

# 3Q06 Results



**AMÉRICA LATINA LOGÍSTICA**

*A gente nunca pára.*



AMÉRICA LATINA LOGÍSTICA

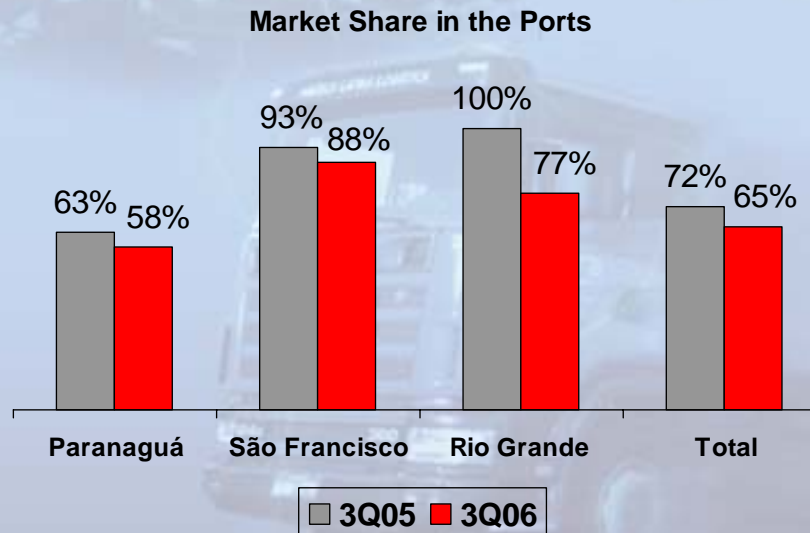
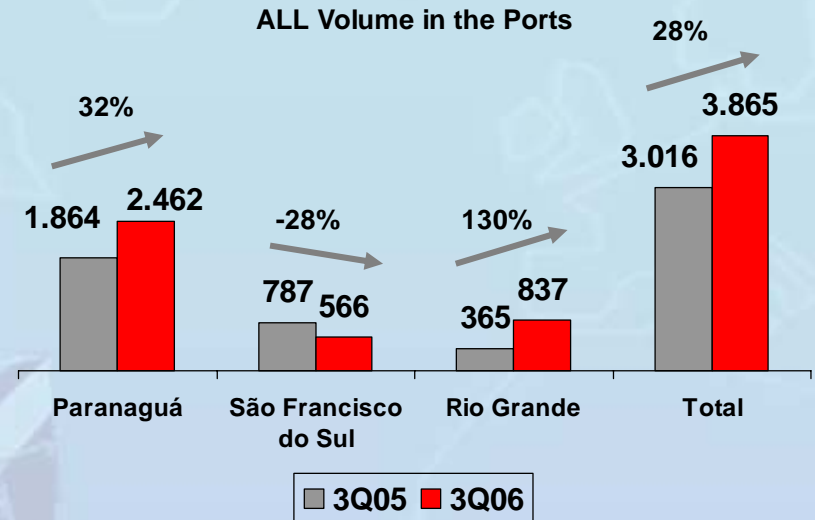
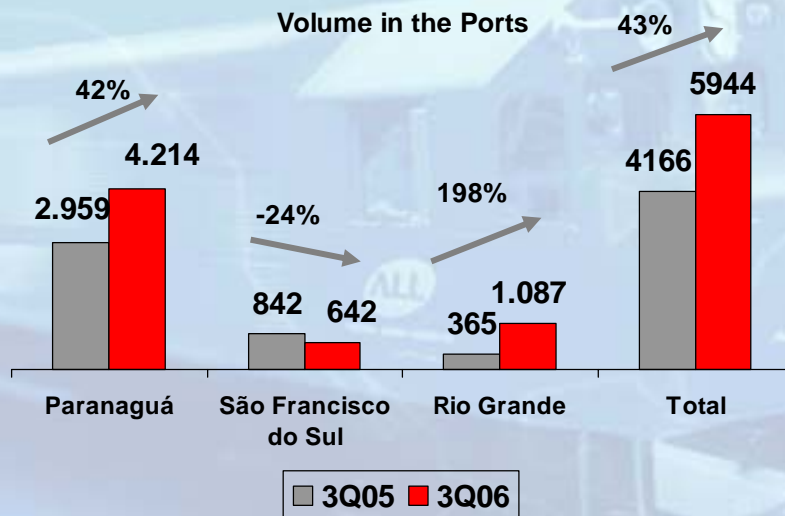
# 3Q06 Highlights



