both in broad gauge. With the continuity of the expansion project, Ferronorte will reach Rondonópolis (State of Mato Grosso), and afterwards Cuiabá (State of Mato Grosso).

Portofer is a special purpose company constituted on June 28, 2000 by Ferronorte and by Ferroban, partners which hold 50% of its quotas each. It controls 90 km of railroads in Port of Santos, and its goal is to perform the rail movement of goods in the port, through an agreement executed with CODESP (Companhia Docas do Estado de São Paulo) for a 25-year period, which may be extended by mutual agreement between the parties.

The concession and lease agreements related to the terminals Terminal XXXIX, TGG and TERMAG were executed on August 8, 1997 between Ferronorte and CODESP. The period for the concessions is 25 years, which may be extended under agreement between the parties.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

Novoeste Brasil S.A. (Novoeste Brasil) is a closely-held company and holding of the cargo rail transportation industry, resulting from the partial spin-off of Brasil Ferrovias, which occurred on May 13, 2005, and it is the parent company of Ferrovias Novoeste S.A..

Ferrovias Novoeste S.A. (Novoeste) has the right to operate part of the Brazilian rail network, with an approximate length of 1,600 km by July 2026, a period that may be renewed by the granting authorities for an additional 30 years. The railroad has interconnection with waterway terminals in Porto Esperança and Ladário, both in the State of Mato Grosso do Sul, and it interconnects with Ferrobán, in Bauru (State of São Paulo) and the Bolivian Ferrovias Oriental in Corumbá (State of Mato Grosso do Sul).

ALL Central has the right to operate part of the Argentine rail network, in a total length of 5,690 km, the main lines of which extend from Mendoza, on the Chilean border, to Buenos Aires, by August 2023, a period that may be renewed for an additional 10 years. ALL Mesopotámica has the right to operate part of the Argentine rail network, in a total length of 2,704 km, the main lines of which extend from Buenos Aires to Uruguaiana, by October 2023, a period that may also be renewed for an additional 10 years. In Uruguaiana these networks are interconnected to the rail network of ALL in Brazil and the border with Paraguay, in Corrientes.

Boswells S.A. is a financial investment company based in Uruguay.

Santa Fé Vagões S.A. operates in the segment of construction and refurbishment of rolling stock.

A ALL Participações Ltda. is a company whose main purpose is to hold stock ownership in other companies, ventures and consortia.

ALL Intermodal provides logistics and road transportation services, mainly by trucks, to the most populated Brazilian regions. This Company also distributes goods in urban areas and provides road freight services.

On December 1, 2001, the Company sold all of its partner rights in ALL Argentina to Logispar Logística e Participações S.A. (Logispar), a Company's jointly-controlled subsidiary, for R\$256,201. At that time, this amount was equivalent to the amount paid in May 1999 by ALL Argentina for the acquisition of ALL Central and ALL Mesopotámica, plus irrevocable advances for capital increases made up to that date, approximating its market value according to the valuation report prepared by independent appraisers. On December 31, 2003, the Company reacquired all the shares of Logispar at market value.

Based on the Extraordinary General Meeting held on March 29, 2006, the right of enjoyment over ALL Argentina's shares was transferred from Logispar to the Company, by means of Capital Stock reduction, and its purpose was to directly concentrate the rights and obligations over issuance shares and rights over AFAC's (advances for future capital increase) made in ALL Argentina at the Parent Company.

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

On September 29, 2006, the Board of Directors approved the merger of Logispar's net assets by its parent company ALL.

The Company's activities are focused on the control and planning of operational, commercial and strategy activities of the subsidiaries, in addition to the supply of financial resources to enable the subsidiaries' operations.

(b) Limitations and conditions to operate the concession granted to ALL Brasil, Ferroban and Novoeste

The Companies are subject to complying with specific conditions established in the privatizations offer and in the concession agreements for the operation of Rail Networks.

The concession agreements of these subsidiaries may be terminated in view of the following events: expiration of the contractual term; expropriation; forfeiture; termination; annulment and bankruptcy; or extinguishment of the concessionaire.

The main impacts of the extinguishment of any of the concessions would be as follows:

- all rights and privileges transferred to the Companies will return to the Federal Government, together with leased assets and those resulting from investments that are considered reversible by the Federal Government for being necessary to the continuous rendering of services under the concession.
- the assets considered reversible will be indemnified by the Federal Government at the residual cost value, calculated in accordance with the accounting records of the Companies, net of depreciation; this cost will be subject to technical and financial analyses by the Federal Government. Any and all improvements made to the permanent track superstructure will not be considered as investments for indemnification purposes.

2 Presentation of the quarterly information (ITR)

(a) Overall aspects

The quarterly information was prepared and is presented in conformity with the accounting practices adopted in Brazil, considering the accounting guidelines set forth in the corporation law and in the rules of the Securities and Exchange Commission of Brazil - CVM.

The preparation of the quarterly information requires the Management to make estimates based on assumptions that affect the values of assets, liabilities, revenues, expenses and disclosures presented in the quarterly information. Material items subject to these estimates and assumptions include the selection of the useful life of the fixed assets and their recoverability in operations, credit risk analysis to determine the allowance for doubtful accounts, as well as the analysis of other risks

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

to determine other provisions, including provision for contingencies and assessment of financial instruments and other assets and liabilities on the balance sheet date.

As a result of the settlement of transactions comprising these estimates, values may be materially different from those recorded in the financial statements due to inaccuracies inherent to the estimate process. The Company reviews its estimates and assumptions at least quarterly.

Assets and liabilities are classified as current when its realization or settlement is probable to take place in the next twelve months. Otherwise, they are stated as non-current. Monetary foreign currency denominated assets and liabilities were translated into reais according to the balance exchange rate. Differences resulting from the translation of currency were recognized in the statement of income. For subsidiaries located abroad, its assets, liabilities and income ended on September 30, 2007 were translated into reais according to the exchange rate on the balance sheet closing date, R\$0.583963 to P\$1.00 (Argentine peso) (on June 30, 2007 - R\$0.623132 and on September 30, 2006 - R\$0.700451 to P\$1.00) to Companies headquartered in Argentina and R\$1.8389 to US\$1.00 (U.S. dollar) (on June 30, 2007 - R\$1.9262 and on September 30, 2006 - R\$2.1742 to US\$1.00). Exchange gains (losses) of foreign currency denominated investments are recorded in the result under the item financial income (expenses).

(b) Adjustments to the Quarterly Information of Previous Periods

On July 23, 2001, the subsidiary ALL Intermodal and Delara Brasil Ltda. entered into a leasing agreement of assets and rights of Delara including real estate, facilities, machinery, equipment and vehicles, which expired in July 2006, extended to July 2007. At the end of the agreement, the Company is still obliged to deliver to Delara Brasil Ltda. 3,725,160 "Units", which represent 18,625,800 shares, 3,725,160 of which are common shares and 14,900,640 are preferred shares, amounts set forth in the original agreement. The price of the shares set forth in this agreement was R\$0,1043 for each share which represented 60% of the book value of the shares on the date of the leasing agreement (2001), totaling R\$1,983, which was recorded as a leasing liability by ALL Intermodal.

To deliver these shares to the former partners-quotaholders of Delara Brasil Ltda, ALL Intermodal should comply with certain EBITDA indexes. Currently ALL Intermodal has reached all indexes established in the agreement, being able to deliver the shares, which is estimated to occur during the first half of 2008. However, after the execution of the leasing agreement, more specifically in 2004, ALL carried out successive public offerings of shares, holding the same ones distributed to thousands of shareholders. These shares had a large appreciation in the market, so that the price established in the original agreement for the issuance of shares was lower than the current market value of ALL's shares. If the market value of the shares was higher than that in the agreement, should shares be issued based on the original price, there would be an unjustified dilution of the interest of the other shareholders, not complying with the provisions of article 170 of the Corporation Law. That is, according to the understanding of the

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

Company's legal advisors, the compliance with this obligation with Delara became impossible to be complied with based on the price of the shares originally agreed upon.

Considering the payment need of the agreement to partners-quotaholders of Delara, the Company carried out technical consultations to its legal consultants, as well as researched the most adequate accounting procedure to the theme, and concluded that the shares to be delivered should be appreciated and accounted for at the market value, since the moment the conditions for the delivery of the shares were generated, which really occurred in 2004 with the going public and pulverization of the shares.

The Company concluded that the market value of the 3,725,160 "Units" to be delivered to Delara (appreciated on June 30, 2007 – R\$26.40 per share) was R\$98,344 thousand and, thus, it recorded an additional liability of R\$96,360 on June 30, 2007.

The counterpart of the additional liability was recorded, based on the Management's understanding, adopting the determinations in CVM Resolution 506, which approved NPC 12 of IBRACON – Accounting Practices, Changes in the Accounting Estimates and Error Correction. The recorded effects were reflected in each period presented in this Quarterly Information, as they had occurred in previous periods, so that the statement of income related to the three and nine-month periods ended on September 30, 2006, presented comparatively, are being resubmitted. The Company recorded these effects in a reflective manner through equity accounting.

On September 30, 2007, liabilities were restated according to the UNITS price – R\$26.10. Necessary adjustments and reclassifications are summarized below and highlighted in the items adjusted for the periods presented in this Quarterly Information and for all previous years, starting as from 2004:

| | Leasing payable | Deferred IR/CSL | Net effect on the income | Income originally ascertained in the year/period | Income ascertained after adjustments |
|-------------------------------|-----------------|-----------------|--------------------------|--------------------------------------------------|--------------------------------------|
| 2004 | 27,445 | 9,331 | (18,114) | 150,605 | 132,491 |
| 2005 | 7,730 | 2,628 | (5,102) | 171,196 | 166,094 |
| 2006 | 45,428 | 15,445 | (29,983) | 76,060 | 46,077 |
| | <u>80,603</u> | <u>27,404</u> | <u>(53,199)</u> | | |
| 9-month period ended 09/30/07 | 14,640 | 4,978 | (9,662) | | |
| | <u>95,243</u> | <u>32,382</u> | <u>(62,861)</u> | | |
| | | | | Income originally ascertained in the period | Income ascertained after adjustments |
| 3-month period ended 09/30/06 | 8,233 | 2,799 | (5,434) | (7,537) | 12,971 |
| 9-month period ended 09/30/06 | 25,797 | 8,771 | 17,026 | 85,978 | 68,952 |
| 3-month period ended 09/30/07 | (1,118) | (380) | (738) | | |
| 9-month period ended 09/30/07 | 40,865 | 13,894 | (26,971) | | |

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

(c) Consolidated financial statements

The consolidated financial statements comprise the Company's operations and the following subsidiaries' operations, the percentage ownership of which on the balance sheet date is summarized as follows:

| | Ownership % | |
|--------------------------------------------------------------------------|--------------------|-------------------|
| | 09/30/2007 | 06/30/2007 |
| Direct Subsidiaries | | |
| ALL-América Latina Logística do Brasil S.A. (ALL Brasil) | 100.00 | 100.00 |
| ALL-América Latina Logística Intermodal S.A. (ALL Intermodal) | 100.00 | 100.00 |
| ALL-América Latina Logística Overseas Ltd. (ALL Overseas) | 100.00 | 100.00 |
| ALL Logistics International Limited. (ALL International) | 100.00 | |
| ALL-América Latina Logística Tecnologia Ltda. (ALL Tecnologia) | 99.00 | 99.00 |
| ALL-América Latina Logística Centro-Oeste Ltda. (ALL Centro-Oeste) | 100.00 | 100.00 |
| ALL-América Latina Logística Equipamentos Ltda. (ALL Equipamentos) | 95.83 | 95.83 |
| ALL-América Latina Logística Argentina S.A. (ALL Argentina) | 90.96 | 90.96 |
| ALL-América Latina Logística Participações S.A. (ALL Participações) | 100.00 | 100.00 |
| Santa Fé Vagões S.A. | 39.99 | 39.99 |
| Brasil Ferrovias S.A. (Brasil Ferrovias) | 100.00 | 100.00 |
| Novoeste Brasil S.A. (Novoeste Brasil) | 100.00 | 100.00 |
| Boswells S.A. | 100.00 | 100.00 |
| Indirect Subsidiaries | | |
| Investee of ALL Intermodal | | |
| ALL-América Latina Logística Armazéns Gerais Ltda. (ALL Armazéns Gerais) | 100.00 | 100.00 |
| ALL-América Latina Logística Equipamentos Ltda. (ALL Equipamentos) | 4.17 | 4.17 |
| Investee of Armazéns Gerais | | |
| PGT Grains Terminal S.A. (PGT) | 100.00 | 100.00 |
| Investees of Brasil Ferrovias | | |
| Nova Ferroban S.A. (Nova Ferroban) | 80.00 | 80.00 |
| Ferronorte S.A. – Ferrovias Norte Brasil (Ferronorte) | 97.55 | 97.55 |
| Ferroban – Ferrovias Bandeirantes S.A. (Ferroban) | 30.52 | 30.52 |
| Investee of Nova Ferroban | | |
| Ferroban – Ferrovias Bandeirantes S.A. (Ferroban) | 66.42 | 66.42 |
| Investee of Ferroban | | |
| Portofer Transporte Ferroviário Ltda. (Portofer) | 50.00 | 50.00 |
| Investee of Ferronorte | | |
| Portofer Transporte Ferroviário Ltda. (Portofer) | 50.00 | 50.00 |
| Terminal XXXIX de Santos S.A (Terminal XXXIX) | 50.00 | 50.00 |
| Ferronorte Locadora de Vagões S.A. (Ferronorte Locadora) | 100.00 | 100.00 |
| Tenorte S.A. | 100.00 | 100.00 |
| Investee of Novoeste Brasil | | |
| Ferrovia Novoeste S.A. (Novoeste) | 100.00 | 100.00 |
| Investee of ALL Argentina | | |
| ALL-América Latina Logística Central S.A. (ALL Central) | 73.55 | 73.55 |
| ALL-América Latina Logística Mesopotámica S.A. (ALL Mesopotámica) | 70.56 | 70.56 |
| Investee of ALL Participações | | |
| ALL-América Latina Logística Argentina S.A. (ALL Argentina) | 9.04 | 9.04 |

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

ALL Central and ALL Argentina have the following minority interest breakdown on September 30, 2007:

| | Ownership % | |
|---------------------------------------------------------------------|--------------------|-------------------------|
| | ALL Central | ALL Mesopotámica |
| Railroad Development Corporation | 6.45 | 2.74 |
| Alesia S.A. | | 3.64 |
| Petersen, Thiele Y Cruz S.A. | | 3.06 |
| Ministerio de Economía y Obras y Servicios Públicos de la Nación | 16.00 | 16.00 |
| Other – Individuals | 4.00 | 4.00 |

The fiscal years of the subsidiaries included in the consolidated are coincident with the parent company's and the accounting practices evenly applied in the consolidated companies and consistent with those used in the previous year.

ALL Argentina negotiated with its minority shareholder Railroad Development Corporation the acquisition of its interest of 6.45% and 2.74% of ALL Central and ALL Mesopotámica. The trading depends on the approval of the share transfer by the Argentine government.

For Companies ALL Argentina (direct subsidiary), ALL Central (indirect subsidiary), ALL Mesopotámica (indirect subsidiary), headquartered in Argentina and Boswells S.A. (direct subsidiary), headquartered in Uruguay, analyses were carried out with a view to adapting the accounting principles adopted in Argentina and Uruguay to the accounting principles adopted in Brazil. Except for the indirect subsidiaries ALL Central and ALL Mesopotámica, which amortize the organization expenditures and pre-operating costs under the item deferred permanent assets for periods which differ from the criteria used in the balance sheets in compliance with Brazilian rules, no other differences in accounting practices were identified.

