



**AMÉRICA LATINA LOGÍSTICA**

*We are always on the move.*



# Notice on Forward Looking Statements

Statements in this presentation, as well as oral statements made by officers or directors of America Latina Logística, its advisors, affiliates or subsidiaries (collectively or separately the “Company”, or “ALL”), that are not historical facts constitute “forward looking statements” that involve factors that could cause the actual results of the Company to differ materially from historical results or from any results expressed or implied by such forward looking statements. The Company cautions users of this presentation not to place undue reliance on forward looking statements, which may be based on assumptions and anticipated events that do not materialize.

# Agenda

- Background
- Financial Highlights
- Stock Performance
- Recent Developments





# Background

- Area of Influence

- 75% of Mercosur's GDP
- 78% of South America's grain exports
- Six of the most active ports in Brazil and Argentina



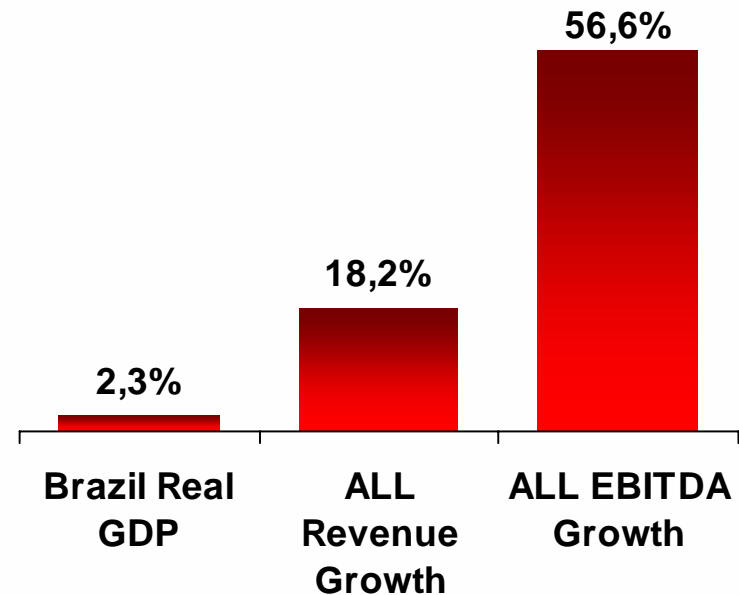
- Door-to-door transportation, local pick-up and delivery, dedicated fleet and complete warehousing services
- 20,000 km of rail track, 960 locomotives, 27,000 railcars, 1,400 highway vehicles, several distribution centers and warehousing facilities

# Investment Highlights

## *High-Growth, Low-Risk Transportation Investment*

- Sustainable cost advantage in strategic locations
- Significant growth opportunities and strong client base
- Results oriented culture and seasoned management team
- Cost-effective and reliable full-service logistics operations built around our rail network

### 1997 - 2005 Real CAGR\*

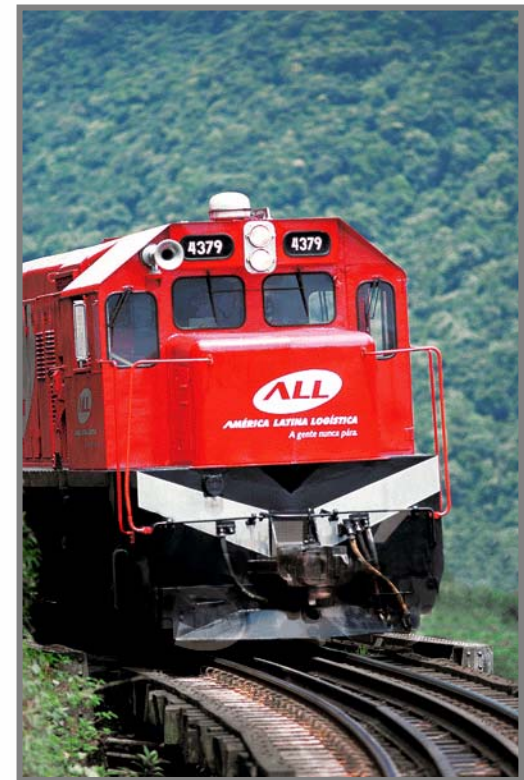


\* Adjusted by inflation.

