

## **INDEPENDENT AUDITORS REPORT OF FINANCIAL STATEMENTS**

To  
Management, Counselors and shareholders of  
**ALL – América Latina Logística S.A.**  
Curitiba - PR

We have audited the accompanying individual and consolidated financial statements of ALL – América Latina Logística S.A. (“Company”) and subsidiaries, identified as Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2011, and the related income statement, of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting practices and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil, and of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in conformity with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion on the individual financial statements**

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of ALL – América Latina Logística S.A. at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

### **Opinion on the consolidated financial statements**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ALL – América Latina Logística S.A. as at December 31, 2011, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with

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International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

### **Emphasis of a matter**

As mentioned in Note 3.2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of ALL – América Latina Logística S.A. these practices differ from IFRS - applicable to the separate financial statements - solely with respect to the measurement of investments in subsidiaries and affiliates under the equity method, while such investments would be measured at cost or fair value for IFRS purposes. We have not included a qualification in relation to this matter.

As mentioned in Note 5 (a), on October 20, 2006, indirect subsidiaries América Latina Logística Central S.A. (“ALL Central”) and América Latina Logística – Mesopotámica S.A. (“ALL Mesopotámica”), executed, with the Argentine National State “Letters of Understanding”, as part of the renegotiation process of its concession agreements. On the issue date of this Report, the Management of the 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 system which is being negotiated are also described in Note 5 (a). The subsidiaries estimated the recoverable amount of its permanent assets and taxes recoverable, on December 31, 2011, 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 deem as necessary to comply with its business plans. The recoverability of the amount of permanent assets and 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.

As described in Note 7, the indirect subsidiary ALL Central has interrupted the recognition of revenues linked to tolls of “Unidad Ejecutora del Programa Ferroviário Provincial (U.E.P.F.P.)” as from January 2002. This decision is basically founded on the lack of recognition of services rendered by said Unit. In 2004, ALL Central started a demand with the Federal Contentious Administrative Court of the province of Buenos Aires, requiring the payment of toll values referring to the period between 1993 and 1996. Supported by its legal advisors’ opinion, that the collection suit of the amounts filed against U.E.P.F.P. has a relatively high probability of success, the Management did not record provision for losses of the amount receivable recorded at ALL Argentina of approximately R\$2.076 thousand (P\$4,762 thousand). On the other hand, and due to the agreements executed with the previous shareholders, ALL Argentina records 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 do not contemplate possible adjustments or reclassifications that could arise as a result of these discussions.

### **Other matters**

#### **Statements of value added**

We have also audited the individual and consolidated statements of value added for the year ended December 31, 2011, prepared under the responsibility of company management, the presentation of which is required by Brazilian corporation law for publicly held companies, and as supplementary information under IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Curitiba, February 28, 2012

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