Besides the investments in Santa Fé Vagões S.A. and Terminal XXXIX, whose controls are shared with other shareholders, assets, liabilities and results are consolidated proportionally to the interest in the Capital Stock of those investees. For the subsidiaries, direct and indirect ones, their total assets, liabilities and results were consolidated, highlighting, when applicable, the interest of minority shareholders in shareholders' equity and in the result of the periods. Investments in subsidiaries, non-realized profits and the portion correspondent to its shareholders' equity were eliminated in the consolidation, as well as asset and liability balances, revenues and expenses resulting from transactions carried out among consolidated companies, as indicated in Notes 12 and 19.

The financial statements of indirect subsidiaries based on Argentina, used for consolidation purposes, consider as a whole the inflationary effects of such country up to August 31, 1995 and for the period as of January 1, 2002 to February 28, 2003.

The conciliation of net income for the period and shareholders' equity between the parent company and the consolidated is summarized as follows:

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

| | <u>Shareholders' equity</u> | | <u>Income (loss) for the period</u> | |
|------------------------------------------------------------------|-----------------------------|-------------------|-------------------------------------|----------------------------------------|
| | <u>09/30/2007</u> | <u>06/30/2007</u> | <u>09/30/2007</u> | <u>New presentation 09/30/2006</u> |
| Parent company | 2, 596,407 | 2,438,492 | 196,258 | 67,919 |
| Gain in the variation of interest | (4,135) | (4,479) | | |
| Realization in the year of the gain in the variation of interest | | | 1,034 | 1,033 |
| Consolidated | <u>2,592,272</u> | <u>2,434,013</u> | <u>197,292</u> | <u>68,952</u> |

The gain of interest refers to the subscription and payment, on August 22, 2000, by ALL - América Latina Logística do Brasil S.A. of 16,573,431 shares of Itacaiúnas Participações S.A., with goodwill of R\$21,193. Such subscription generated variation in the parent company's interest from 100% to 63.03% of the capital with capital gain of R\$13,782. The realization of this gain has been taking place as the locomotives, which originated the value of referred goodwill, have been depreciated.

(d) Comparability of the Quarterly Information

The comparison of the consolidated quarterly information was significantly affected by the acquisition of investments in the subsidiaries Brasil Ferrovias S.A. and Novoeste Brasil S.A., as of May 31, 2006, as mentioned in Note 12. The consolidated balances sheet of these companies drawn up on September 30, 2007 were consolidated, as well as the corresponding results of the period ended on that date.

(e) Supplementary information

As supplementary information, the Company is also presenting the statements of cash flows. Such statements were prepared according to the rules established by IBRACON, Brazilian Institute of Independent Auditors and Accounting Federal Council, introduced in Note 30.

3 Summary of the main accounting practices

(a) Cash and cash equivalents

They include the balances in current account and redeemable financing investments in the term of 90 days of the balance sheet date, including, when applicable, income earned by the balance sheets dates.

(b) Allowance for doubtful accounts

The allowance for doubtful accounts is established in an amount considered sufficient by management to cover possible losses on the realization of credits, considering the client portfolio profile, the economic scenario and specific risks.

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

(c) Inventories

Inventory items are evaluated by their average acquisition costs, which do not exceed the realization amounts.

(d) Lease and concessions (assets)

Lease and concession prepaid amounts are recorded at cost and allocated to result according to the remaining concession term.

(e) Investments

The significant investments in subsidiaries and affiliated companies were appraised by the equity method of accounting, adjusted to the recovery value when it is lower, as shown in Note 12; goodwill recorded upon the acquisition of subsidiaries based on expectation of future profitability is amortized on a straight-line basis over the remaining concession term of each one of the acquired companies based on the curve of future economic benefits generation.

(f) Fixed assets

Recorded at the acquisition, formation or construction cost (including interest and other financial charges linked to projects or constructions), whose depreciation is recognized on the straight-line basis, considering the estimated economic useful life of the assets at the annual rates described in Note 13.

(g) Intangible assets

Recorded at the acquisition and formation cost that do not overcome the realization values.

(h) Deferred charges

The portions of lease and concession cost, corresponding the pre-operating phase of Brazilian operations were deferred and have been amortized also over the concession term, as described in Note 14. The pre-operating and studies and projects expenditures are amortized within a five-year term, as from the occasion in which the benefits started to be generated.

(i) Determination of net income

Net income is determined by the accrual method. The revenues from services rendered are recorded as services are rendered. A revenue is not recognized if there is significant uncertainty of its realization.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(j) Advances for future capital increase

The Company records the amounts related to advances for future capital increase, received from participants of the Stock Option Plan described in Note 22, in shareholders' equity account, considering the control and expectation that the Company has for resolution on conversion of advances in capital increase.

(k) Taxation

Charges (PIS, Cofins, ICMS and ISS) incurring on revenues from services rendered are presented as sales deductions in the statement of income. Credits deriving from the non-cumulativity of PIS/COFINS are presented deductively of the cost of services rendered in the statement of income.

Taxation on profit comprises the income tax and social contribution. The income tax is computed on the taxable income by the 15% rate, increased of a 10% additional for profits that exceed R\$240 in the 12-month period, whereas the social contribution is computed by the 9% rate on the taxable income, recognized by the accrual method, therefore, inclusions to the accounting profit of expenses temporarily non-deductible, or revenue exclusions, temporarily non-taxable, for determination of the current taxable income generate deferred taxable credits or debits.

Certain subsidiaries record the provision for income tax and social contribution on net income, adopting the taxation regime by taxable income computed based on a percentage of gross sales or the taxation rules of the countries where these are located.

Prepayments or amounts subject to offset are stated in the current or non-current assets, according to the estimate of its realization.

Deferred tax credits arising from tax loss or negative basis of social contribution are stated by the amount expected to be realized. Some subsidiaries present a history of recurring losses and, therefore, do not comply with criteria which rule the recognition of tax credits of such type, as per rules of the Securities and Exchange Commission, which will be recognized only when such conditions are fully reached. The recognized tax credit, as well as the basis of potential credits, not yet recognized in accounting statements, is disclosed in Note 10.

4 Argentine subsidiaries - relationship with the granting authorities

(a) Renegotiation of the concession agreement

From July 1997 to March 2001, through Decree 605/97, the Argentine Executive Power ordered the Transportation Secretariat to renegotiate all concession agreements for freight rail transportation services, and there were various discussions and analysis resulting in the proposal of an addendum, which was null and void.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

With the enactment of Law 25,561, a new turning point for the renegotiation of concession agreements was introduced, and on April 10, 2002, a presentation was delivered to the Argentine Minister of Economy through which the process was reinitiated.

In 2003, the Executive Power issued Decree 311, creating a special committee for the renegotiation of all concession agreements. This committee reports simultaneously to the Ministry of Economy and to the Ministry of Federal Planning, Public Investments and Services. The change in the management of Argentine Government in May 2003 suspended the process for a few months and in September 2003, the concessionaires were once again required to update data and to attend various meetings with government officers and advisers of the Ministry of Federal Planning.

On July 18, 2005, Provisions 18/2005 and 19/2005 of the Unit for Renegotiation and Analysis of Public Services Agreements were published on the Official Bulletin of the Argentine Government, relative to the Letter of Understanding resulting from renegotiations for commitments to the concession agreement between ALL Central and ALL Mesopotámica with the Argentine Government. On October 20, 2006, ALL Central and ALL Mesopotámica executed new Letters of Understanding with the Unit for Renegotiation and Analysis of Public Services Agreements in order to replace the prior Letter. The effects and commitments arising from this concession are reflected in the Financial Statements, even considering that the referred Letters shall be analyzed and approved by the Argentine National Congress and by the President of the Republic of Argentina. The referred Letters mainly establish the following:

(i) Annual investment plan

As of January 2006, the concessionaires must carry out annual investments in an amount equivalent to 9.5% of total net revenues of ALL Central and ALL Mesopotámica related to the previous quarter. In the nine-month period ended September 30, 2007, these companies made investments at the amount of R\$16,294 and R\$10,814 respectively, which are higher than the minimum assumed commitments.

(ii) Concession fee (“canon”)

As of January 1, 2006, the amount corresponding to 3% of total net revenues of ALL Central and ALL Mesopotámica referring to the previous year will be considered as the amount of the concession fee (“canon”). During the nine-month period ended September 30, 2007, these Companies recorded expenses of R\$2,093 and R\$806, respectively, having as counter-entry the lease and concession payable account.

The concession tariffs relating to the previous three-year periods were included as an integral part of mutual claims negotiations, as described in item (iii).

(iii) Rights and obligations comprising the mutual claims

The renegotiation of concession agreements includes the discussion on amounts claimed by both Argentine Government and concessionaires, such as: investments not complied

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

with by concessionaries, amounts related to concession tariffs of previous periods and losses incurred by concessionaires by unavoidable reasons (floods and other).

Based on the Letters, the extinction of liabilities of the amounts related to mutual claims balances, which totaled P\$79,760 thousand and P\$14,480 thousand for ALL Central and ALL Mesopotámica, respectively, in favor of the Argentine Government, was set forth, and the concessionaries started to assume investment commitments as from January 2006, which can not be lower than 3.17% and 1.54%, respectively, on net revenues of the previous year, respecting the minimum amounts of P\$4,686 thousand and P\$852 thousand, respectively. The minimum investments required by the Letters commitments are being fully complied with by concessionaries, up to the moment.

(b) Approval for transfer of shares

On May 26, 1999, the indirect subsidiary ALL Argentina entered into an agreement with Poconé Participações S.A., Judori Administração, Empreendimentos e Participações S.A., Interfêrrea S.A. - Serviços Ferroviários e Intermodais, GP Capital Partners II L.P. and Emerging Markets Capital Investments ("the 5 shareholders") for the purchase and sale agreement for 73.55% of shares of ALL Central and 70.56% of shares of ALL Mesopotámica. The amount of the transaction, equivalent to US\$33,900 thousand at that time, was settled by means of offset against credits the subsidiary held with 5 shareholders. Pursuant to the terms of the concession agreement, this transfer of shares is subject to the approval by the Argentine Government, and on April 26, 2004 that Government approved the share transfer, which is now in progress.

Additionally, ALL Argentina holds partner rights in ALL Central and ALL Mesopotámica, by means of a usufruct agreement entered into with the 5 shareholders in May 1999. Under the terms of the usufruct agreement, ALL Argentina undertakes the rights (both economic and political) and responsibilities as the shareholder of ALL Central and ALL Mesopotámica. The term of the usufruct agreement shall expire upon the effective transfer of shares of ALL Central and ALL Mesopotámica to ALL Argentina.

Also in May 1999, the Company entered into a purchase agreement with the 5 shareholders for the total number of shares of ALL Argentina and a usufruct agreement over the rights (both economic and political) over shares of ALL Argentina. The term of the usufruct agreement is 20 years, automatically renewable if, up to the expiration of the agreement, the Argentine Government does not express an opinion with regard to the approval for the transaction. Should authorization be denied by the Government, the 5 shareholders irrevocably undertake to exercise the voting right over shares of ALL Argentina, in accordance with the Company's instructions.

Subsequently, as described in Note 1(a), the Company sold all its partner rights in ALL Argentina to Logispar, and reacquired these rights through the purchase of Logispar's shares on December 31, 2003.

On March 29, 2006, the Company reacquired the usufruct right and obligations over ALL Argentina's shares, as well as the right over advances for future capital increase

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(“aportes irrevocables”), described in Note 4(c), recorded in that investee, by means of capital stock reduction in Logispar (assignor of such rights and obligations). This transaction was supported by Valuation Report issued by independent experts and approved in Annual General Meeting held on the date mentioned above.

(c) Advances for future capital increase (“aportes irrevocables”)

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 destined the advances for future capital increase (“*aportes irrevocables*”) granted by its former parent company Logispar, which are recorded in their shareholders’ equity at the approximate amount of R\$69,307 on September 30, 2007 (R\$73,960 on June 30, 2007), for a term which expired on February 21, 2006 and which was not extended. Such decision should imply the conversion of “*aportes irrevocables*” into capital stock or reclassify them to a liability account.

Pursuant to Administrative Resolution applicable to the subsidiary, alterations in its capital stock shall be previously approved by the Argentine Government. Accordingly, the compliance with the conversion of “*aportes irrevocables*” into capital stock depends on said approval, which until this present moment did not occur. 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 said advances, and until the issue date of this ITR, no definitive answer was obtained.

The Management of the Company consistently maintains its commitment to convert “*aportes irrevocables*” into capital stock in ALL Argentina, as well as ALL Argentina to convert “*aportes irrevocables*” into capital stock in ALL Argentina and ALL Mesopotámica.

In addition, the indirect subsidiaries ALL Central and ALL Mesopotamica recorded R\$83,422 (P\$143,855 thousand) and R\$57,450 (P\$98,380 thousand), respectively, related to advances for capital increase (AFAC) received from their subsidiary ALL Argentina. In April 2004, at Shareholders’ Meetings of these companies, the Argentine Government (minority shareholder) proposed that such AFACs were capitalized, however, its interest was not changed, even though it would not contribute with capital. This proposal was not accepted by ALL Argentina, in a way that the Government filed a lawsuit attempting to plea this decision. Up to the present moment, no decision was made about this litigation.

The way these advances were eventually treated and, therefore, their classification and evaluation in ALL Central’s and ALL Mesopotamica’s balance sheet and the equity calculation made by ALL Argentina and recognition of the respective minority interests, depends on the legal classification at the end of these discussions. Up to the moment, based on the opinion of its legal advisors, ALL Argentina recognizes its 100% interest on the advances granted, without giving any interest to the minority shareholder (Argentine Government) that could correspond to 16% of these advances.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

5 Cash and cash equivalents

| | Parent Company | | Consolidated | |
|-----------------------|----------------|----------------|------------------|------------------|
| | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 |
| Cash and banks | 13,586 | 53,208 | 50,276 | 106,494 |
| Financial Investments | 341,588 | 128,672 | 1,698,305 | 1,269,709 |
| | <u>355,174</u> | <u>181,880</u> | <u>1,748,581</u> | <u>1,376,203</u> |

The financial investments are represented by: (i) investments in short and long-term Bank Deposit Certificates (CDBs) with rates indexed to the variation of the Interbank Deposit Certificate – CDI (83.50% to 104% rates) and daily liquidity; (ii) investments in FAQ/FIF Exclusivo and (iii) investment funds measured by means of the Variation of the Interbank Deposit Certificate – CDI, including post-fixed interest on the redemption date.

6 Trade accounts receivable - consolidated

| Subsidiaries | 09/30/2007 | 06/30/2007 |
|--------------------------------------------|-----------------------|-----------------------|
| Trade accounts receivable | | |
| ALL S.A. (Parent Company) | 3,176 | 4,212 |
| ALL Brasil | 56,689 | 70,158 |
| ALL Intermodal | 18,972 | 13,895 |
| ALL Armazéns Gerais | 8,907 | 9,579 |
| ALL Tecnologia | 2,872 | 4,046 |
| ALL Centro-Oeste | 300 | 1,495 |
| ALL Equipamentos | 1,050 | 1,050 |
| Santa Fé | 1,440 | 36 |
| Ferrobán | 12,985 | 30,596 |
| Ferronorte | 26,510 | 34,878 |
| Ferrovía Novoeste | 12,036 | 10,280 |
| Terminal XXXIX | 621 | 600 |
| ALL Central | 24,851 | 26,965 |
| ALL Mesopotámica | 6,958 | 8,338 |
| | <u>177,367</u> | <u>216,128</u> |
| (-) Allowance for doubtful accounts | | |
| ALL S.A. (Parent Company) | (778) | |
| ALL Brasil | (1,018) | (101) |
| ALL Intermodal | (199) | (219) |
| Ferrobán | (968) | (504) |
| Ferronorte | (1,597) | (689) |
| ALL Central | (11,950) | (12,747) |
| ALL Mesopotámica | (1,450) | (1,437) |
| | <u>(17,960)</u> | <u>(15,697)</u> |
| Consolidated | <u>159,407</u> | <u>200,431</u> |

ALL Central and ALL Mesopotámica maintain, among others, provision on amounts receivable referring to toll revenue at the amount of R\$8,663 on September 30, 2007 (R\$9,245 on June 30, 2007).