# Investment Highlights

## *Sustainable Cost Advantage in Strategic Locations*

- Dominant rail network in strategic locations
- Exclusive right to operate the only existing rail network in our service area in Brazil and Argentina
- Rail provides significant cost advantage compared to trucking
  - Lower diesel consumption
  - Lower labor costs
  - Real estate



# Investment Highlights

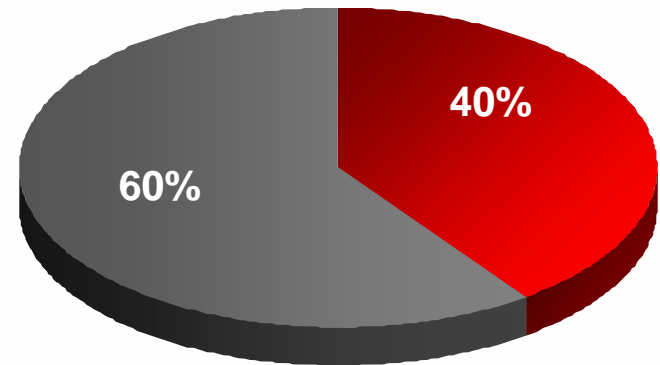
## *Significant Growth Opportunities and Strong Client Base*

- Concentrate growth where ALL has a distinct cost advantage
- Railway transportation is underutilized in Brazil and Argentina
- Beneficiaries of growth in Brazilian and Argentine agribusiness
- Blue chip clients with broad revenue distribution

### Total Addressable Market

Untapped Market

ALL Market Share



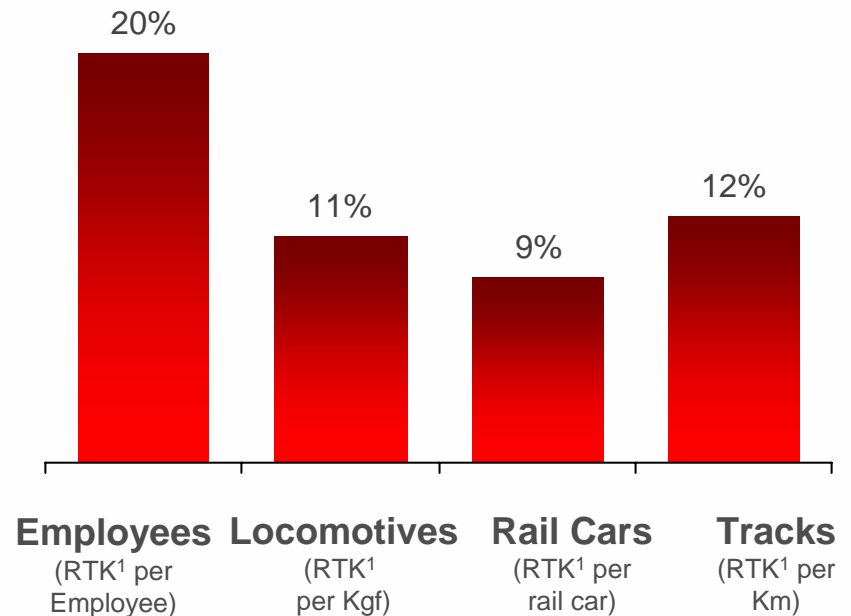
(1) Source: ALL based on Bain & Co. methodology to calculate potential market. Potential market is defined as follows: (i) growth of null market, (ii) flows presenting clear strengths and, (iii) segments already covered by the company.

# Investment Highlights

## *Cost-effective and Reliable Full-Service Logistics Operations*

- Provides complete range of logistics services
- Ratio of incidents per million train.km of 17, compared to a Brazilian rail industry average of 88<sup>2</sup>
- Ratio of accidents per million train.km of 1.8, compared to a US 5.6 average<sup>3</sup>

### Productivity (97-05' CAGR)



Notes:

- (1) RTK – Revenue Ton Kilometers / Kgf – Kilogram-Force: Unit measure of Locomotive Force. 1997 was the first year of operation after the privatization – data from March 97 to February 98. Data refers to Brazilian operations only.
- (2) Brazilian rail universe includes ALL, EFVM, MRS, Ferrobán, FCA, Novoeste, and CFN.
- (3) U.S. rail universe includes Massachussets, Alaska, Norfolk, Burlington, Amtrack, UP, CSX, Kansas, and Conrail.