- EBITDAR increased 25.5% in 9M06, to R\$457.2 million and EBITDAR margins improved 3.6 points from 43.5% in 9M05 to 47.1%. In 3Q06, EBITDAR increased 25.7% and EBITDAR margins improved 1.5 points to 49.8%
- Volume in RTK increased 10.0% from 15,062 million RTK in 9M05 to 16,570 million RTK in 9M06. In 3Q06, volume grew 12.0%, to 6,489 million RTK
- The turn around process of Brasil Ferrovias is well underway. Major fixed cost adjustments were successfully concluded and all corporate and operational systems are already prepared for a full integration in 2007
- Preparation for 2007 already started with investments in locomotives, rail cars, rail lines and technology for the next year running as expected

- EBITDAR increased 28.6% reaching R\$309.4 million in 9M06 and EBITDAR margin improved 1.4 points to 59.3%. In 3Q06 EBITDAR increased 31.1% to R\$119.0 million
- Revenues increased 25.3% to R\$598.3 million in 9M06, with an average yield increase of 11.3% due to year-over-year diesel price increase. In 3Q06, revenues improved to R\$228.5 million, or 29.6% and yield grew 10.9%
- Volume increased 12.7% in 9M06 to 8,800 million RTK and 16.8% in 3Q06 to 3,647 million RTK
- Return cargo increased from 31% in 3Q05 to 45% in 3Q06 due to higher market share in fertilizers

# Agricultural Commodities



- EBITDAR increased 20.1% in 9M06, reaching R\$107.8 million and EBITDAR margin improved 0.9% from 42.4% in 9M05 to 43.3% in 9M06. In 3Q06, EBITDAR increased 13.9% to R\$46.5 million and EBITDAR margin decreased 2.4 percentage points to 47.4%
- Revenues increased 17.3% in 9M06 to R\$296.1 million, with an average yield growth of 8.9% in 9M06 with repasses of inflation and diesel price increases. In 3Q06, revenues increased 18.1% reaching R\$115.9 million with an average yield growth of 11.5%
- Intermodal Industrial Products' volume increased 21.1% in 9M06 and 19.6% in 3Q06, mainly due to increased in food products, containerized cargo, wood and steel products.

# Highway Services & Argentina Operations



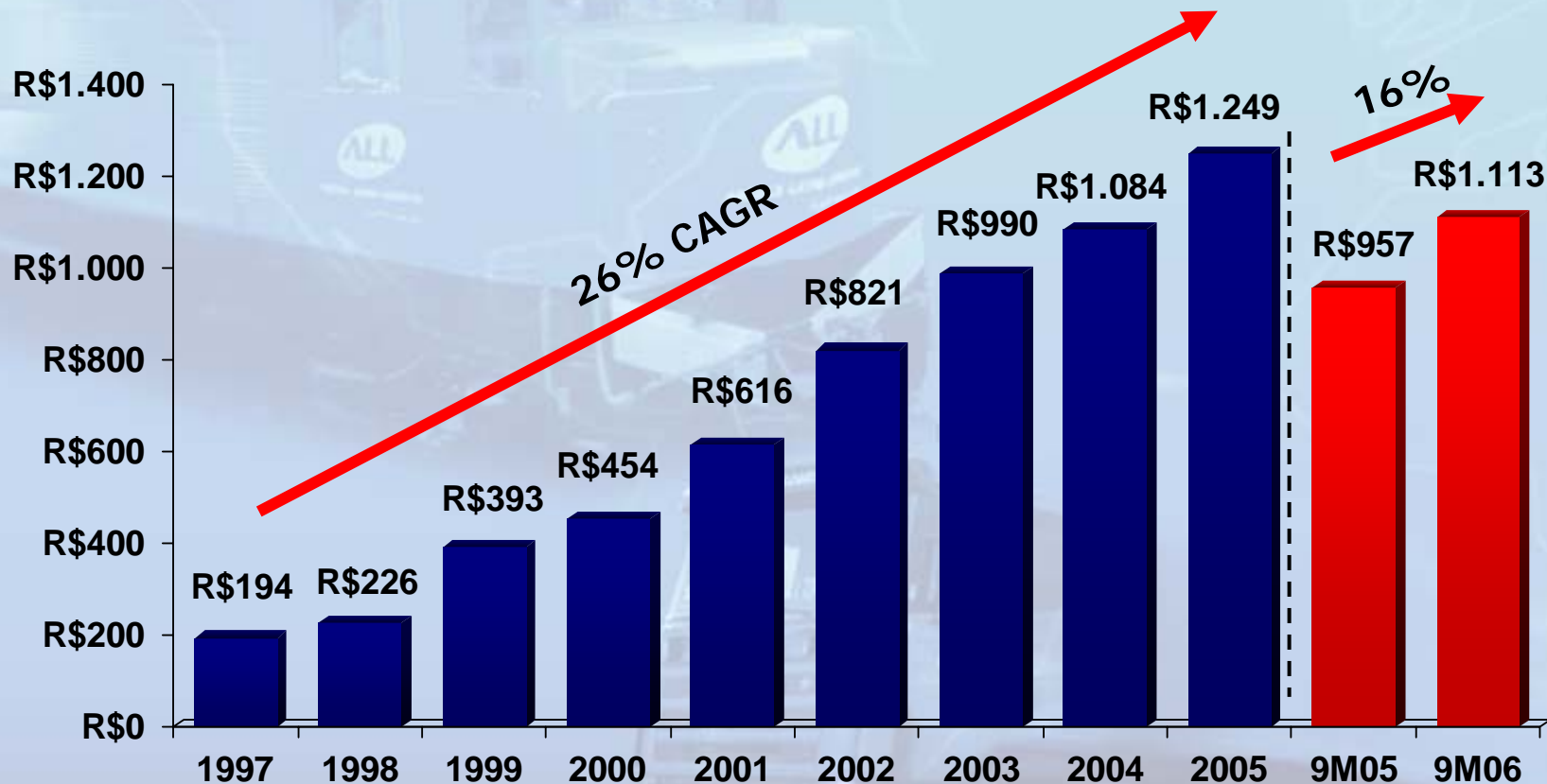
- Highway Services: EBITDA increased 224.4% in 9M06, to R\$5.3 million and EBITDA margin improved from 2.1% in 9M05 to 6.0% in 9M06. In 3Q06, EBITDA grew 76.9% reaching R\$2.0 million
- ALL Argentina volume increased 6.4% in 9M06, from 2,995 million RTK in 9M05 to 3,186 million RTK. In 3Q06 volume increased 7.1% to 1,159 million RTK and revenues increased 19.5%, to R\$43.0 million, with yield growth of 11.6%
- EBITDAR in ALL Argentina increased 9.5% in 9M06, to P\$34.8 million and EBITDAR margins increased 1.9% to 31.0%. In 3Q06, EBITDAR increased 20.8% to R\$15.4 million and EBITDAR margins increased 1.5% reaching 36.6%