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

ALL Central has been collecting under the administrative scope, amounts derived from toll revenues receivable from “*Unidad Ejecutora del Programa Ferroviário Provincial*” (“U.E.P.F.P.”) at the amount of R\$3,615 P\$5,420 thousand, whose probability of success in the realization of such asset was classified as probable by our legal advisors, however, they are not recorded, in view that the referred entity does not recognize service provisions. As mentioned above, for those amounts resulting from toll revenue, the chances of losses of which were classified as probable, provisions for doubtful accounts were made.

7 Inventories - consolidated

| | <u>09/30/2007</u> | <u>06/30/2007</u> |
|---------------------------------|-------------------|-------------------|
| Maintenance supplies | 52,579 | 46,822 |
| Raw material (railcars) | 2,108 | 1,785 |
| Advances to suppliers | 13,489 | 13,822 |
| Materials in transit and others | 4,233 | 4,156 |
| | <u>72,409</u> | <u>66,585</u> |

8 Lease and concessions - consolidated

| | <u>09/30/2007</u> | | <u>06/30/2007</u> | |
|-----------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | <u>Current assets</u> | <u>Long-term assets</u> | <u>Current assets</u> | <u>Long-term assets</u> |
| Lease | | | | |
| ALL Brasil | 2,732 | 50,359 | 2,734 | 51,042 |
| Ferroban | 1,848 | 37,413 | 1,848 | 37,876 |
| Novoeste | 319 | 4,140 | 319 | 4,209 |
| Prepaid right of way | | | | |
| ALL Brasil | 1,262 | 24,044 | 1,262 | 24,359 |
| Concessions | | | | |
| ALL Brasil | 150 | 2,769 | 150 | 2,806 |
| Ferroban | 97 | 1,969 | 97 | 1,994 |
| Novoeste | 25 | 298 | 25 | 303 |
| | <u>6,433</u> | <u>120,992</u> | <u>6,435</u> | <u>122,589</u> |

The lease of RFFSA’s assets, for a 30-year period, was contracted by ALL Brasil on February 27, 1997, for R\$202,112, R\$82,032 of which was paid in cash. The remaining R\$120,080 has been paid since January 15, 1999 in 112 quarterly installments including interest of 12% per annum, restated by the General Price Index – Internal Availability (IGP-DI). The provision for this liability is described in Note 17.

The lease of RFFSA’s assets, for a 30-year period, was contracted by Ferroban – Ferrovias Bandeirantes S.A. – on December 30, 1998 for R\$230,160, R\$52,793 of which was paid in cash. The balance of R\$177,367 has been paid as from December 15, 2000, in 112 quarterly installments including interest of 12% per annum,

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

restated by the General Price Index – Internal Availability (IGP-DI). The Company provisions such liability as described in Note 17.

The lease of RFFSA's assets for a 30-year period, was contracted by Ferrovia Novoeste S.A. on June 26, 1996 for R\$56,440, R\$4,969 of which was paid in cash. The balance of R\$51,471 has been paid as from January 15, 1998, in 112 quarterly installments including interest of 12% per annum, restated by the General Price Index – Internal Availability (IGP-DI). The Company provisions such liability as described in Note 17.

Prepaid right of way refers to the amount paid by ALL Brasil to Ferrovia Bandeirantes S.A. as a consideration for the use of the lines from Presidente Epitácio to Rubião Júnior and from Pinhalzinho/Apiá to Iperó (SP), in accordance with the agreement to operate these lines for 30 years, which is also the accounting amortization period.

The 30-year concession for rail freight transportation services was obtained by ALL Brasil for R\$10,830, R\$4,510 of which was paid in cash. The remaining R\$6,320 has been paid since January 15, 1999, in 112 quarterly installments including interest of 12% per annum, restated by the IGP-DI. The Company also provisions such liability as described in Note 17.

The 30-year concession for rail freight transportation services was obtained by Ferroban – Ferrovias Bandeirantes S.A., for R\$12,252, R\$2,917 of which was paid in cash. The remaining R\$9,335 has been paid since December 15, 2000, in 112 quarterly installments including interest of 12% per annum, restated by the IGP-DI. The Company also provisions such liability as described in Note 17.

The 30-year concession for rail freight transportation services was obtained by Ferrovia Novoeste S.A. for R\$3,118, R\$409 of which was paid in cash. The remaining R\$2,709 has been paid since January 15, 1998, in 112 quarterly installments including interest of 12% per annum, restated by the IGP-DI. The Company also provisions such liability as described in Note 17.

9 Recoverable taxes

| | 09/30/2007 | | 06/30/2007 | |
|----------------------------------------------|----------------|----------------|----------------|---------------|
| | Current | Long-term | Current | Long-term |
| | assets | assets | assets | assets |
| Parent Company | | | | |
| Withholding income tax - IRRF | 34,325 | 13,996 | 13,672 | 26,678 |
| Recoverable IR and CS – prepayment | 3,916 | | 2,384 | |
| | <u>38,241</u> | <u>13,996</u> | <u>16,056</u> | <u>26,678</u> |
| Subsidiaries | | | | |
| Value-added Tax on Goods and Services – ICMS | 47,394 | 46,766 | 43,593 | 39,501 |
| Tax on Value Added – IVA | 2,342 | | 2,389 | |
| Withholding income tax - IRRF | 13,289 | 7,286 | 11,771 | 7,170 |
| Recoverable IR and CS - prepayment | 16,049 | | 27,248 | |
| Federal Tax Credits to offset | | 47,612 | 47,613 | |
| Other | 8,259 | 7,666 | 7,005 | 11,775 |
| | <u>87,333</u> | <u>109,330</u> | <u>139,619</u> | <u>58,446</u> |
| Consolidated | <u>125,574</u> | <u>123,326</u> | <u>155,675</u> | <u>85,124</u> |

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

ALL Brasil and ALL record IPI federal tax credits to offset with debts of other federal taxes, such as: PIS, COFINS, IRRF and CSL. Such credits derive from lawsuits filed by third parties, with *res judicata* and without the possibility of filing an action to overrule a final judgment on the part of the federal government. The amount offset by both Companies until September 30, 2007 amounted to R\$52,115. The Company's management negotiated the refund of federal credits recorded by ALL Brasil at the amount of R\$46,648 on December 31, 2006, and the allowance for doubtful accounts was recorded at the amount of R\$16,240, related to the difference between the amount of credits to be refunded and liabilities owed to the company who had originally sold such credits.

10 Deferred Income tax and social contribution

The credits of the parent company's deferred income tax and social contribution are as follows:

| | 09/30/2007 | | Parent company 06/30/2007 | |
|------------------------------------|-------------------|---------------------|------------------------------|---------------------|
| | Current Assets | Long-term Assets | Current Assets | Long-term Assets |
| Income tax credits | | | | |
| On tax losses | | 30,363 | 2,067 | 20,866 |
| On temporary differences | 1,917 | 6,789 | 9,383 | 6,515 |
| | <u>1,917</u> | <u>37,152</u> | <u>11,470</u> | <u>27,381</u> |
| Social contribution credits | | | | |
| On negative bases | | 10,929 | 751 | 6,670 |
| On temporary differences | 594 | 2,539 | 3,379 | 3,184 |
| | <u>594</u> | <u>13,468</u> | <u>4,130</u> | <u>9,854</u> |
| | <u>2,511</u> | <u>50,620</u> | <u>15,600</u> | <u>37,235</u> |

Due to the expectation of future tax results, as well as in compliance with the conditions set forth by the accounting practices in Brazil and rules of the Securities and Exchange Commission of Brazil (CVM), the parent company recorded deferred IR and CS credit.

The expectation of generation of future taxable income is basically founded on the generation of future taxable income, which is estimated to be obtained in a close period.

Deferred income tax and social contribution credits of the parent company and the subsidiaries ALL - América Latina Logística do Brasil S.A., ALL - América Latina Logística Intermodal S.A. and ALL - América Latina Logística Argentina are as follows:

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

| | 09/30/2007 | | Consolidated 06/30/2007 | |
|------------------------------------|-------------------|---------------------|----------------------------|---------------------|
| | Current Assets | Long-term Assets | Current Assets | Long-term Assets |
| Income tax credits | | | | |
| On tax losses | 13,296 | 46,961 | 8,767 | 46,583 |
| On temporary differences | 13,071 | 16,056 | 19,575 | 15,796 |
| | <u>26,367</u> | <u>63,017</u> | <u>28,342</u> | <u>62,379</u> |
| Social contribution credits | | | | |
| On negative bases | 4,548 | 14,280 | 3,158 | 14,233 |
| On temporary differences | 4,609 | 5,874 | 7,048 | 6,524 |
| | <u>9,157</u> | <u>20,154</u> | <u>10,206</u> | <u>20,757</u> |
| | <u>35,524</u> | <u>83,171</u> | <u>38,548</u> | <u>83,163</u> |

Tax losses, negative bases and consolidated temporary differences held by consolidated companies are shown as follows:

| | Consolidated | | | |
|--------------------------------------|---------------|------------------------|---------------|------------------------|
| | 09/30/2007 | | 06/30/2007 | |
| | Income Tax | Social Contribution | Income Tax | Social Contribution |
| Tax losses and negative bases | | | | |
| ALL S.A. (Parent Company) | 134,947 | 134,921 | 83,489 | 83,463 |
| ALL Brasil | 25,706 | 25,711 | 18,857 | 18,873 |
| ALL Intermodal | 62,061 | 62,061 | 92,983 | 91,983 |
| Brasil Ferrovias | 244,953 | 244,953 | 248,856 | 249,612 |
| Ferrobán | 1,182,219 | 1,182,219 | 1,223,245 | 1,176,504 |
| Ferronorte | 1,110,701 | 1,131,890 | 1,131,448 | 1,131,812 |
| Ferrovía Novoeste | 326,301 | 329,202 | 326,198 | 327,254 |
| Nova Ferrobán | 261 | 261 | 261 | 261 |
| Ferronorte Locadora de Vagões | 1,560 | 1,560 | 1,560 | 1,560 |
| Novoeste Brasil | 8,352 | 8,352 | 8,352 | 8,352 |
| All – Argentina - consolidated | 22,717 | | 29,688 | |
| Temporary differences | | | | |
| ALL S.A. (Parent Company) | 21,328 | 21,328 | 71,923 | 71,923 |
| ALL Brasil | 77,681 | 77,681 | 74,760 | 74,760 |
| ALL Intermodal | 3,999 | 3,999 | 3,132 | 3,132 |
| Brasil Ferrovias | 6,457 | 6,457 | 11,354 | 11,354 |
| Ferrobán | 391,419 | 391,419 | 396,045 | 396,045 |
| Ferronorte | 39,768 | 39,768 | 111,973 | 111,973 |
| Ferrovía Novoeste | 83,468 | 82,486 | 83,030 | 83,030 |

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

The expectation of realization of deferred tax credits is as follows:

| | <u>Parent Company</u> | <u>Consolidated</u> |
|------|-----------------------|---------------------|
| 2007 | 924 | 8,488 |
| 2008 | 5,244 | 33,203 |
| 2009 | 5,244 | 29,476 |
| 2010 | 5,244 | 7,354 |
| 2011 | 36,475 | 40,174 |
| | <u>53,131</u> | <u>118,695</u> |

The indirect subsidiaries ALL Central and ALL Mesopotâmica consolidated part of their corporate reorganization process, and based on the expectation of future taxable results, the subsidiaries met the conditions set forth by the accounting practices adopted in Brazil for the recognition of the deferred income tax credit at the amount of R\$7,951 on September 30, 2007, which were recorded. The tax losses, according to the Argentine tax legislation, prescribe in 5 years, term considered enough by the management for the full recovery of the deferred income tax assets.

In the subsidiaries Brasil Ferrovias and Novoeste Brasil and its subsidiaries, such tax credits were not recognized, in view of the history of losses during the last years and the lack of a realization feasibility study of tax losses, negative bases and temporary differences. These balances of tax losses and negative bases are under review.

The deferred tax assets on September 30, 2007, in the amount of R\$118,695, are based on a technical feasibility study approved by the Board of Directors on February 16, 2007, which presented future taxable income discounted at present value, in accordance with CVM Instruction 371.

Tax losses and social contribution negative bases generated in the parent company and Brazilian subsidiaries do not become time-barred and will be offset with future taxable income, according to the tax legislation criteria.

11 Long-term investments

(a) Debentures - Parent Company

On June 17 2005, the Company acquired 27,459 registered debentures, non-convertible into book-entry shares, at unit par value of R\$10, of subordinated type, relative to 1st tranche of 2nd issuance, through the private issue of ALL – América Latina Logística do Brasil S.A.

On October 2, 2006, the subsidiary Brasil Ferrovias approved the issuance of 70,000 registered debentures, non-convertible into book-entry shares, at unit par value of R\$10, of subordinated type, relative to the Company's 4th issuance. This is related to a private issuance of the parent company.

On October 2, 2006, the subsidiary Novoeste Brasil approved the issuance of 15,000 registered debentures, non-convertible into book-entry shares, at unit par value of R\$10,

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

of subordinated type, relative to the Company's 1st issuance. This is related to a private issuance of the parent company.

| <u>Tranche</u> | <u>Issue date</u> | <u>Amount</u> | <u>Final maturity</u> | <u>Annual yield</u> | <u>Long-term assets</u> | |
|-----------------------|-------------------|---------------|-----------------------|---------------------|-------------------------|-------------------|
| | | | | | <u>09/30/2007</u> | <u>06/30/2007</u> |
| 1 st issue | 6/17/2005 | 274,590 | 06/01/2015 | CDI + 4% | 320,260 | 309,593 |
| 4 th issue | 10/02/2006 | 622,818 | 10/02/2016 | CDI + 4% | | 384,022 |
| 1 st issue | 10/02/2006 | 53,501 | 10/02/2016 | CDI + 4% | 74,383 | 72,054 |
| | | | | | <u>394,643</u> | <u>765,669</u> |

On August 31, 2007, the Company fully capitalized the balance of its private debentures with the subsidiary Brasil Ferrovias, in the amount of R\$387,343.

(b) Marketable Securities

The indirect subsidiary Ferrovia Novoeste holds LFT's (Financial Treasury Bills), with compensatory interest of 100% of CDI linked to banking surety rendering agreement at the fixed amount of R\$147,572. Such asset is destined to the guarantee of the amounts of overdue installments related to concession and lease due by Ferrovia Novoeste S.A to RFFSA – in settlement and the Federal Government. On November 28, 2005, they were redeemed and replaced by other 63,100 LFT's, and on January 19, 2006, other 1,917 LFT's held in custody with Banco do Brasil S.A. were acquired. Since then, the Company has been maintaining the practice of acquiring LFT's to guarantee the leasing and concession installments overdue each quarter. On September 30, 2007, the balance of these investments was R\$242,496 (R\$231,651 on June 30, 2007), with final maturity on June 15, 2011. Out of this amount, R\$236,481 (R\$225,700 on June 30, 2007) are classified as "long-term investments" in the consolidated balance sheet.