# Investment Highlights

## *Results Oriented Culture and Seasoned Management Team*

- Clear vision, strong values and articulated goals
- Cohesive results oriented corporate culture
- Progressive variable compensation program based on EVA
- Management stock option program
- Listed by leading business publications among the best companies to work for both in Brazil and Argentina

# Strategy

*Driven by the Same Five Business Tenets That Guided our Growth over the Past Nine Years*

- Concentrate growth where we have a distinct competitive advantage
- Maintain strict cost controls
- Comply with commitments to clients
- Optimize asset utilization to maximize profitability and return on invested capital
- Evaluate strategic investment, joint-ventures and acquisition opportunities

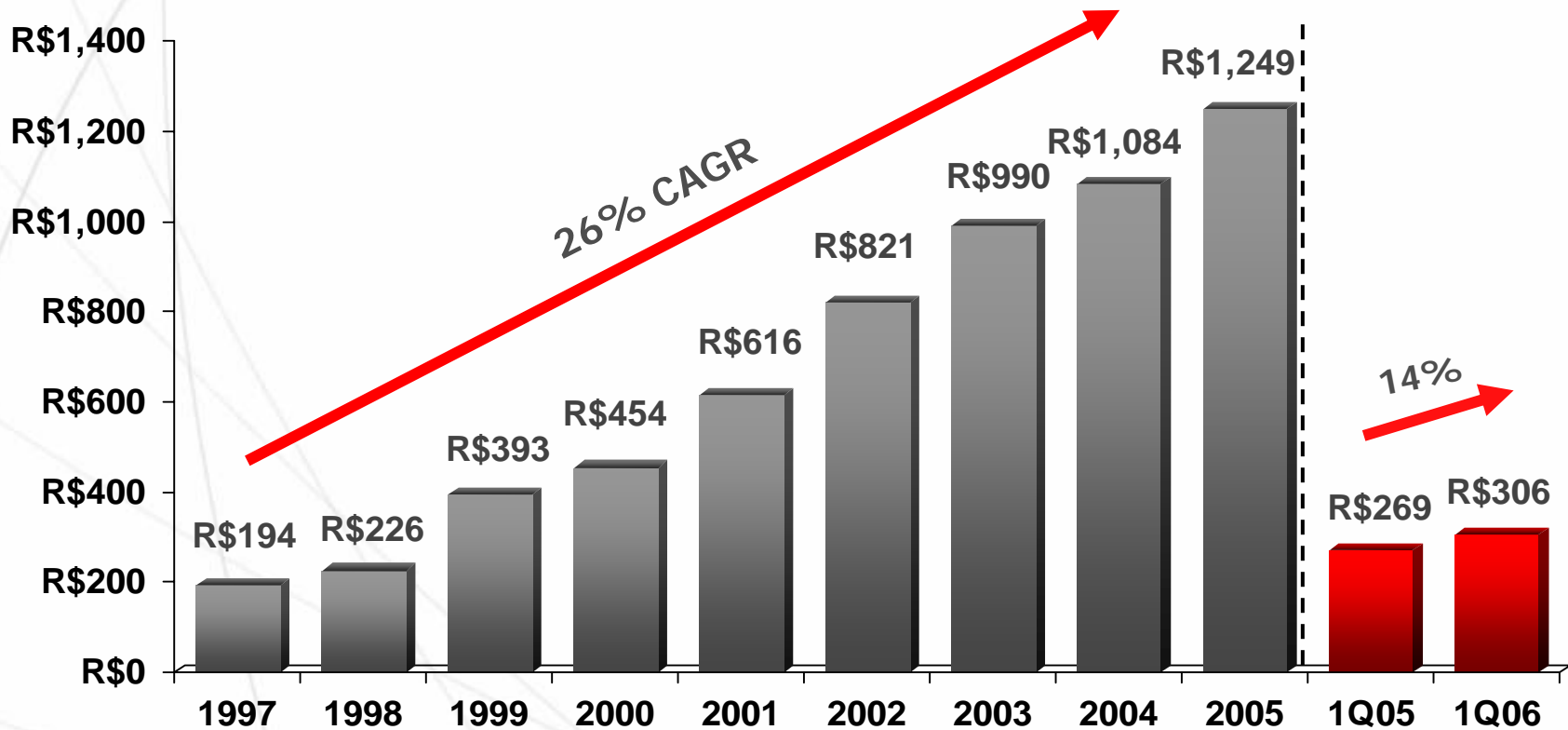
# Corporate Governance

- Shares listed under Novo Mercado's Level II of Superior Corporate Governance Practices
  - ✓ 100% Tag-Along for minority shareholders
  - ✓ Minimum Free-float of 25% (actual free-float of 70%)
  - ✓ Voting rights to preferred shareholders in certain issues in order to guarantee minority shareholders' rights
  - ✓ Conflict resolution through arbitration chamber



