

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

Report of independent auditors

The Board of Directors and Shareholders
ALL – América Logística S.A.

1. We have audited the balance sheets of ALL – América Logística S.A. and the consolidated balance sheets of ALL – América Logística S.A. and its subsidiaries as of December 31, 2008 and 2007, and the related statements of income, changes in financial position and cash flows for the years then ended, and the statement of value added corresponding to the year ended December 31, 2008, prepared under the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.
2. We conduct our audits in accordance with generally accepted auditing standards in Brazil which comprised: a) the planning of our the work, taking into consideration the materiality of of the balances, the volume of transactions and the accounting and internal control system of the Company ; b) the examination, on a test basis, of documentary evidences and accounting records supporting the amounts and disclosures in the financial statements; and c) am assessment of the accounting practices used and significant estimates made by management, as well as an evaluation of the overall financial statement presentation.
3. In our opinion, the financial statements referred to above represent fairly, in all material aspects, the financial position of ALL – América Logística S.A. and the consolidated financial position of ALL – América Logística S.A. and its subsidiaries as of December 31, 2008 and 2007, and the results of its operations, the changes in shareholders' equity and cash flows for the years then ended, as well the value added corresponding to the year ended December 31, 2008, in accordance with the Brazilian accounting practices.
4. As mentioned in Note 5 (a), on October 20, 2006, indirect subsidiaries América LatinaLogística Central S.A. ("ALL Central") and América Latina Logística – Mesopotámica S.A. ("ALL Mesopotámica"), signed, with the Argentine National State "Letters of Understanding", as part of the renegotiation process of its concession agreements. In the date of this Report, the Management of subsidiaries and its counsels understand that the renegotiation process of the agreements has not been concluded yet, due to the absence of approval by the Executive Branch of such country. The main effects of the new contractual regime which is being negotiated are also described in Note 5 (a). The subsidiaries estimated the recoverable amount of its

permanent assets and certain taxes recoverable, on December 31, 2008, based on cash flow studies which take into consideration the changes proposed in the “Letters of Understanding” previously mentioned, which the Management of the subsidiaries consider as necessary to comply with its business plans. The recoverability of the amount of permanent assets and certain taxes recoverable, presently, depend on the approval by the Argentine National Executive Branch of the renegotiation of the concession agreement (previously approved by the “Comisión Bicameral de Seguimiento de Privatizaciones” of such country), and the successful implementation of the business plan developed by the Management. The resolution of these matters is still pending on the date of this Report and, subsequently, the present financial statements do not comprise any adjustment and/or reclassification from the effects that could derive from said uncertainties.

5. As described in Note 7, the indirect subsidiary ALL Central has interrupted the revenues recognition linked to tolls of “Unidad Ejecutora del Programa Ferroviario Provincial (U.E.P.F.P.)” as from January 2002. This decision was based substantially on the lack of recognition of services provided by said Unit. In 2004, ALL Central filed a claim with the Court of Litigious Administrative Matters of the Province of Buenos Aires, seeking the payment of toll amounts referring to the period between 1993 and 1996. Based on opinion of its legal advisors, that the likelihood of favorable outcome in the collection proceedings initiated against U.F.P.F.P. is high, the Management did not record provision for losses of the amount receivable recorded at ALL Argentina of approximately R\$3,224 thousand (P\$4,762 thousand). Due to the agreements executed with the previous shareholders, ALL Argentina recorded a liability of similar value, due to the obligation of reimbursing 50% of the recovered amounts, referring to tolls incurred in the periods preceding the acquisition date of ALL Central and ALL Mesopotámica. The financial statements described in paragraph 1 do not consider possible adjustments or reclassifications that could arise as a result of these discussions.
6. Our audit report dated of February 27, 2008, on the financial statements related to the year ended December 31, 2007 included an emphasis paragraph related to the pending matter existing as to the treatment to be given for advances for future capital increase granted to ALL – América Latina Logística Argentina S.A., as a result of pending discussions on the instruments of Resolutions of Inspección General de Justicia (“IGJ”). Considering the evolution of discussions on the matter, including with the effective capitalization of said advances for future capital increase, we conclude that the emphasis paragraph would no longer required.
7. As mentioned in Note 3, as a result of the changes in the accounting practices adopted in Brazil, during 2008, the financial statements referring to the previous year, presented for comparison purposes, were adjusted and are being presented as set forth in NPC 12 – Accounting Practices, Changes in Accounting Estimates and Correction of Errors.

8. As mentioned in Note 4.d, the Company proceeded to the rectification of accounts balances of its financial statements related to the year ended December 31, 2007, which were previously disclosed.
9. The accounting practices adopted in Brazil differ, in certain aspects, from the accounting principles generally accepted in the United States of America. The information about the nature and the effect of these differences is presented in Note 34 to the financial statements.

Curitiba, February 27, 2009, except for the
Note 34 to the financial statements, as to which date is April 28, 2009.

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