12 Investments

(a) Investments in subsidiaries

| | <u>Parent Company</u> | | <u>Consolidated</u> | |
|----------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | <u>09/30/2007</u> | <u>06/30/2007</u> | <u>09/30/2007</u> | <u>06/30/2007</u> |
| Interest in subsidiaries | 686,394 | 649,251 | | |
| Interest in affiliated companies | | | 7,354 | 7,207 |
| Goodwill in subsidiaries | 2,512,841 | 2,515,095 | 2,538,771 | 2,543,202 |
| | <u>3,199,235</u> | <u>3,164,346</u> | <u>2,546,125</u> | <u>2,550,409</u> |

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

(b) Chart of interest in subsidiaries and affiliated companies

| | Number of Shares/Owned quotas | | | | Total | | % Voting Interest | |
|-------------------|-------------------------------|---------------|------------------|----------------|------------|------------|-------------------|------------|
| | Common Shares/Quotas | | Preferred Shares | | | | | |
| | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 |
| ALL Brasil | | 9,914,626,262 | | 15,084,057,716 | 100 | 100 | 100 | 100 |
| ALL Intermodal | | 63,844,232 | | | 100 | 100 | 100 | 100 |
| ALL Overseas | | 11,000 | | | 100 | 100 | 100 | 100 |
| ALL International | | 2,000 | | | 100 | | 100 | |
| ALL Tecnologia | | 999 | | | 99.9 | 99.9 | 99.9 | 99.9 |
| ALL Centro-oeste | | 499,999 | | | 99.99 | 99.99 | 99.99 | 99.99 |
| ALL Equipamentos | | 24,192,631 | | | 95.83 | 95.83 | 95.83 | 95.83 |
| ALL Argentina | | 3,298,470 | | 6,404,530 | 100 | 100 | 100 | 100 |
| ALL Participações | | 111,878,448 | | | 100 | | 100 | |
| Santa Fé | | 50,000 | | 29,996 | 39.99 | 39.99 | 50 | 50 |
| Brasil Ferrovias | | 4,731,051,827 | | 1,672,758,809 | 100 | 100 | 100 | 100 |
| Novoeste Brasil | | 46,670,083 | | 6,934,891 | 100 | 100 | 100 | 100 |
| Boswell S.A. | | 60,000 | | | 100 | 100 | 100 | 100 |

ALL-América Latina Logística S.A. and its Subsidiaries
Notes to the financial statements
Periods ended September 30 and June 30, 2007, and September 30, 2006
(in thousands of reais, unless otherwise indicated)

| | <u>Subsidiaries/affiliated companies</u> | | <u>Parent Company</u> | | | |
|------------------------------|------------------------------------------|-------------------|--------------------------|----------------------------------------------|-----------------------------|-------------------|
| | <u>Shareholders'</u> | <u>Income for</u> | <u>Equity accounting</u> | | <u>Value of Investments</u> | |
| | <u>Equity</u> | <u>the period</u> | <u>09/30/2007</u> | <u>New Presentation</u> <u>09/30/2006</u> | <u>09/30/2007</u> | <u>06/30/2007</u> |
| Indirect Subsidiaries | | | | | | |
| ALL Brasil | 404,398 | 31,625 | 31,625 | 85,942 | 404,398 | 394,681 |
| ALL Intermodal | 115,025 | 41,986 | 41,986 | 7,005 | 115,025 | 87,319 |
| ALL Overseas (a) | 5,369 | (484) | (1,088) | (213) | 5,369 | 6,130 |
| ALL Tecnologia | 1,287 | 1,286 | 1,273 | 1,572 | 1,274 | 1,031 |
| ALL Centro-oeste | 2,597 | 2,097 | 2,097 | 2,066 | 2,597 | 1,890 |
| ALL Equipamentos | 48,429 | 23,184 | 22,218 | 56,592 | 46,410 | 38,959 |
| ALL Argentina (b) | 109,258 | (3,832) | (24,278) | (2,124) | 99,384 | 106,493 |
| ALL Participações | 9,884 | (1,994) | (1,994) | | 9,884 | 10,591 |
| Santa Fé | 5,132 | (2,333) | (935) | 2,075 | 2,053 | 2,157 |
| Goodwill | | | | | | |
| Santa Fé. | | | | | 413 | 455 |
| Brasil Ferrovias | | | | | 2,381,090 | 2,382,939 |
| Novoeste Brasil | | | | | 131,338 | 131,701 |
| Affiliated Company | | | | | | |
| Geodex | | | | 1,123 | | |
| | | | 70,904 | 154,138 | 3,199,235 | 3,164,346 |

(a) It comprises the exchange variation on the investee with functional currency in US dollars in the amount of (R\$326).

(b) It comprises the exchange variation on the investee with functional currency in Argentine peso in the amount of (R\$13,886).

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(c) Subsidiaries with Negative Shareholders' Equity

Related to those subsidiaries that present negative shareholders' equity, the respective provision was composed, which is being presented in the Long-term Liabilities group in the balance sheet, and it was estimated as it follows:

| | Subsidiaries | | Parent Company | | | |
|----------------------------|-----------------------|-----------------------|--------------------------------------------|-----------------|-------------------------------------|------------------|
| | Unsecured liabilities | Income for the period | Reversal (provision) unsecured liabilities | | Provision for unsecured liabilities | |
| | | | New presentation | | | |
| | | | 09/30/2007 | 09/30/2006 | 09/30/2007 | 06/30/2007 |
| Direct Subsidiaries | | | | | | |
| Brasil Ferrovias | (255,919) | 140,458 | 140,458 | (33,193) | (255,919) | (783,453) |
| Novoeste Brasil | (80,364) | (22,009) | (22,009) | (11,419) | (80,364) | (67,653) |
| Boswells | (6,356) | (1,216) | (380) | | (6,356) | (6,245) |
| | | | <u>118,069</u> | <u>(44,612)</u> | <u>(342,639)</u> | <u>(857,351)</u> |

(d) General information

ALL Overseas: a wholly-owned subsidiary acquired in December 1999, and its corporate purpose is to perform any activities that comply with Bahamian legislation.

Geodex: the Company has a 3.28% interest in the voting capital and a 43.69% interest in the total capital of Geodex Communications S.A. (Geodex), whose main activity is to provide telecommunication services in connection with the network and specialized circuits. On October 06, 2006, the Company adhered to the Memorandum of Understanding with the other shareholders of Geodex, for a future disposal. The investment is evaluated by the equity method until September 30, 2006, and after that date, it started being evaluated by the estimated recovery value.

Pursuant to the Shareholders Agreement of Geodex, the preemptive right of receipt in the disposal shall be granted to the shareholders who have performed capital contributions in cash, who shall be remunerated by the US dollar variation plus 10% per year. For the reason shown the Company has recorded, during 2006, a provision for investment loss in Geodex in the amount of R\$55,112, complemented by R\$1,802 on June 30, 2007, due to the selling price definition of Geodex, and reclassified the loss net permanent investment in the amount of R\$13,514 under the item other accounts receivable in current assets. Thus, on September 30, 2007, the Company records an amount of R\$3,978 resulting from the amount receivable from the sale of Geodex.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

In the consolidated balance sheet, investments are comprised as follows:

| | Consolidated | |
|-------------------------------------------|---------------------------|------------------|
| | Book value of investments | |
| | 09/30/2007 | 06/30/2007 |
| Appraised by the equity accounting method | | |
| Rhall Terminais | 1,372 | 1,220 |
| TGG | 5,871 | 5,861 |
| Other | 111 | 126 |
| Goodwill | | |
| ALL Argentina | 25,930 | 28,107 |
| Brasil Ferrovias | 2,381,090 | 2,382,939 |
| Novoeste Brasil | 131,338 | 131,701 |
| Santa Fé Vagões S.A. | 413 | 455 |
| | <u>2,546,125</u> | <u>2,550,409</u> |

ALL Argentina: goodwill in ALL Argentina is based on the future profitability at the time the shares of ALL Central and ALL Mesopotámica were acquired on May 26, 1999, and has been amortized on a straight-line basis over the concession period.

On August 11, 2005, the Company and Millinium Investimentos Ltda. (“Millinium”), subsidiary of the Indian Company Besco Engineering and Services Private Limited, entered into agreements aiming at the incorporation of Santa Fé Vagões S.A. Its corporate purpose is manufacture, maintain, commercialize, and trade items and services related to rolling stocks, rail systems, traction equipment, trails, signaling on rail vehicles, and mechanical equipment related to rail activities, in addition to its parts and components, as well as the import, export, purchase, sale, distribution, lease, rental and loan of railcars, machinery, equipment and inputs related to rail activities.

According to the agreements mentioned above, Millinium has undertaken to provide Santa Fé Vagões with complete technical support and the know-how necessary for railcar manufacturing. The Company, on its turn, granted Santa Fé Vagões a loan for use of an area located in the city of Santa Maria, state of Rio Grande do Sul, including part of the equipment used by Santa Fé Vagões for the fulfillment of its corporate purpose, for the performance of its industrial, commercial and administrative activities.

On November 1, 2004, the Company incorporated, with minority shareholders, the Company ALL - América Latina Logística Centro-Oeste Ltda. The Company’s corporate purpose is the rendering of services related to contracting of freight road transportation under the local, interstate and international scope, combined with rail and water transportation of cargo, in addition to other activities related to freight transportation such as logistics, port operations, handling and storage of commodities and containers, cargo agency, operation and management of warehouses, purchase, sale and lease of containers, association with other logistic carriers, alternatively being able to become involved in other similar, related or ancillary activities, or activities that use the Company’s structure.

On May 9, 2006, PREVI, FUNCEF, JP Morgan, BRP FERRONORTE, GABORONE and ALL executed two Investment Agreements, besides other ancillary and correlative agreements, which establish the terms and conditions of the merger, by ALL, of all shares issued by Brasil Ferrovias and by Novoeste. On May 10, 2006, BNDESPAR,

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

which originally had the tag-along right in a Shareholders' Agreement executed with PREVI and FUNCEF, exercised the referred right and adhered to the Investment Agreement and Other Covenants related to the merger of shares from Brasil Ferrovias and Novoeste Brasil.

In accordance with Protocols for Merger of Shares and Justifications, entered into on May 31, 2006, the operation was structured based on Article 252 of the Corporation Law, through the merger of all shares issued by Brasil Ferrovias and by Novoeste Brasil, with all rights inherent to them, including those related to dividends, recorded or not, bonuses, and any other forms of profit sharing. With the conclusion of the operation and, therefore, the effective corporate reorganization resulting from the merger of shares, ALL became holder of the totality of Brasil Ferrovias' and Novoeste do Brasil's capital stock and, as a result, it also became holder, indirectly, of the share control of rail concessionaries Ferroban, Ferronorte and Ferrovia Novoeste.

On June 16, 2006, the General Shareholders' Meetings of the Company, of Brasil Ferrovias and of Novoeste do Brasil, approved the merger of shares, as well as further related acts necessary to the implementation of the referred acquisition. As part of the transaction, PREVI, FUNCEF and BNDESPAR adhered to the Issuer's block of control, becoming a party of the Shareholders' Agreement.

The term for the exercise of the withdrawal right expired on July 24, 2006 for the dissenting shareholders of the Company and on July 26 for the dissenting shareholders of Brasil Ferrovias and of Novoeste do Brasil. After the term expiration, the former shareholders of Brasil Ferrovias and of Novoeste do Brasil who did not exercise the right to withdraw, became shareholders of the Company, which became holder of all shares issued by Brasil Ferrovias and by Novoeste do Brasil.

The documents related to the merger of shares were presented to the authorities of Competition Defense Brazilian System on May 29, 2006, and are currently under a process of analysis by the proper authorities.

The merger of shares of Brasil Ferrovias and of Novoeste Brasil caused an increase in ALL's capital stock, through the conference of shares held by shareholders of those corporations, excepting the ones who have exercised their right to withdrawal, in accordance with the economic values verified in the valuation reports of Brasil Ferrovias and of Novoeste do Brasil. The increase in ALL's capital and conference of shares carried out on June 16, 2006 totaled R\$1,405,033, plus the costs directly attributable to the acquisition process, generated goodwill of R\$2,496,807 on December 31, 2006, based on the expectation of future profitability generation. In the period ended September 30, 2007, in accordance with the generation recovery of economic benefits, the amount of R\$2,045 was amortized.

During 2T07, the Company was aware of an Debt Settlement and Acknowledgement Term executed by the indirect subsidiary Ferroban's former management with the company of the same type FCA, resulting from a number of accounts payable as accident reimbursement, right of way, etc.. The debt amount was R\$19,900, which was acknowledged by Ferroban during the quarter ended June 30, 2007, applying CVM

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

Resolution 506, which approved NPC 12 – Accounting Practices, Changes in Accounting Estimates and Error Correction. With the purpose of better defining the accounting treatment to be given to this adjustment, in order to prepare the Company's (parent company) Quarterly Information, the Management considered appropriate to apply the International Financial Reporting Standards (IFRS) no. 3. This ruling establishes that the effects resulting from correction of errors of previous periods may be directly adjusted against the goodwill initially recorded by the Company upon the business acquisition. Thus, total goodwill primarily recorded due to the purchase of Brasil Ferrovias and Novoeste Brasil mentioned above of R\$2,496,807 was R\$2,516,713.

13 Fixed Assets - Consolidated

| | 09/30/2007 | | 06/30/2007 | | Depreciation Annual Weighted Average Rates (%) |
|---------------------------------------------------------|------------|-----------------------------|------------|-----------|------------------------------------------------------------|
| | Cost | Accumulated depreciation | Net | Net | |
| Improvements in third parties' assets | | | | | |
| Locomotives | 498,984 | (164,187) | 334,797 | 259,417 | 4.49 |
| Railcars | 266,303 | (90,733) | 175,570 | 161,096 | 15 |
| Track | 793,330 | (115,977) | 677,353 | 643,627 | 8.5 |
| Other | 119,005 | (28,817) | 90,188 | 74,439 | 10 |
| | 1,677,622 | (399,714) | 1,277,908 | 1,138,579 | |
| Own fixed assets in use | | | | | |
| Track | 964,354 | (104,825) | 859,529 | 860,237 | 3.33 |
| Locomotives | 511,902 | (96,362) | 415,540 | 427,688 | 4.49 |
| Railcars | 280,806 | (48,129) | 232,677 | 179,345 | 10 |
| Assets in use supplies | 36,016 | | 36,016 | 38,540 | |
| Land | 19,833 | | 19,833 | 15,241 | |
| Buildings | 61,881 | (12,527) | 49,354 | 56,932 | 3.5 |
| Furniture and fixtures | 12,304 | (8,272) | 4,032 | 1,978 | 15 |
| Road vehicles | 57,848 | (22,959) | 34,889 | 31,860 | 15 |
| Data processing equipment, systems and applications | 85,370 | (46,240) | 39,130 | 29,864 | 20 |
| Telecommunications and signaling equipment | 41,766 | (16,035) | 25,731 | 17,484 | 10 |
| Equipment for track maintenance and rail transportation | 36,729 | (11,513) | 25,216 | 20,548 | 11 |
| Other | 81,331 | (27,038) | 54,293 | 49,458 | Sundry |
| | 2,190,140 | (393,900) | 1,796,240 | 1,729,175 | |
| Construction in progress | | | | | |
| Locomotives | 103,605 | | 103,605 | 63,207 | |
| Railcars | 30,102 | | 30,102 | 32,119 | |
| Track | 84,357 | | 84,357 | 41,064 | |
| Advance from suppliers | 19,320 | | 19,320 | 34,855 | |
| Systems and applications | 2,279 | | 2,279 | 6,179 | |
| Road vehicles | 1,233 | | 1,233 | 86 | |
| Other | 26,683 | | 26,683 | 55,843 | |
| | 267,579 | | 267,579 | 233,353 | |
| | 4,135,341 | (793,614) | 3,341,727 | 3,101,107 | |

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

During the nine-month period ended September 30, 2007, R\$15,333 (R\$13,782 on September 30, 2006) was capitalized to the construction in progress accounts, related to financial charges generated from loans that financed such investments.