# Consolidated Gross Revenues

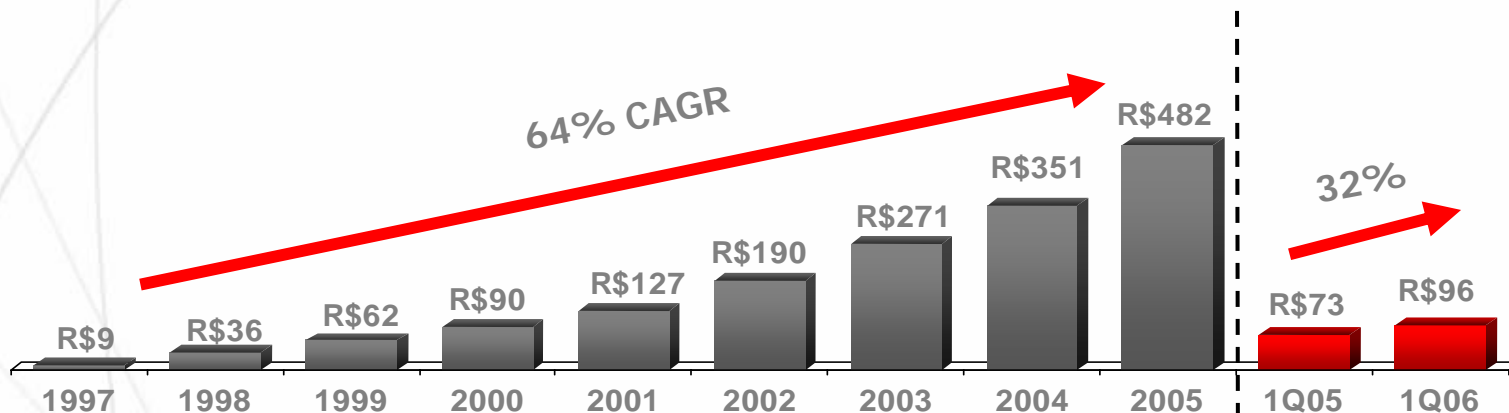
## Consolidated Gross Revenue (R\$m)