- Turn around process in Brasil Ferrovias running as expected. Concluded fixed cost adjustments and all systems are prepared for a full integration in 1Q07
- EBITDAR in Brasil Ferrovias increased 29,6% in 3Q06, reflecting lower fixed cost base. EBITDA increased 68.0%, with a reduction in railcar rental costs. In 9M06, EBITDAR decreased 19.5% compared to 9M05 and EBITDA decreased 16.9%, to R\$116.5 million
- Volume decreased 6.2% in 3Q06 and revenues declined 12.8%. In 9M06, volume decreased 5.4% and revenues decreased 3.8% concentrating in flows that have better margins although are less productive

# Consolidated Gross Revenues



## Consolidated Gross Revenues (R\$ million)



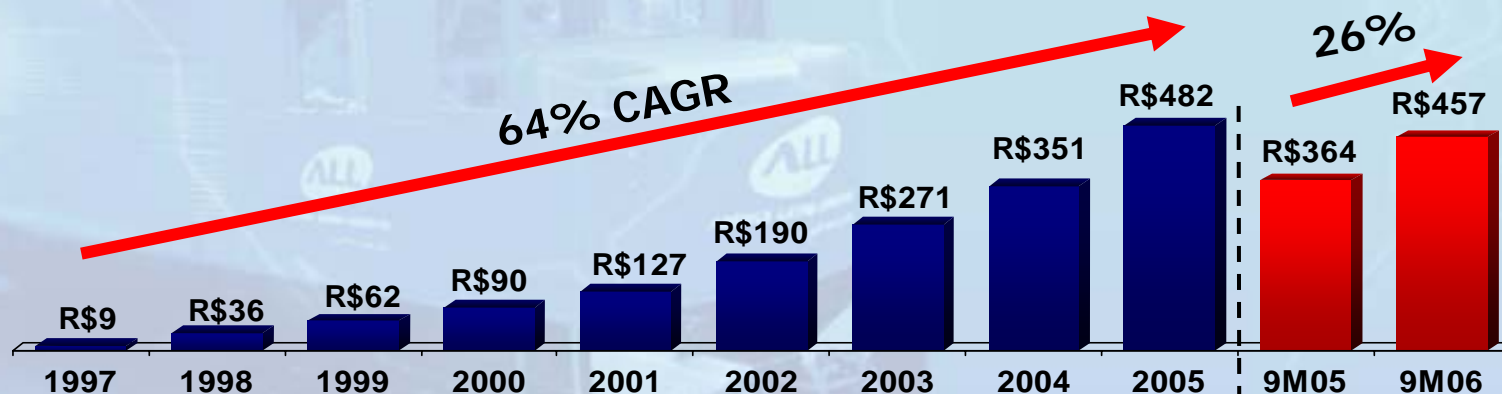
Notes:

- (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.