14 Deferred charges

| | | | Consolidated | |
|----------------------------------------|----------------|---------------------------------|---------------------|-------------------|
| | | | 09/30/2007 | 06/30/2007 |
| | Cost | Accumulated amortization | Net | Net |
| Parent Company | | | | |
| Logispar goodwill | 122,283 | (7,264) | 115,019 | 116,835 |
| Subsidiaries | | | | |
| Concession and lease - ALL Brasil | 24,736 | (5,652) | 19,084 | 19,330 |
| Pre-operating expenses | | | | |
| ALL Central | 17,536 | (8,729) | 8,807 | 9,546 |
| ALL Mesopotámica | 4,026 | (1,998) | 2,028 | 2,198 |
| Santa Fé Vagões S.A. | 175 | (37) | 138 | 145 |
| PGT Ltda, | 160 | | 160 | 160 |
| Ferronorte | 645,294 | (411,142) | 234,152 | 250,285 |
| Terminal XXXIX | 469 | (469) | | |
| Expenditures with studies and projects | | | | |
| ALL Equipamentos | 3,776 | (662) | 3,114 | 3,209 |
| ALL Brasil | 6,337 | (2,873) | 3,464 | 5,278 |
| Consolidated | 824,792 | (438,826) | 385,966 | 406,986 |

The subsidiary ALL Brasil adopts as a basic criterion to amortize concession and lease expenses on the straight-line basis over the remaining term of the agreement. However, based on an operational study of installed capacity for transportation in tons per kilometer useful- RTK, concluded in December 1998, management reviewed the estimate of such amortization absorption until the subsidiary reaches its operational break-even. From 1998 through mid December 2001, amortization of concession and lease amounts was calculated considering the proportion between the RTK transported volume and the volume projected to reach operational break-even, estimated at 14 billion RTK. With the attainment of the operational break-even, deferred concession and lease expenses have been amortized on a straight-line basis over the remaining concession and lease term, and the amount of R\$737 was recorded for the periods ended on September 30, 2007 and 2006.

Pre-operating expenses refer to disbursements in the Argentine rail companies ALL Central and ALL Mesopotámica in connection with feasibility studies for the concession acquisition, which are amortized over the remaining concession period.

The pre-operating expenses of the indirect subsidiary Ferronorte refer to the implementation expenditures incurred in its pre-operational phase since 1988, net of financial expenses and income. The expenditures come from Phase I, comprising the segment of 403 km between the roadrail bridge on Paraná River and Alto Taquari (MT), ended in March 2001 and expenditures coming from Phase II, which comprised the segment 1, of 96 Km between Alto Taquari (MT) and Alto Araguaia (MT), ended in March 2003. Such expenses have been amortized on the straight-line basis, by the remaining term of the concession.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

On August 31, 2006, based on valuation report, ALL S.A. took over assets and liabilities of the subsidiary Logispar Logística e Participações S.A.

The purpose of takeover of assets and liabilities, which were recorded in Logispar, was to promote a corporate reorganization, resulting in the streamlining of current ownership structure and in the fulfillment of certain corporate requirements of Argentina, determining that the investment in ALL Argentina must be recorded in ALL S.A. and not in Logispar.

On September 11, 2006, the Protocol and Justification of Merger of Logispar into ALL S.A. (Holding) was executed, having as bases of the merger: a) the transfer of Logispar's net assets, valued by its book value to ALL S.A., which now succeeds it on a universal basis; b) the credit and debit balances were transferred to the merger's accounting books.

The goodwill resulting from Logispar has been amortized on a straight-line basis, by the remaining term of the concession.

15 Loans and financings

| | <u>Annual charges</u> | <u>Maturity</u> | <u>09/30/2007</u> | <u>06/30/2007</u> |
|--------------------------------------------------------------------|------------------------|---------------------|-------------------|-------------------|
| Parent Company | | | | |
| Domestic currency | | | | |
| Commercial banks | 107.5% of CDI | July 2015 | 204,336 | |
| BNDES | TJLP +1.8% | Quarterly/monthly | | |
| Investments | | Until June 2017 | 27,927 | |
| In foreign currency (exchange variation linked to the US\$) | | | | |
| Financing of locomotives | 10% (with swap to CDI) | December 2007 | 2,051 | 2,111 |
| Total Parent Company | | | 234,314 | 2,111 |
| Subsidiaries | | | | |
| Domestic currency | | | | |
| • ALL Brasil | | | | |
| Commercial banks | 116% of CDI | November 2007 | 3,837 | 9,294 |
| CCB | 106.3% of CDI | July 2010 | 112,660 | 116,415 |
| | 106.3% of CDI | August 2008 | 372,061 | 359,857 |
| | 107.8% of CDI | December 2007 | 388,074 | 375,253 |
| BNDES | TJLP + 5.25% | Quarterly/monthly | | |
| Investments | | Until April 2010 | 53,816 | 59,023 |
| | TJLP + 6.63% | Quarterly/monthly | | |
| | | Until February 2008 | 7,083 | 11,332 |
| | TJLP + 6.63% | Quarterly/monthly | | |
| | | Until April 2012 | 90,457 | 96,018 |
| | TJLP + 2.5% | Quarterly/monthly | | |
| | | Until June 2017 | 183,045 | |
| NCC | 105.9% of CDI | July 2015 | 61,032 | |
| | 107.0% of CDI | March 2013 | 200,000 | 209,408 |
| BNDES investments - FINAME | TJLP + 3.75% | January 2017 | 1,852 | 1,914 |

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

| | Annual charges | Maturity | 09/30/2007 | 06/30/2007 |
|-------------------------------------------------------------------------------|----------------------|------------------------------------------|--------------------|------------------|
| • ALL Intermodal | | | | |
| BNDES investments - FINAME | TJLP + 3% to 4.7% | Quarterly/monthly Until December 2011 | 24,064 | 23,574 |
| • Brasil Ferrovias | | | | |
| Commercial banks | CDI + 4% | March 2011 | 17,564 | 17,287 |
| • Novoeste | CDI + 7.44% | Monthly January 2007 | 20 | 20 |
| • Ferroban | | | | |
| BNDES investments | TJLP + 1.5% p.a. | Quarterly/monthly March 2016 | 171,524 | 176,986 |
| | Umbndes + 6% | Quarterly/monthly January 2016 | 6,477 | 6,973 |
| • Ferronorte | | | | |
| BNDES investments | TJLP + 1.5% p.a. | Quarterly/monthly February 2015 | 737,631 | 745,446 |
| | TJLP + 3% | Quarterly/monthly October 2015 | 190,000 | 197,805 |
| FINAME | TJLP + 4% | Quarterly/monthly March 2009 | 24,180 | 28,312 |
| Commercial banks | CDI + 2 % p.a. | December 2007 | 25,000 | 29,970 |
| • Terminal XXXIX | | | | |
| BNDES investments | TJLP + 6% | Quarterly/monthly December 2010 - | 5,394 | 5,722 |
| Foreign currency (exchange variation linked to US\$, with swap to CDI) | | | | |
| • ALL Brasil | | | | |
| Financing of locomotives | 10% | December 2007 | 4,098 | 4,217 |
| Swap transactions | | | 6,794 | 5,991 |
| Foreign currency (exchange variation linked to Argentine Peso - P\$) | | | | |
| • ALL Argentina | | | | |
| Commercial banks | 8.4% | December 2006 | 3,850 | 6,169 |
| CMF – Debt 3 | 6.9% | November 2007 | 2,102 | 3,691 |
| Mortgage Debt 4 | 3% | December 2008 | 2,889 | 3,116 |
| Itaú Argentina – Debt 6 | 13.5% | March 2011 | 36,818 | 33,559 |
| Itaú Londres – Debt 2 | 9.05% | January 2009 | 7,912 | 8,034 |
| • ALL Central | | | | |
| BST | CER + 8% | September 2008 | 777 | 1,050 |
| Itaú Argentina | 13.0% | August 2008 | 1,829 | 2,318 |
| Total subsidiaries | | | <u>2,742,840</u> | <u>2,538,754</u> |
| Total consolidated | | | <u>2,977,154</u> | <u>2,540,865</u> |
| Portion in the current liabilities | | | <u>(1,011,499)</u> | <u>(630,862)</u> |
| Portion in the long-term liabilities | | | <u>1,965,655</u> | <u>1,910,003</u> |

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

Composition by maturity year of long-term liabilities:

| | <u>09/30/2007</u> |
|--------------|-------------------|
| 2008 | 48,456 |
| 2009 | 212,817 |
| 2010 | 309,737 |
| 2011 | 222,552 |
| 2012 | 201,047 |
| As from 2013 | <u>971,046</u> |
| | <u>1,965,655</u> |

Abbreviations:

| | |
|--------|-----------------------------------------------------------|
| BNDES | - National Bank for Economic and Social Development |
| CCB | - Bank Credit Note |
| CDI | - Interbank Deposit Certificate |
| CER | - Reference Stabilization Ratio |
| FINAME | - Government Agency for Equipment and Machinery Financing |
| LIBOR | - London Interbank Offered Rate |
| TJLP | - Long-Term Interest Rate |
| IFC | - International Finance Corporation |
| NCC | - Commercial Credit Note |

Loans and financings are guaranteed by promissory notes for the total financed amount considering the same agreed terms and conditions, except in the case of BNDES, which is guaranteed by collateral account ensuring liquidity of payment, and in the case of the financing of locomotives, which guarantee the financing.

For foreign currency financing contracted in Brazil, there are swaps protecting the Brazilian real against the US dollar, being translated at rates of 85% to 105% of CDI.

The loans obtained from BNDES and capital markets operations are subject to the compliance with certain financial liquidity ratios related to the net debt and financial results.

For the subsidiaries of Brasil Ferrovias, in guarantees of loans and financings the following items were granted: (i) Pledge of the total shares issued of Ferronorte held by the parent company Brasil Ferrovias, (ii) Pledge of revenue on the product of the fee collection for the provision of the rail transportation services resulting from the work project of Ferronorte, (iii) Linkage of the revenue of service agreements, (iv) Promissory notes.

Some agreements have restrictive covenants establishing financial limits quarterly determined in each publication of the consolidated financial statements of the Issuer as follows:

The index corresponding to the ratio of the Net Debt by the Consolidated EBITDA of the last 12 months, in the maximum limit of:

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

| Year | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------------------------------|------|------|------|------|------|
| Consolidated Net Debt/Consolidated EBITDA | 4.0 | 3.5 | 3.0 | 2.5 | 2.5 |

Minimum limit of 1.3 times for the index corresponding to the division of the Consolidated EBITDA of the last 4 (four) quarters of the Issuer by its Consolidated Net Financial Expense.

| Year | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------------------------|------|------|------|------|------|
| Consolidated EBITDA/Financial Income | 1.5 | 1.75 | 1.75 | 2.0 | 2.0 |

16 Debentures

Parent Company

- On February 1, 2003, the Company issued 5,500 debentures convertible into shares at unit par value of R\$10 each (2nd issue);
- On June 1, 2004, the Company issued 12,000 debentures non-convertible into shares at unit par value of R\$10 each (3rd issue);
- On October 1, 2004, the Company issued 13,500 debentures non-convertible into shares at unit par value of R\$10 each (4th issue);
- On September 1, 2005, the Company issued 20,000 debentures non-convertible into shares at unit par value of R\$10 (5th issue);
- On July 1, 2006, the Company issued 70,000 debentures non-convertible into shares at unit par value of R\$10 (6th issue).

Subsidiary Brasil Ferrovias

- On October 31, 2001, the Company issued 71,700 debentures convertible into shares at unit par value of R\$10 (2nd issue).

Indirect Subsidiary – Ferronorte

- On July 1, 1997, the Company issued 10,00 debentures convertible into shares at unit par value of R\$10 (1st issue);
- On April 10, 2000, the Company issued 60,000,000 debentures convertible into shares at unit par value of R\$1.00 (2nd issue);
- On January 14, 2002, the Company issued 40,000,000 debentures convertible into shares at unit par value of R\$1.00 (3rd issue);
- On December 3, 2003, the Company issued 60,000 debentures non-convertible into shares at unit par value of R\$10 (5th issue).

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

The issued series are as follows:

| Series | Date | Value | Final maturity | Annual yield | 09/30/2007 | | 06/30/2007 | |
|---------------------------------------|----------|---------|----------------|-------------------|---------------------|-----------------------|---------------------|-----------------------|
| | | | | | Current liabilities | Long-term liabilities | Current liabilities | Long-term liabilities |
| Parent Company | | | | | | | | |
| 4 th issue | 10/1/04 | 135,000 | 10/1/09 | 110% of CDI | 8,502 | 135,000 | 4,232 | 135,000 |
| 5 th issue | 9/1/05 | 200,000 | 9/1/12 | CDI + 1.50% | 1,731 | 200,000 | 8,870 | 200,000 |
| 6 th issue | 7/1/06 | 700,000 | 7/1/11 | CDI + 1.50% | 21,854 | 700,000 | 47,119 | 700,000 |
| | | | | | <u>32,087</u> | <u>1,035,000</u> | <u>60,221</u> | <u>1,035,000</u> |
| Subsidiary Brasil Ferrovias | | | | | | | | |
| 2 nd issue | 10/31/01 | 7,170 | 4/20/09 | 105% of CDI | 20,378 | | 19,766 | |
| Indirect Subsidiary Ferronorte | | | | | | | | |
| 1 st issue | 7/1/97 | 100,000 | 6/30/16 | TJLP + 1.5% | 4,574 | 247,933 | 9,124 | 247,780 |
| 2 nd issue | 4/10/00 | 60,000 | 4/10/08 | TJLP + 4% | 40,000 | | 153,802 | |
| 3 rd issue | 1/14/02 | 40,000 | 1/14/09 | TJLP + 4% | 62,395 | | | 81,976 |
| 5 th issue | 12/3/03 | 60,000 | 12/3/09 | CDI + 1.5% | 8,690 | 15,490 | 7,946 | 15,490 |
| Debenture Premium | 7/1/97 | 100,000 | 6/30/16 | TJLP + 1.5% of RL | | 61,545 | | 57,801 |
| Consolidated | | | | | <u>168,124</u> | <u>1,359,968</u> | <u>250,859</u> | <u>1,438,047</u> |

Events in the Parent Company:

- Payment of interest of fifth issue debentures on March 1, 2006 at the amount of R\$18,583;
- Payment of interest of fourth issue debentures on April 1, 2006, at the amount of R\$12,460;
- Payment of interest of third issue debentures on June 1, 2006, at the amount of R\$10,863;
- Approval of compensation change of these fourth issue debentures on June 9, 2006, at the Debentureholders' General Meeting, from 108% to 110% of CDI. This new compensation would become effective starting on June 16, 2006;
- Approval of compensation change of these fifth issue debentures on June 9, 2006, at the Debentureholders' General Meeting, from CDI + 1.30% to CDI + 1.50%. This new compensation would become effective starting on June 16, 2006;
- Conversion of 2,750 second issue debentures on June 16, 2006, at the amount of R\$30,674.
- Payment of interest of fifth issue debentures on September 1, 2006, at the amount of R\$16,838;
- Payment of interest of fourth issue debentures on October 2, 2006, at the amount of R\$10,751;
- Payment of interest of third issue debentures on December 1, 2006, at the amount of R\$9,211;
- Payment of interest of sixth issue debentures on January 2, 2007, at the amount of R\$52,754;
- Payment of interest of fifth issue debentures on March 1, 2007, at the amount of R\$14,024;
- Amortization of third issue debentures on June 1, 2007, at the amount of R\$120,000; Also on this date, there was the payment of interest of the same issue at the amount of R\$8,066;
- Payment of interest of sixth issue debentures on July 2, 2007, at the amount of R\$47,496;