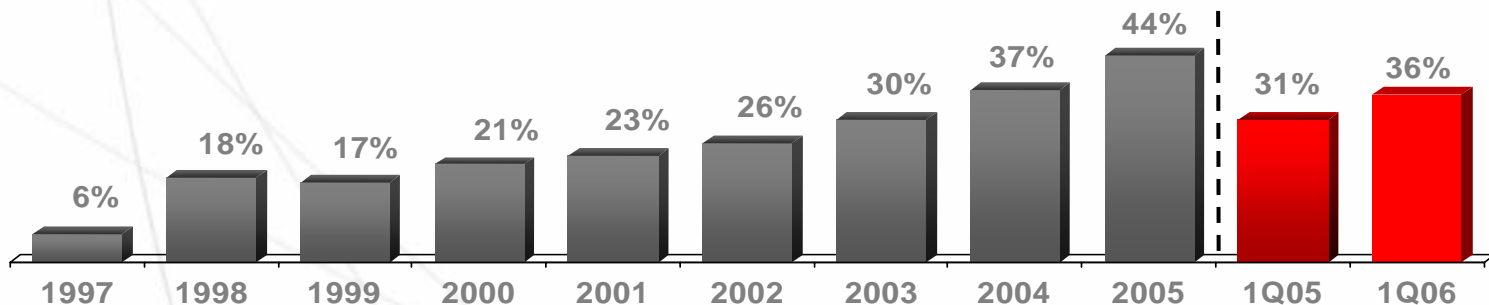


# Consolidated EBITDAR

## EBITDAR – Consolidated (R\$m)



## EBITDAR Margin – Consolidated

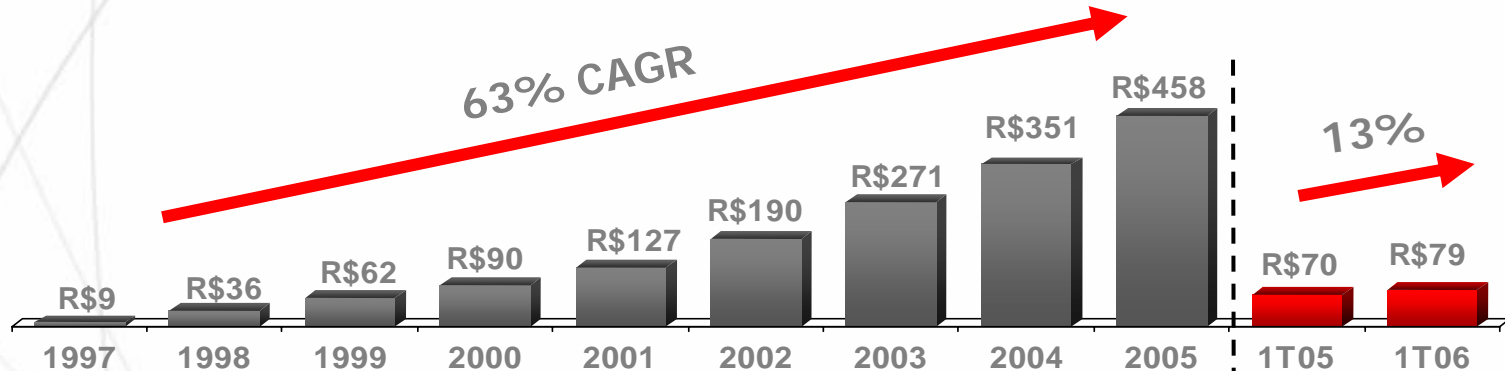


Notes:

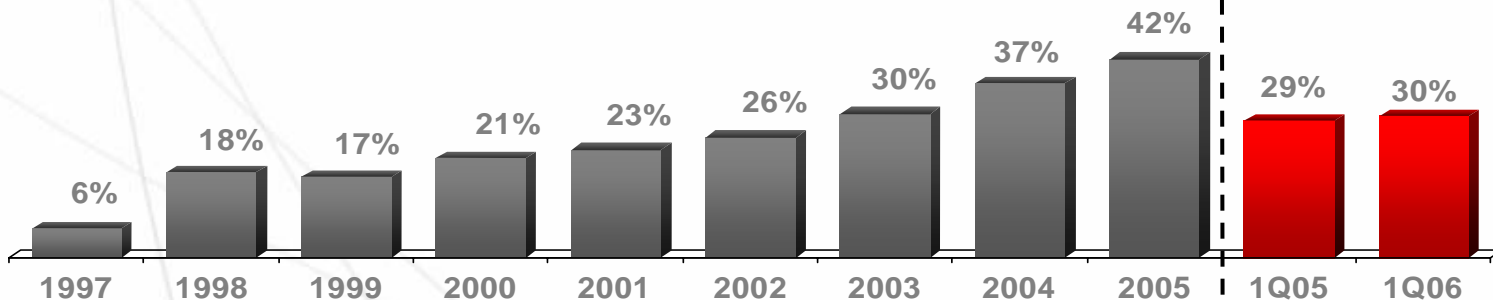
- (1) 1997 was the first year of operation after the privatization – Data from March 97 to February 98. 1999 figures account for the beginning of the Argentine operation.
- (2) The financial results from ALL Argentina were not consolidated with those of ALL Brazil as of December 1, 2001, following the sale of our then-existing interest in ALL Argentina to Logispar. Data for 2001 and 2003 are the combined results of ALL Argentina plus ALL Brazil. In December 2003, we acquired Logispar and consequently started consolidating its results with ALL Brazil as of January 1, 2004.

# Consolidated EBITDA

## EBITDA – Consolidated (R\$m)



## EBITDA Margin – Consolidated

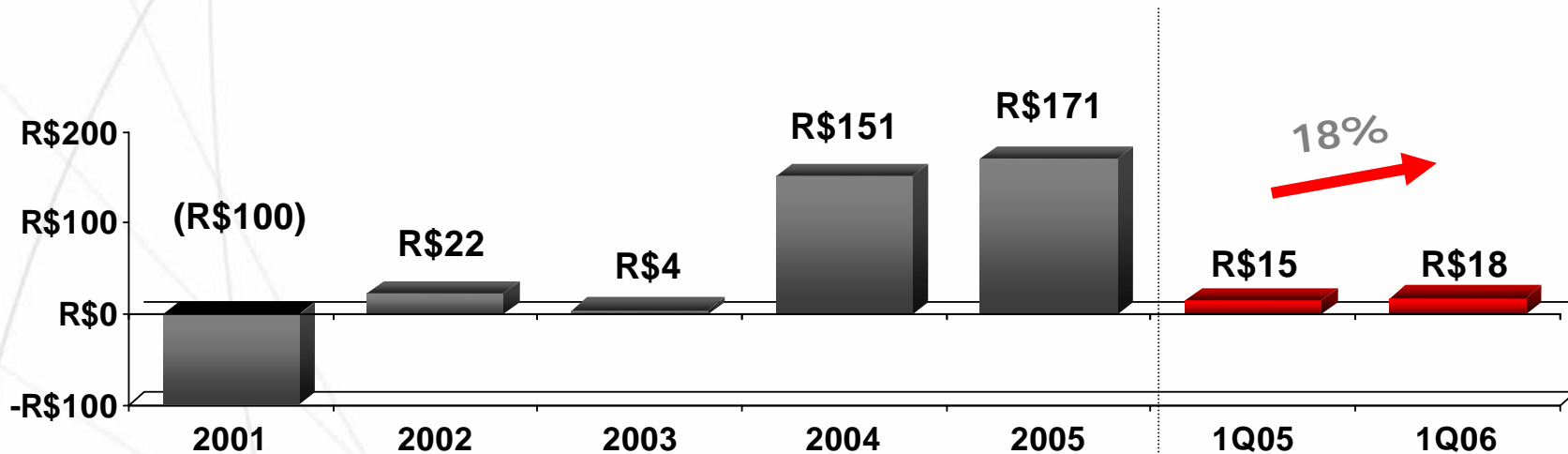


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# Consolidated Net Income

## Net Income – Consolidated (R\$m)



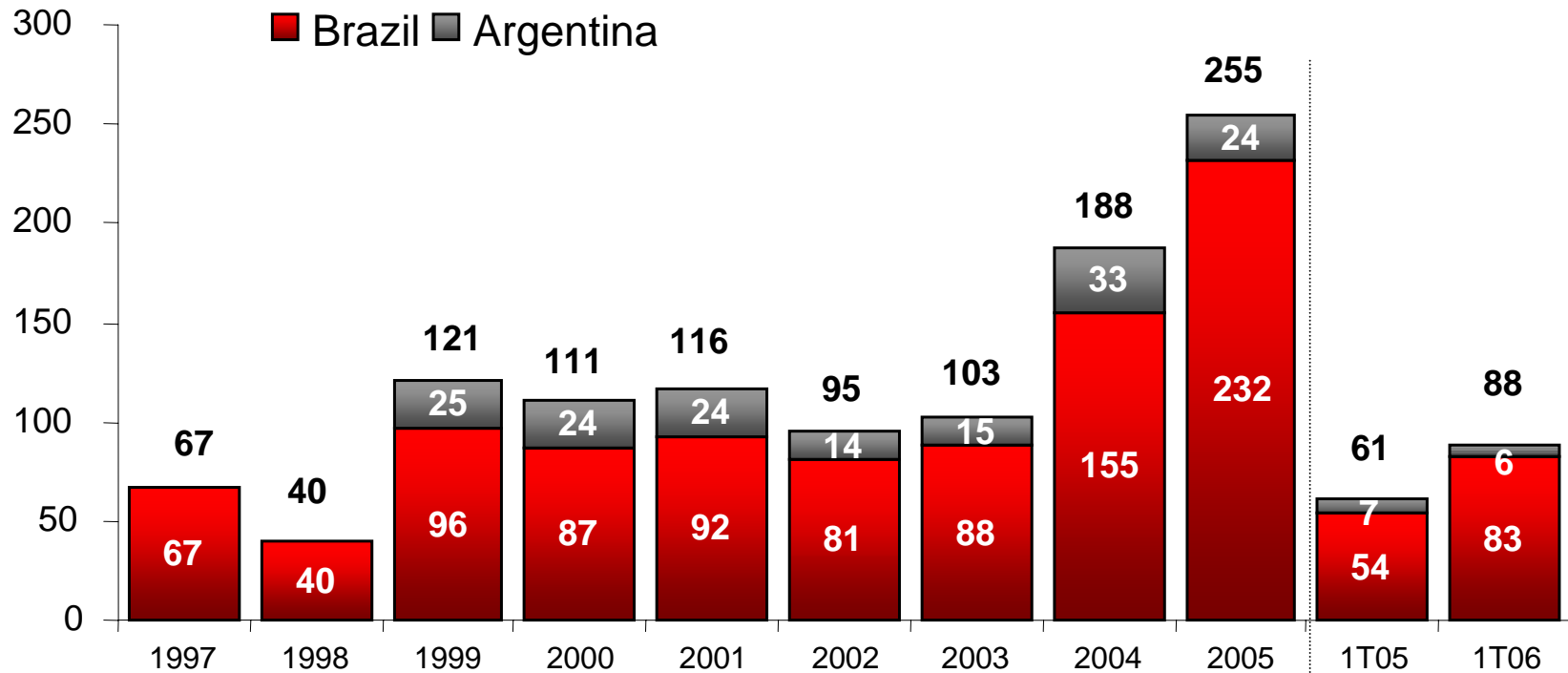
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\* Excluding the sales in non-controlled minority stakes.