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

- Payment of interest fifth issue debentures on September 3, 2007, at the amount of R\$13,650;

Events in the subsidiary – Brasil Ferrovias:

- On June 16, 2006 – conversion into shares of Brasil Ferrovias of 10,000 debentures of the first issuance at the amount of R\$330,916;

Events in the subsidiary – Ferronorte:

- Approval of compensation change of these fifth issue debentures on July 26, 2006, at the Debentureholders' General Meeting, from CDI + 5% to CDI + 1.50%. This new compensation would become effective starting on June 30, 2006;
- Repurchase of 799 debentures of fifth issue on July 28, 2006, at the amount of R\$13,854;
- Payment of interest of fifth issue debentures on December 4, 2006, at the amount of R\$21,668;
- Payment of interest of fifth issue debentures on December 4, 2006, at the amount of R\$11,448;
- Payment of interest of fifth issue debentures on April 2, 2007, at the amount of R\$9,302;
- Payment of interest of fifth issue debentures on June 5, 2007, at the amount of R\$1,596;
- Payment of interest of first issue debentures on July 2, 2007, at the amount of R\$9,175.
- Levy of financial charges on the 2nd and 3rd issue of debentures subscribed by FINAM was discharged on September 12, 2007 up to the issuance of CEI – Certificate of Implemented Venture, by means of opinion of the Investment Fund Management Department of the National Integration Ministry. Such discharge duly confirmed by means of the publication in the Federal Official Gazette, dated October 10, 2007, resulted in the discharge of charges at the amount of R\$137,762 during 3Q07. This amount refers to charges then recorded on these debentures. The contra account to the discharge was an item of financial expenses under the consolidated statement of income.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

17 Lease and concessions

| | 09/30/2007 | | 06/30/2007 | |
|-------------------|---------------------|-----------------------|---------------------|-----------------------|
| | Current liabilities | Long-term liabilities | Current liabilities | Long-term liabilities |
| Lease | | | | |
| ALL Brasil | 9,020 | 36,102 | 8,830 | 35,805 |
| ALL Intermodal | 98,347 | | 99,464 | |
| Ferrobán | | 379,514 | | 383,397 |
| Novoeste | | 285,287 | | 265,601 |
| Concession | | | | |
| ALL Brasil | 487 | 2,084 | 474 | 2,066 |
| ALL Argentina | 6,482 | | 5,885 | |
| Ferrobán | | 4,258 | | 3,923 |
| Novoeste | | 11,704 | | 10,839 |
| | <u>114,336</u> | <u>718,949</u> | <u>114,653</u> | <u>701,631</u> |

(a) ALL Brasil

Lease and concession amounts of the subsidiary ALL do Brasil are appropriated on a straight-line basis under liabilities and results over the period of the respective agreements, accrued of IGP-DI variation and interest at agreed rates. Amounts relating to the grace period (1997 to 1999) have been restated and paid over the remaining concession period.

(b) ALL Intermodal

On July 23, 2001, the subsidiary ALL Intermodal and Delara Brasil Ltda. executed a lease agreement regarding the assets and rights of Delara, including real estate, facilities, machinery, equipment and vehicles, expired in July 2006. At the end of the agreement, the Company still has the obligation of tendering to Delara Brasil Ltda. 18,625,800 shares, of which 7,006,800 are common shares and 11,619,000 are preferred shares, issued by the Company at R\$0.1043 per unit. On July 31, 2006, the parties executed a term extending the performance of this obligation to July 2007. See additional explanations in Note 2(b).

(c) Ferrobán

Partial spin-off to Ferrovia Centro Atlântica (FCA).

On August 29, 2005, the partial spin-off between Ferrobán and Ferrovia Centro Atlântica S.A. (FCA) was carried out, and FCA started being responsible for 35.6% of the total concession and lease amounts.

Payment of the concession and lease agreements

The indirect subsidiary Ferrobán cancelled the payment of the amounts related to the lease agreement to RFFSA - in settlement, judicially protected, by an injunction granted on April 7, 2005 and subsequently postponed on July 8, 2005. On September 28, 2005, these injunctions were cancelled by judicial decision pronounced by the Federal Regional Court (TRF) of Rio de Janeiro, becoming not postponable, thus, that Ferrobán

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

made the judicial deposit of the outstanding lease amounts, as a way to guarantee the Court and ensure the continuity of the judicial discussion, as well as the regularity and payment of its concession before ANTT and before the National Treasury Secretariat (STN).

The payments are being made by means of judicial deposits at the amount of the debt.

Considering that Ferronorte depends on Ferroban's lines, to the continuity of its transportation operations, started in the States of Mato Grosso and Mato Grosso do Sul and ended in Santos (SP), Ferronorte entered with Ferroban, on January 10, 2006, into a Private Instrument of Guarantee Agreement, by which it made the judicial deposit in favor of Ferroban, at the amount of R\$22,177.

Considering that Brasil Ferrovias holds 83.66% of Ferroban's capital, directly and indirectly, Brasil Ferrovias entered, on January 10, 2006, into a Private Instrument of Guarantee Agreement, by which it made the judicial deposit in favor of Ferroban, at the amount of R\$184,517.

Thus the quarterly installments are being paid by means of judicial deposits made by Ferronorte and are comprised by the Private Instruments of Guarantee Agreement with Ferroban.

The term of the guarantee rendered both by Brasil Ferrovias and Ferronorte in favor of Ferroban started on the date on which the judicial deposit was made and will be ended on the date on which the Federal Court decides its destination. For the rendering of this guarantee, Ferroban will pay Brasil Ferrovias and Ferronorte the equivalent to the positive difference between the 100% CDI rate and the 100% TR rate.

In case the judicial decision determines the conversion into income of the Federal Government, total or partial, of the judicial deposit, Ferroban will become, as from this date, debtor of Brasil Ferrovias and Ferronorte, respectively, of the exact amount of the judicial deposit, with all the additions it receives. Ferroban must pay its overdue debits to Brasil Ferrovias and Ferronorte, in the maximum term of 90 days, counted from the finding of the judicial deposits, Ferronorte may use, also, any time, and as long as resolved at the Extraordinary General Meeting of the Companies, the guarantee amount for capital payment in Ferroban, or give it away so that its parent company, Brasil Ferrovias, does it. Thus, Brasil Ferrovias may use the amounts rather as capital payment in Ferroban.

Demerger of the operations of the Bauru-Mairinque segment

To comply with the Investment Agreement, entered into on May 5, 2005, which aims at the conduction of the restructuring, the demerger of the Ferroban's operations of the Bauru-Mairinque segment was set forth in the 2005 and 2006 Business Plan of the subsidiary, and this operation starts being made by Novoeste as from October 1, 2005, in view of the Memorandum of Understanding dated September 23, 2005.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

ANTT approved the demerger of the operations by means of Resolution #1,010, published in the Official Gazette of the Federal Government on July 28, 2005. The final implementation of this operation will be ratified by ANTT.

(d) Ferronorte

On May 19, 1989, the indirect subsidiary Ferronorte entered with the Federal Government into a Concession Agreement for the establishment of a cargo rail transportation system, comprising the construction, operation, exploration and conservation of a railroad between Cuiabá (MT) and: a) Uberaba/Uberlândia (MG), b) Santa Fé do Sul (SP), c) Porto Velho (RO) and d) Santarém (PA). The term of this concession lasts 90 years, renewable for the same period and 10 years may be granted before the end of the contractual term.

The Agreement does not provide for payment obligations on the account of the Concession, however, it sets forth certain responsibilities on the account of the Company, such as: a) not to make sub-concession, b) to submit to the permanent inspection of the Federal Government, c) compliance with rules, technical specifications and national standards of the Ministry of Transportation and d) to comply with all the legal provisions applicable to the granted services, specially those related to environment protection.

The concession extinguishment and the consequent termination of the Concession Agreement may take place due to the following factors: a) amicable covenant of the parties, antedated of negotiations and financial adjustments due by one party to another; b) end of the contractual term; c) expropriation or redemption, by public interest in connection with the Concession, by means of the proper indemnification; d) annulment for illegality of the Concession or agreement; e) severe and continued infractions made by one of the parties, which cause damages to the quality and efficiency of the services; f) by expropriation by the Federal Government of the granted services or by a Law that makes the agreement, formally or materially, impossible. In the event of expropriation the Company's shareholders will be indemnified by the fair amount of the assets linked to the concession, determined at the time of the expropriation.

(e) Novoeste

Due to a judicial discussion, this indirect subsidiary cancelled the concession and lease payment.

As described in note 11, the indirect subsidiary acquired Treasury Financial Bills (LFTs) and National Treasury Bills (LNTs) as guarantee to pledge the concession and lease amounts due to RFFSA – in settlement and to the Federal Government, resulting from a judicial pleading related to the economic unbalance process of Novoeste which is under judicial discussion. Thus, for the amounts referring to the quarterly installments of the concession and lease agreements new additional LFTs are being acquired at sufficient amounts for the coverage of those amounts.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

18 Judicial deposits and provisions for contingencies

| | Judicial Deposits | | Contingencies | | | |
|------------------------------------|-------------------|----------------|----------------|----------------|---------------------|----------------|
| | | | Probable | | Possible and remote | |
| | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 |
| Labor claims | | | | | | |
| ALL Brasil | 19,133 | 17,845 | 10,091 | 7,487 | 17,979 | 17,979 |
| ALL Intermodal | 2,848 | 2,430 | 2,360 | 1,094 | 735 | 735 |
| ALL Central | | | | 3,726 | | |
| ALL Mesopotámica | | | | 747 | | |
| Brasil Ferrovias | 185 | 185 | | 1,578 | | |
| Ferrobán | 71,605 | 65,917 | 286,088 | 305,086 | 96,364 | 96,364 |
| Novoeste | 11,448 | 11,386 | 20,690 | 24,519 | 5,135 | 5,135 |
| Portofer | 59 | 38 | 4,798 | 99 | 5,421 | 5,421 |
| Ferronorte | 1,286 | 1,504 | 4,074 | 4,831 | | |
| Civil and regulatory claims | | | | | | |
| ALL Holding | 36 | 134 | | | | |
| ALL Brasil | | | 3,216 | 3,216 | 79,944 | 79,944 |
| ALL Intermodal | | | 783 | 783 | 7,982 | 7,982 |
| Brasil Ferrovias | 6,500 | 6,500 | 5,868 | 4,291 | 20,333 | 20,333 |
| Ferrobán | 303,774 | 295,048 | 10,381 | 22,462 | 83,072 | 83,072 |
| Novoeste | | | 1,752 | 1,752 | 6,613 | 6,613 |
| Portofer | | | 17 | 17 | 448 | 448 |
| Ferronorte | | | 4,684 | 4,684 | 1,122 | 1,122 |
| Tax claims | | | | | | |
| ALL Brasil | 3,953 | 3,953 | | | 70,005 | 70,005 |
| ALL Intermodal | | | | | 6,157 | 6,157 |
| ALL Holding | | | | | 1,356 | 1,356 |
| ALL Armazéns | | | | | 755 | 755 |
| Brasil Ferrovias | 1,054 | 1,054 | 4,396 | 4,272 | | |
| Ferrobán | | | 39,145 | 9,769 | 41,354 | 41,354 |
| Novoeste | | | 25,238 | 21,887 | 6,895 | 6,895 |
| Portofer | | | 2,331 | 2,323 | 2,038 | 2,038 |
| Ferronorte | 1,755 | 1,755 | 9,826 | 9,365 | 27,314 | 27,314 |
| | <u>423,636</u> | <u>407,749</u> | <u>439,213</u> | <u>433,988</u> | <u>481,022</u> | <u>481,022</u> |

The subsidiaries are involved in various proceedings incurred in the normal course of their businesses. The Company's management believes that the solution of such issues shall not produce an effect significantly different from the amount provisioned, which corresponds to the amounts of shares considered "probable".

(a) Labor contingencies

The subsidiaries discuss various labor claims, and on September 30, 2007 the Company recorded a provision of R\$331,576, in the consolidated, to deal with those cases in which its attorneys deem as probable losses.

Among the subject-matters of the labor claims, there are: salary parity, overtime, additional payment for hazardous conditions, additional payment for unhealthy conditions, transfer additional, among others.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(b) Civil and regulatory contingencies

The subsidiaries are parties in various civil actions involving petitions, action for damages in general: such as collisions in level crossings, rail running over, traffic accident, possessory actions in general, execution suit of extrajudicial bonds and others. Based on the opinion of its legal advisers and the courts standing, they keep records for the probable losses at the amount of R\$27,701.

Among the relevant actions, although with a remote chance of loss, on behalf of ALL Brasil, there is an indemnification action being handled in the State of Rio de Janeiro, under the number 2003.51.01.023238-1, in which RFFSA pleads abandonment of public property and rail segments, requiring the restoration of various stations and the maintenance of the right of way. It is worth pointing out that ALL, in strict compliance with the Concession and Lease Agreements, is performing the maintenance of many rail segments and also the restoration of stations which are being returned to RFFSA in perfect condition of conservation and use.

The civil liabilities classified as possible or remote in Brasil Ferrovias are mainly caused by judicial actions resulting from popular action, questioning the voluntary redundancy plans promoted by Ferrobán, which require the payment of indemnifying differences, calculated as the difference between the amount effectively paid by PABI's and the amount due for the utilization of the unilateral indemnification criterion, established in Clause 4.49 of the Collective Bargaining Agreement, under penalty of invalidation of the privatization process and actions related to indemnification for accidents and expropriations of the right of way of the railway bed.

Currently, both Ferrobán and Novoeste question in court the economic and financial unbalance of the Lease and Concession Agreements. In July 2000, Ferrobán filed a Declaratory Action in the 20th Federal District Court of Rio de Janeiro questioning the economic and financial unbalance of the Lease and Concession Agreements, due to the high disbursement incurred by the Company for the payment of labor judicial proceedings and other expenses involved.

Ferrobán required an expert inspection for determination of the new value of the lease and concession installments, as well as discontinuance of the payment of due and falling due installments until the effective expert inspection for determination of the adequate value. In July 2005, the injunction was granted, but in September 2005, it was reversed by the Regional Federal Court of Rio de Janeiro. The proceeding still has no judgment and awaits for the preparation of expert report. The total value related to the lease installments, in the amount of R\$311,089, is being deposited in court.

The aforementioned situation is also applicable to Novoeste, however, its proceeding is in progress in the 16th Federal District Court of Rio de Janeiro. The amount related to the due installments represents R\$236,481 and Novoeste is posting bond through the acquisition of government bonds (Treasury Financial Bills – LFT). The referred LFT is recorded under long-term investments.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(c) Tax contingencies

Main tax issues under discussion are those derived from lawsuits having as plaintiff or defendant, ALL group and to which chances of losses are deemed as possible or remote. Therefore, no provision was made for such issues. For those considered as probable losses, a provision in the amount of R\$80,936 was recorded.