# Disciplined Capital Expenditures

## Consolidated Capex (R\$m)



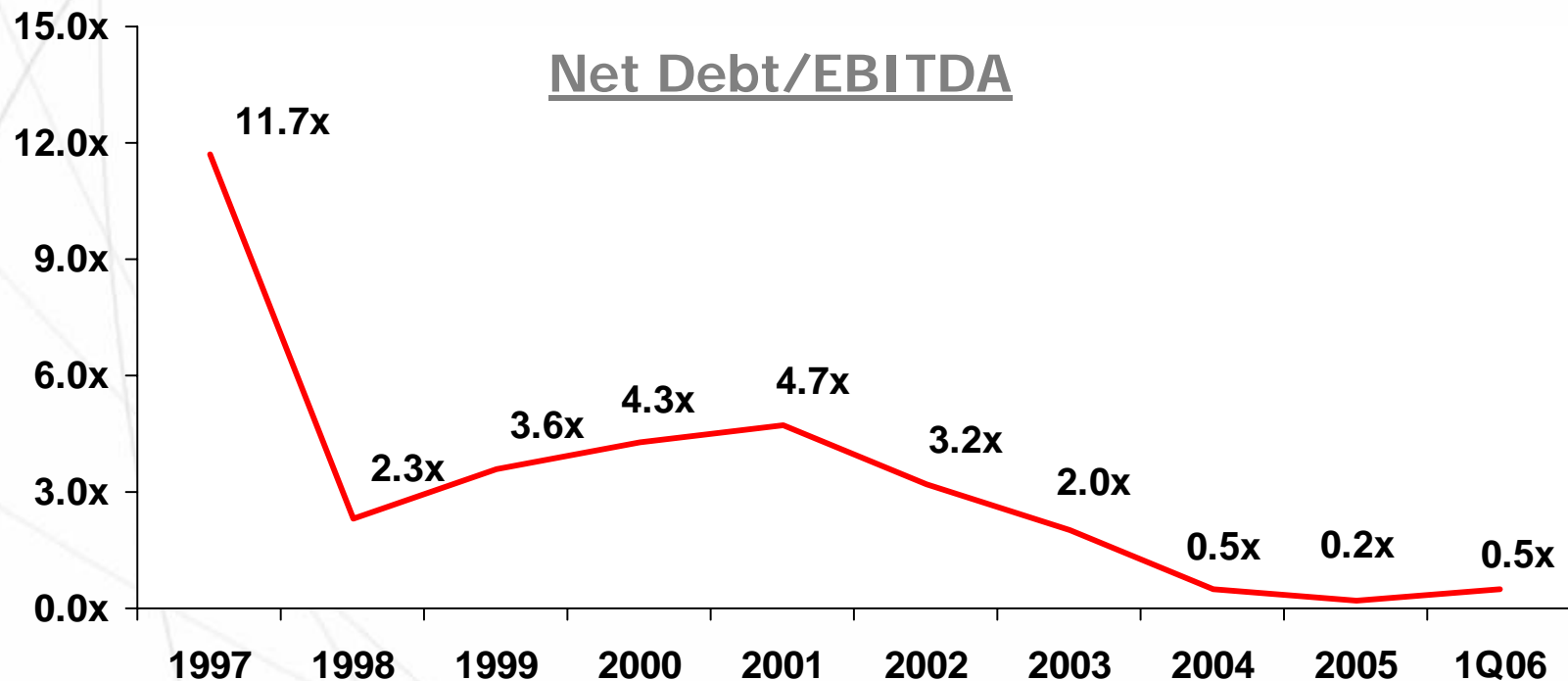
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  - In Brazil, increased 2004 Capex reflects larger investments in the acquisition of locomotives in the amount of R\$34.5 million, R\$ 6.3 million in new trucks and the reconstruction of the São João Bridge in the amount of R\$9.9 million. In Argentina, 2004 Capex increased mainly due to higher investments of R\$6.0 million in additional capacity.
- 1) In 2004, excludes R\$19.4 million related to clients investments in Brazil and R\$5.0 million related to clients investments in Argentina.