In April 2005, ALL Brasil obtained a favorable decision at the Court of Justice of the State of Rio Grande do Sul in relation to the tax deficiency notice of Rio Grande do Sul State Department, which charged the Company as a result of use of ICMS credit over the acquisition of assets and equipment destined to the recovery and renovation of fixed assets. The assessment amount under discussion is approximately R\$16,800, and ALL has already collected the amount of R\$11,192 to the State of Rio Grande do Sul's public coffers, and it interrupted the payment of the remaining balance of R\$5,670, due to a favorable decision of the Court of Justice of the State of Rio Grande do Sul, already confirmed by the Superior Court of Justice – STJ. Currently, the proceeding is awaiting court decision in the Supreme Federal Court – STF. The Company's chance of loss in the proceeding under discussion is remote, according to understanding already rendered by the courts (annulment action 110660892). In addition, the Supplementary Law 87/96 authorized the full use of right to the credit in the acquisition of assets destined to the permanent assets.

The State Treasury Departments of Paraná and São Paulo drawn up tax deficiency notices against ALL Brasil, current amounts of which amount to approximately R\$38,000, due to non-payment of ICMS referring to the rendering of goods freight transportation services destined to exports and use of ICMS credits supposedly not authorized by laws. ALL already has favorable decisions as the matter under discussion and courts already positioned about the non-levy of ICMS over goods exports. In April 2006, ALL Brasil obtained a favorable decision at the Taxpayers Council of Paraná, confirmed by the Public Finance Court of the State of Paraná in relation to the tax assessments existing in the State of Paraná (administrative proceedings 6146502-2 and 6146495-6), establishing that in operations destined to exports there is immunity, as mentioned in Article 155, Paragraph 2, X, "a" of CF/88. In view of this, there was a decrease in liabilities exposed to risk related to ICMS – exports at approximately R\$18,000, recorded as extemporaneous credits under the item "recoverable taxes".

ALL Brasil has approximately R\$6,500 and Ferroban approximately R\$2,900 in IPTU (building and territorial urban tax) debts in relation to the real properties over which rail passes through, owned by the federal government, which, in view of concession granted, are under the possession of the federal government for the execution of rail transportation public services. Nevertheless, the Brazilian Federal Constitution provides that there is no levy of taxes over assets owned by the federal government; reason that the possibility of loss in such proceedings is remote.

Ferroban was sued for not paying PIS and COFINS in relation to the mutual traffic and right of way revenues, at the amount of R\$21,000, in the period from 1999 to 2002 (cumulative PIS and COFINS). The company understands that the chance of loss is

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

remote, once the amounts under discussion have already been paid, previously, by the concessionaries responsible for the transportation in the origin.

Ferronorte filed an Action for Annulment of tax debit, taking into consideration that the company was sued for not paying ICSM on the transportation of goods destined abroad, considering the amount involved of R\$9,800 thousand, and the risk of loss classified as remote.

(d) Environmental contingencies

Considering the notices of infraction with imposition of fine penalty, the environmental contingencies of ALL Brasil amount to R\$3,547; Ferroban, R\$10,265; Ferronorte, R\$3,188; Novoeste, R\$282; and Portofer, R\$21, totaling R\$17,303.

Such values result from notices from FEPAM (RS), CETESB (SP) and IBAMA, in great majority due to the implementation/extension of marshalling yards without the respective environmental license, contamination of the soil and water due to the overflow of products and non-compliance with the conditions imposed by such operating license. In all the situations, the companies involved are executing Terms of Conduct Adjustment, with a view to reducing the applied penalties by 90%, pursuant to legal disposition, as well as adopting all the prevention and reparation actions regarding the environment. The provision for the environmental area is recorded along with the civil provision of concessionaires, in an amount equivalent to 10% of the value of the notices of infraction.

19 Credits, debts and transactions from related companies

| | Long-term assets | | Long-term liabilities | | Parent Company Service revenue | |
|----------------------|------------------|---------------|-----------------------|---------------|--------------------------------|------------|
| | 09/30/07 | 06/30/07 | 09/30/07 | 06/30/07 | 09/30/07 | 09/30/06 |
| | ALL Argentina | 744 | 528 | | | |
| ALL Brasil | 36,483 | 9,744 | 63,201 | 7,197 | 720 | 720 |
| ALL Intermodal | 10,562 | 24 | 37,108 | 32,440 | | |
| ALL Tecnologia | 145 | 118 | 5,247 | 4,573 | | |
| ALL Armazéns Gerais | 9,626 | | 25,192 | 6,537 | | |
| ALL Equipamentos | 25,874 | | 12,586 | 1,287 | | |
| ALL Centro - Oeste | 1,500 | | 3,725 | 480 | | |
| Ferronorte | 6,875 | | 4,458 | 1,860 | | |
| Santa Fé Vagões S.A. | 364 | 365 | | | | |
| Novoeste | 4,612 | | 115 | | | |
| Overseas | 202 | 27,033 | | | | |
| Brasil Ferrovias | 32,806 | | 3,750 | | | |
| Ferroban | 5,963 | | 530 | | | |
| Boswell | 25,844 | | | | | |
| | <u>161,600</u> | <u>37,812</u> | <u>155,912</u> | <u>54,374</u> | <u>720</u> | <u>720</u> |

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

| | Long-term assets | | Consolidated Long-term liabilities | |
|--------------------------------------|------------------|--------------|------------------------------------|------------|
| | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 |
| Terminal XXXIX | 317 | | 93 | 610 |
| Santa Fé Vagões S.A. | 3,391 | 5,626 | | |
| Geodex Communications do Brasil S.A. | | | | |
| Rhall Terminais | | | | 24 |
| | <u>3,708</u> | <u>5,626</u> | <u>93</u> | <u>634</u> |

The related-party transactions are performed under usual market conditions.

As part of the restructuring process of Brasil Ferrovias and Novoeste Brasil, ALL – América Latina Logística S.A. (“ALL”) transferred funds to its indirect subsidiaries Ferronorte, Nova Ferroban and Novoeste, as Advances for Future Capital Increase (AFAC), pursuant to “Private Instrument of Advances for Future Capital Increase” executed on May 29, 2006. Until June 30, 2006 a R\$226,690 amount had been transferred to Ferronorte and to Nova Ferroban, and R\$18,450 to Novoeste, by ALL.

Also on May 29, 2006, Brasil Ferrovias and Novoeste Brasil entered into another “Private Instrument of Advances for Future Capital Increase” with their direct subsidiaries Ferronorte, Nova Ferroban and Novoeste, transferring the responsibility for the advances received from the Company to Brasil Ferrovias and Novoeste Brasil.

On July 3, 2006, an addendum to the “Private Instrument of Advances for Future Capital Increase” was entered into, under the denomination of “Advances for Future Subscription and Payment of Debentures”, with a view to converting the advances recorded in Brasil Ferrovias and Novoeste Brasil, into debt with the parent company ALL. This agreement established that the managers of Brasil Ferrovias, Novoeste Brasil and ALL undertake to carry out the issue, subscription and payment of the debentures until December 31, 2006. The interest rate was established at 100% of the Interbank Deposits (DI) daily average rates, plus 4% p.a. as surcharge.

Thus, in the third quarter of 2006, the advances recorded in Brasil Ferrovias and Novoeste Brasil until June 30, 2006, in the amount of R\$226,690 and R\$18,450 were reclassified to debts with related parties, restated by the aforementioned rates. On August 31, 2007, the remaining balance of debentures in the amount of R\$387,343 of Brasil Ferrovias was fully capitalized by ALL Holding. The balance of the debt on September 30, 2007 represents R\$74,383 in Novoeste Brasil, according to note 11.

Regarding other balances with related parties, there is no interest levy in the transactions, which reflect, besides the normal operations, financial coverage transactions.

The parent company’s service rendering revenues against the subsidiary ALL Brasil at the amount of R\$720, refers to consulting services rendered.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

20 Provision for unrealized profit

On September 30, 2001, the parent company sold to the subsidiary ALL Brasil the right to use the lines from Presidente Epitácio to Rubião Junior and from Pinhalzinho/Apiáí to Iperó at the market value of R\$22,387, supported by a valuation report prepared by independent experts as of that date. On December 31, 2001, the parent company established a provision of R\$19,312 for unrealized profit from this operation, recorded in long-term liabilities. In the periods ended September 30, 2007 and 2006, the amount of R\$558 was realized.

21 Deferred income

| | <u>09/30/2007</u> | <u>06/30/2007</u> |
|---------------------|-------------------|-------------------|
| Subsidiaries | | |
| ALL Intermodal | 614 | 623 |
| Ferroban | <u>16,569</u> | <u>16,833</u> |
| | <u>17,183</u> | <u>17,456</u> |

ALL Intermodal: this refers to the deferred revenue originated in the capital stock payment by means of land granted under loan for use by ALL Intermodal to Rhall Terminais Ltda., appropriated on a straight-line basis over the remaining concession period.

Ferroban: this results from agreements entered into with communication companies, whose purpose is the assignment of the right of way of the track for the passage of optical fiber cables for the effectiveness period of the Concession Agreement of the Public Service of Cargo Rail Transportation (until 2028), linearly appropriated to the result for the remaining term of the assignment of right.

22 Shareholders' equity

(a) Capital stock

The Company's subscribed and paid-up capital stock is represented as follows:

| | <u>09/30/2007</u> | <u>06/30/2007</u> |
|-----------|----------------------|----------------------|
| Common | 988,645,645 | 988,431,716 |
| Preferred | <u>1,894,573,880</u> | <u>1,893,164</u> |
| | <u>2,883,219,525</u> | <u>2,882,149,880</u> |

The Company's authorized capital is R\$3,000,000, and the Board of Directors is the appropriate body to resolve on the Capital increase within the referred limit, and there are not other limitations or conditions to make the capital increase within the authorized capital limit.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

All the Company's shareholders have a preemptive right, in equal conditions, to the subscription of new shares issued by the Company, except for the issuance of shares in paragraph 3 of Article 171 of Law 6,404/76.

On September 5, 2006 the split of the total shares issued by the Company was approved so that each share started being represented by 10 shares of the same type.

(b) Treasury Shares

The Board of Directors approved on March 2, 2007 the buyback of the Company's shares, traded on the São Paulo Stock Exchange, without decreasing the Capital Stock, in order to comply with the Company's requirements resulting from the stock option plans in the maximum amount of 1,100,000 units, ratified by the Board of Directors on August 17, 2007 to 5,000,000 units.

In 3Q07, the Company repurchased 180,000 units for the amount of R\$3,897, the market value of which ended on September 30, 2007 corresponds to R\$4,698.

(c) Distribution of dividends and interest on own capital

Shareholders are assured a minimum mandatory dividend of 25% on the adjusted net income in accordance with Article 202 of Law 6,404/76.

As a result of commitments undertaken pursuant to financing agreements, the parent company may not distribute dividends in excess of the minimum mandatory ones up to 2011.

(d) Profit reserve

Pursuant to Brazil's corporate law, the legal reserve is established at 5% of net income for the year, prior to any other appropriations, and shall not exceed 20% of capital stock.

The investment reserve is based on statutory provisions, which are supported with the Company's investment plan by means of use and sources subject to the Board of Directors, and pursuant to Article 194 of Law 6,404/76, which determines that this reserve shall not exceed subscribed capital stock, at an amount not less than twenty-five percent (25%) and not exceeding seventy-five per cent (75%) of the net income for the year adjusted in accordance with Article 202 of Law 6,404/76, with a view to financing the expansion of the Company's and its subsidiaries' activities, also through the subscription of capital increases or the development of new ventures.

(e) Advances for future capital increases

The amounts received as advances for future capital increase, resulting from contributions to the Stock Option Plan, described in Note 23, are presented in a Shareholders' Equity account.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(f) Managers' compensation

In the minutes of the General Meeting held on April 2, 2007, the amount of R\$360 was established as annual global compensation for the members of the Fiscal Council, and as annual global amount for the Managers' compensation the amount of up to R\$20,000. These compensations are valid until the next Annual General Meeting.

23 Stock option plan

At an Extraordinary General Meeting held on April 1, 1999, the shareholders approved the Company's Stock Option Plan ("Plan"), targeted at managers, employees and service providers of the Company ("Beneficiaries"). The Plan is managed by the Board of Directors, or at its discretion, by a Committee made up for this purpose. It is incumbent upon the management body of the Plan, periodically, to create stock option programs, establishing, within the qualified individuals, those to whom options will be granted and the specific applicable rules, considering the general rules of the Plan ("Program").

The volume of stock options is limited to 8% of the shares representing the Company's capital stock existing on the date of approval of each Program.

The option of acquisition of shares is formalized under an individual agreement between the Company and each Beneficiary. As a condition for the stock option right acquisition, the Beneficiary must pay 10% of the share amount, at the moment of the execution of the agreement, acquiring, therefore, the right to make every year contributions for the acquisition of 18% of the total number of shares, so at the end of the 5th year, the Beneficiary will have incorporated to his/her assets the right to make contributions for the acquisition of 100% of shares. The option price is restated by the IGP-M variation.

The shares are delivered to the Beneficiary only after the course of the terms and contributions set forth in the agreement. In case of withdrawal of the Beneficiary from the Company "without cause" (as set forth in the labor legislation), retirement, decease or permanent disability, the Company may anticipate the delivery of the shares which the Beneficiary is entitled to.

On March 7, 2005, the Plan's Management Committee ("Committee") created by the Board of Directors approved the creation of its fifth Program, which is different from the previous ones in two aspects: a) it sets forth the use by the Beneficiaries of at least 50% of the amounts received in the variable compensation program scope, net of taxes and social charges, for the payment of the contributions for the acquisition of shares, already due and still unpaid, under penalty of reduction proportional to the number of shares, and b) possibility, as from the second reference date of the option agreement, of pre-issue of shares, since the Beneficiary has already made the payment of at least 30% of his/her respective contributions. The Company does not have the obligation to buyback, at any moment, the shares acquired by the Beneficiaries.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

On March 1, 2006, the Plan Committee approved the creation of the 2006 Stock Option Program (“2006 Program”) and established that (i) the number of shares integrating the 2006 Program is 4,500,000 shares: 900,000 common shares and 3,600,000 preferred shares, corresponding to 2.0% of the Company’s capital stock on that date, and (ii) the price per share is R\$23.00. Due to the stock split approved by the Extraordinary General Meeting on December 5, 2006, at the ratio of 10 shares for each share, the number of shares integrating the 2006 Program corresponded then to 45,000,000 shares, 9,000,000 of which are common shares and 36,000,000 are preferred shares, at the price per share of R\$2.30 (or, having as reference the Company’s Units, 9,000,000 Units at R\$11.50). The 2006 Program comprises two groups of Beneficiaries, with different types of agreement, referred herein as “Agreement A” and “Agreement B”. The Agreement A has the same characteristics established for the 2006 Program, as described above. The Agreement B is different from the Agreement A in two main aspects:

(i) the acquisition of the right to make the contributions for the acquisition of shares changes from 10% in the first year and 18% in the following years, as in the Agreement A, to 5% in the first year, 10% in the second, 15% in the third, 25% in the fourth and 35% in the fifth and last year. In case the Beneficiary of the Agreement B withdraws from the Company without cause, the Committee may, at its discretion, change the acquisition schedule of the right to make contributions for the acquisition of shares, to 18% per year, such as the schedule of the Agreement A.

(ii) the right to make contributions for the acquisition of shares is subject to the decision of the Beneficiary as to the sale of shares resulting from the Stock Option Programs of the previous years. In case on March 1, 2006 the Beneficiary has, among merged and non-merged shares referring to the Programs of previous years, a number of shares higher than the one attributed to him/her in 2006 Program, the Beneficiary may sell a number of shares equivalent to the difference between (a) the balance of the shares related to the previous Programs and (b) the total shares whose acquisition option was granted to the Beneficiary within the scope of the 2006 Program, without losing the right to the exercise of making contributions for acquisition of shares of the 2006 Program. For each share sold beyond the limit indicated above, the Beneficiary will lose the right to make the contribution for acquisition of 1 (one) share related to the 2006 Program. In case on March 1, 2006 the Beneficiary has, among merged and non-merged shares referring to previous Programs, a number of shares lower or equal to the one attributed to him/her in the 2006 Program, for each share sold related to previous Programs, the Beneficiary will lose the right to make the contribution for the acquisition of 1 (one) share related to the 2006 Program.

On March 1, 2007, the Committee approved the 2007 Stock Option Program creation (“2007 Program”) and established that (i) the number of shares that are part of the 2007 Program is 5,500,000 shares, 1,100,000 of which are common shares and 4,400,000 are preferred shares, which corresponds to 0.19% of the Company’s capital stock on that date, and (ii) the price per share is R\$4.20 (or, having as reference the Company’s Units, 1,100,000 Units for R\$21.00). As the 2007 Program, the 2006 Program provides two groups of Beneficiaries, with different types of agreements, which are, “*mutatis*

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

mutantis”, materially identical to “Agreements A” and “Agreements B”, described above.

The conditions, nature, amounts and prices shown below are in compliance with CVM Resolution 371/2000.

The summary of the movement of the stock options for the period ended September 30, 2007, is shown as follows:

| | Number of Shares |
|--------------------------------------------------|-----------------------------|
| Shares to be exercised on December 31, 2006 | 89,761,115 |
| Grants on March 1, 2007 | 5,500,000 |
| Grants cancelled in the period | (3,358,360) |
| Grants exercised in the period | <u>(10,000,700)</u> |
| Shares to be exercised on September 30, 2007 | <u>81,902,055</u> |
| Weighted average price per share to be exercised | <u>1.96</u> |

The Company accounts for the contributions, based on the individual controls of each beneficiary, as advance for future capital increase, composing the shareholders’ equity and after the duly deliberation at a General Meeting, the due amount is recorded as capital stock.

For the specific case of contributions of 30% made for the acquisition of options, the Company accounts for the capital increase as from the second reference date, in compliance with Law 6,404/76.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

24 Determination of the income tax and social contribution – parent company

| | Income Tax | | Social Contribution | |
|--------------------------------------------------------------|------------|------------------|---------------------|------------------|
| | 09/30/2007 | 09/30/2006 | 09/30/2007 | 09/30/2006 |
| Earnings before income tax and social contribution on income | 199,112 | 75,584 | 199,112 | 75,584 |
| (+) Additions | | New Presentation | | New Presentation |
| • Interest on own capital | | 16,500 | | 16,500 |
| • Hedge operations | 26,388 | | 26,388 | |
| • Goodwill amortization in subsidiary | 3,154 | 5,452 | 3,154 | 5,452 |
| • Provision for investment loss | 9,536 | 55,101 | 9,536 | 55,101 |
| • Other | 778 | 2,602 | 788 | 2,602 |
| | 39,856 | 79,655 | 39,856 | 79,655 |
| (-) Exclusions | | | | |
| • Equity accounting and provision for unsecured liabilities | (188,973) | | (188,973) | |
| • Hedge operations | (33,902) | (109,526) | (33,902) | (109,526) |
| • Reversal on investment loss | (64,648) | | (64,648) | |
| • Other | (1,448) | (21,784) | (1,448) | (21,784) |
| | (288,971) | (131,310) | (288,971) | (131,310) |
| Calculation basis for purposes of IR and CS | (50,003) | 23,929 | (50,003) | 23,929 |
| Tax losses and offset negative bases | | (7,179) | | (7,179) |
| Final calculation basis | | 16,750 | | 16,750 |
| Rate | | 25% | | 9% |
| Charges for the period | | 4,168 | | 1,425 |

The reconciliation of the effective income tax and social contribution rate on the income before taxes with the provision for income tax and social contribution has not been shown for purposes of these consolidated financial statements, as the parent Company and its domestic and foreign subsidiaries are subject to different taxes and rates.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

25 Net financial income

| | Parent Company | | Consolidated | |
|-------------------------------------------|----------------|------------|--------------|--------------------------------|
| | 09/30/2007 | 09/30/2006 | 09/30/2007 | New Presentation 09/30/2006 |
| Interest on debentures | (109,931) | (95,544) | (149,943) | (152,759) |
| Interest on indebtedness | (4,488) | (7,648) | (196,510) | (189,055) |
| Hedge | 34,088 | 18,451 | 20,218 | 5,868 |
| Financial taxes (CPMF / IOF) | (2,817) | (1,894) | (16,609) | (23,564) |
| Penalty/Interest | | | | |
| Tax/Suppliers/Clients | | | (83,296) | (34,579) |
| Interest on lease and concession | | | (112,257) | (8,555) |
| Exchange variation on subsidiaries abroad | | | (22,788) | (12,800) |
| Discharge of FINAM charges | | | 137,762 | |
| Other | (17,492) | (2,611) | (91,073) | (38,015) |
| Total financial expenses | (100,640) | (89,246) | (514,496) | (453,459) |
| Revenue on financial investment | 20,581 | 45,967 | 212,920 | 214,200 |
| Compensation on debentures | 107,222 | 62,374 | | |
| Total financial income | 127,803 | 108,341 | 212,920 | 214,200 |
| Net financial income | 27,163 | 19,095 | (301,576) | (239,259) |

On September 12, 2007, the Investment Fund Management Department of the National Integration Ministry issued the internal opinion 049/2007 extending the grace periods, amortization and maturity date and discharging the indirect subsidiary Ferronorte from incurring on financial charges, including default interest over the outstanding balance of debts of Debentures issued by Ferronorte and subscribed by FINAM up to the issuance of CEI – Certificate of Implemented Venture. Based on the auditors' report, the Company reversed in September 2007 the amount of R\$137,762 related to the interest incurred on Debentures subscribed by SUDAM.

As mentioned in note 2(b), on June 30, 2007, the amount of R\$98,344 thousand was recorded under the item interest on leasing and concession on a retroactive basis, since 2004, corresponding to the leasing agreement of assets and rights of Delara Brasil Ltda. through which ALL Intermodal should deliver 3,275,160 UNITS to Delara.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

26 Insurance – consolidated (unreviewed)

The Companies maintain insurance policies in amounts considered sufficient by management to cover possible losses, as follows:

| <u>Line of business</u> | <u>Coverage by event</u> | <u>Sum insured</u> |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------|
| Rail operating risks | Property – property damage and loss of profits | 150,000 |
| Civil liability - rail operations | Operations, pollution, employer, vehicles (contingencies) and port | 25,500 |
| Insurance for rail freight | Civil liability of the rail freight carrier (RCTF-C); rail risk (RF) | 30,000 |
| Civil liability – trucks | Damages to third parties on domestic and international routes | 500 |
| Insurance for road freight | Civil liability of the road freight carrier (RCTR-C) – accidents and (RCF-DC) theft; international road transportation | 1,500 |

The total coverage of the policies above, on September 30, 2007, is R\$207,500.

27 Financial instruments

On September 30, 2007, the Company and its subsidiaries had the following main financial instruments:

Financial investments: evaluated at cost, accrued of interest until the balance sheet date, the rates of which were compatible with market conditions prevailing on that date.

Investments: as described in Note 12, these refer to investments in closely-held subsidiaries and/or investments appraised at the equity method, representing strategic significance to the Company's operations.

Significant balances with related parties: as described in Note 19, they are realized in normal market conditions.

Loans and financings: as described in Note 15, these include agreed charges and exchange swap effects, commented as follows, when applicable.

Debentures: the market value of the debentures issued by the Company and its subsidiaries approximates their face value on September 30, 2007.

The main risk factors affecting the Company's and its subsidiaries' businesses are as follows:

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(a) Credit risk

The Company and its subsidiaries are potentially subject to credit risks arising from their trade accounts receivable, and the procedures adopted to minimize commercial risks include the selection of customers through adequate credit analyses, the definition of sales limits and short-term maturity of trade notes. Estimated losses with these debtors are fully provisioned.

(b) Exchange rate risk

The Company and its subsidiaries are subject to the effects of exchange rate fluctuations in connection with their foreign currency transactions.

To the extent that there are foreign currency-denominated debts, the Company and its subsidiaries, in order to protect its equity position in relation to fluctuations of the Brazilian currency, they contract currency swap operations (US\$ x CDI - between 85% and 105%) for the total consolidated foreign currency-denominated debt (Note 15). The losses verified in such operations, amounting to R\$6,794 for the period ended on September 30, 2007 (on June 30, 2007 – losses of R\$3,818). Additionally, the parent company contracted hedge operation to protect investments in Argentina against fluctuations of Peso against Real. The gain verified in the period amounts to R\$20,218 (gain of R\$6,096 on September 30, 2006), which was recognized as financial result.

28 Lease

The indirect subsidiary Ferronorte is leaseholder with purchase option, by means of lease agreements.

The position of these agreements is as follows:

| Assets | Current Liabilities | | Long-Liabilities | | Charges (p.a.) | Remaining term |
|-----------------------|---------------------|------------|------------------|------------|--------------------------|----------------|
| | 09/30/2007 | 06/30/2007 | 09/30/2007 | 06/30/2007 | | |
| Locomotives Dash 9 | 11,271 | 11,329 | 3,039 | 3,183 | 9% + dollar variation | 6 quarters |

29 Private social security

The indirect subsidiary Ferrovia Novoeste sponsors a private pension plan with the company HSBC Fundo de Pensão. The plan has prevailing characteristics in the defined contribution modality during the funds accumulation period. The only defined benefit, in the accumulation stage, is a benefit equivalent to six salaries, paid in the event of death, disability and retirement process, calculated according to formulas and conditions established in the plan's regulation.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

The contributions are made on average, in the proportion of 80% by the sponsor and 20% by the active participants, as established in an actuarial technical note.

The plan is reviewed by an independent actuary, annually, and the last version was concluded in December 2006.

| | <u>12/31/2006</u> | | <u>12/31/2006</u> |
|--------------|-------------------|------------------------|-------------------|
| | | Sponsor contributions: | |
| Participants | 273 | Participation payroll | 4,148 |
| Net assets | 8,096 | Normal contribution | 0.98% |

The plan also has a defined benefit portion in the concession phase, whose actuarial liability refers to life annuities granted to its participants. The present value of the actuarial liability, calculated based on the mortality table AT-83 and on a financial discount rate of 6%, amounts to R\$1,020 on December 31, 2006, totally coverage by financial assets.

In addition to the total financial coverage of actuarial liabilities, the plan has a surplus with which a pension fund that amounts to R\$1,059 on December 31, 2006 was made. The Fund was established by remaining balances of contributions from the sponsor, coming from withdrawals of participants who made a partial redemption.

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(in thousands of reais, except when otherwise indicated)

30 Supplementary information - statement of cash flow

| | Parent Company | | Consolidated | |
|---------------------------------------------------------------|----------------|--------------------------------|--------------|--------------------------------|
| | 09/30/2007 | New Presentation 09/30/2006 | 09/30/2007 | New Presentation 09/30/2006 |
| Operating activities | | New Presentation | | New Presentation |
| Net income for the year | 196,258 | 67,919 | 197,292 | 68,952 |
| Expenses (revenues) not affecting cash and cash equivalents | | | | |
| Depreciation and amortization | 5,786 | 112 | 150,741 | 81,894 |
| Lease and concessions | | | 184,855 | 114,332 |
| Equity accounting | (89,636) | (154,138) | | (1,464) |
| Provision for unsecured liabilities | (99,337) | 44,612 | (220) | 7,038 |
| Goodwill amortization | 8,602 | 5,565 | 9,830 | |
| Exchange variation on subsidiaries abroad | | | | 13,082 |
| Deferred income tax and social contribution | 2,854 | 1,989 | 2,309 | (3,986) |
| Cost on long-term divestments | | | | 17,655 |
| Provision of unrealized profit | (558) | (558) | | |
| Realization of deferred income | | | (8,260) | (893) |
| Provision for investment loss | | 55,101 | | 55,101 |
| Provision for contingencies | | | 3,877 | 18,285 |
| Interest on taxes by installments | | | | 12,893 |
| Exchange variation and charges on financing and debentures | 114,379 | 50,055 | 312,706 | 113,717 |
| Result of unrealized swap activities | 12,551 | (21,049) | (20,218) | (6,096) |
| Financial revenue of unrealized debentures | (73,796) | | | |
| Constitution (realization) of allowance for doubtful accounts | | | | 3,954 |
| Minority interest | | | 13 | 15 |
| | 77,103 | 49,608 | 832,925 | 494,479 |
| Increase (decrease) in assets | | | | |
| Trade accounts receivable | (2,398) | | (48,090) | (50,403) |
| Supplies | (148) | | (1,414) | (20,196) |
| Recoverable taxes | (17,365) | (7,436) | (61,739) | (10,424) |
| Dividends and interest on own capital | 70,228 | (9,576) | | |
| Other assets | 2,996 | (6,162) | (61,074) | (40,945) |
| | 53,313 | (23,174) | (172,317) | (121,968) |
| Increase (decrease) in liabilities | | | | |
| Suppliers | 14,131 | 803 | 197,238 | (66,830) |
| Payroll and related charges | | | (16,575) | (132,042) |
| Taxes, charges and contributions | (1,497) | (2,604) | 13,851 | 34,141 |
| Lease and concessions payable | | | (84,781) | (45,495) |
| Dividends and interest on own capital | (15,154) | (37,978) | (15,154) | (37,978) |
| Other liabilities | 2,683 | (179) | 24,313 | (152,167) |
| | 163 | (39,958) | 118,892 | (400,371) |
| Cash generated (used) by operating activities | 130,579 | (13,524) | 779,500 | (27,860) |
| Investing activities | | | | |
| Acquisition of interest | 11,715 | (1,455,299) | | (1,417,225) |
| Disposal of interest | | 123,349 | | |
| Acquisition in treasury shares | (3,897) | | (3,897) | |
| Proposed dividends and interest on own capital | | 27,932 | | |
| Acquisition of fixed assets | | (4,511) | | (245,178) |
| Investment in deferred assets | | | (592,233) | (5,277) |
| Cash generated (used) in investing activities | 7,818 | (1,308,529) | (596,130) | (1,667,680) |
| Financing activities | | | | |

ALL-América Latina Logística S.A. and its Subsidiaries

Notes to the financial statements

Periods ended on September 30 and June 30, 2007, and September 30, 2006

(in thousands of reais, unless otherwise indicated)

(in thousands of reais, except when otherwise indicated)

| | | | | |
|---------------------------------------------------------|-----------------|--------------------|------------------|------------------|
| Financing | | | | |
| Fund raising | 227,000 | 700,000 | 469,000 | 1,502,344 |
| Amortization and cash interest | (277,368) | (111,991) | (680,799) | (198,962) |
| Receiving of debentures | (25,281) | (15,591) | | |
| Capital increase and AFAC | 10,757 | 1,448,124 | 10,757 | 1,448,124 |
| Proposed dividends and interest on own capital | | | | (3,748) |
| Realized swap operations | | 2,278 | 25,379 | (11,191) |
| Related parties | 11,602 | (414,902) | 1,834 | (15,142) |
| Cash generated (used) by financing activities | (53,290) | (1,607,918) | (173,829) | 2,721,425 |
| Increase (decrease) in cash and cash equivalents | 85,107 | 285,865 | 9,541 | 1,025,885 |
| Opening balance of cash and cash equivalents | 270,067 | 250,282 | 1,739,040 | 1,032,616 |
| Closing balance of cash and cash equivalents | 355,174 | 536,147 | 1,748,581 | 2,058,501 |
| Increase (decrease) in cash and cash equivalents | 85,107 | 285,865 | 9,541 | 1,025,885 |