# Capital Structure

## *Solid Reduction in Net Debt/EBITDA*



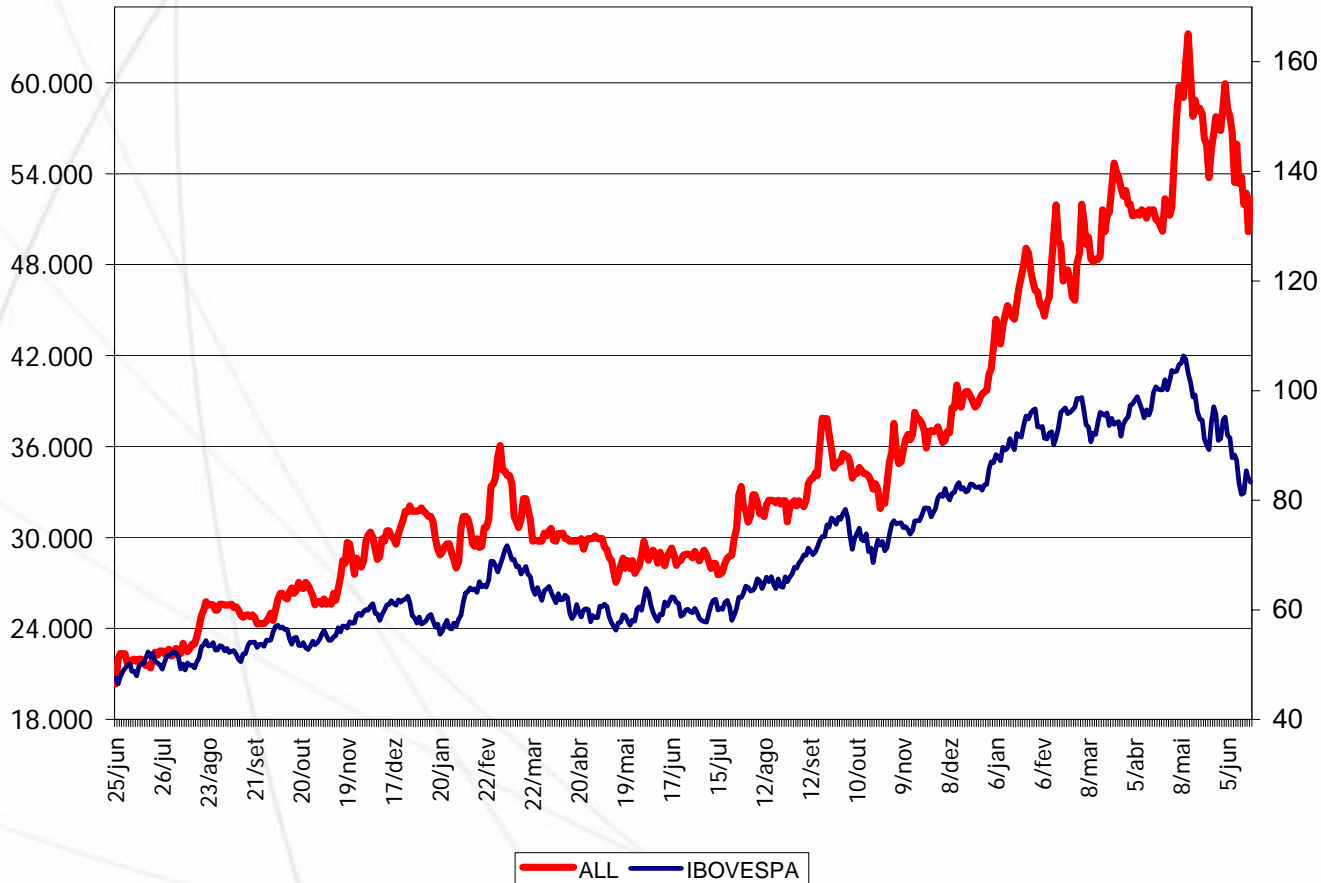
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# Stock Performance

Ibovespa

R\$/stock



**Accumulated since IPO:**

ALL: 190.3%

Ibovespa: 65.8%



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