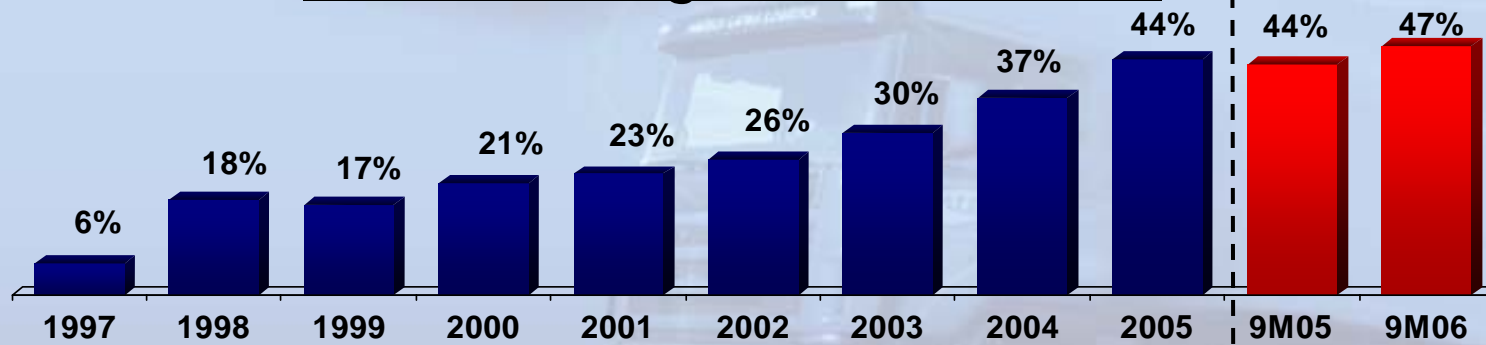


# Consolidated EBITDAR

## EBITDAR – Consolidated (R\$ million)



## EBITDAR Margin – Consolidated

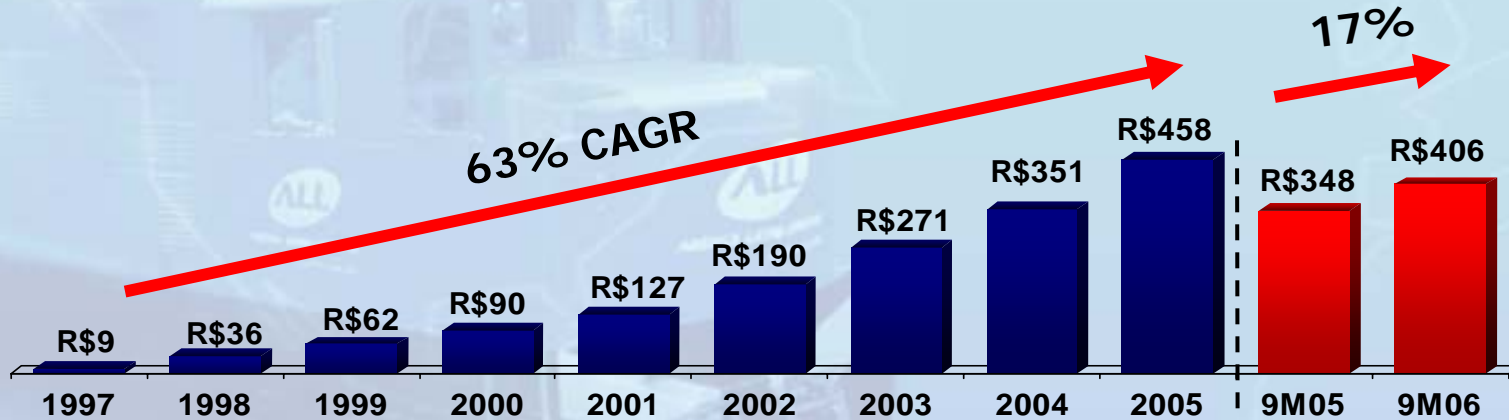


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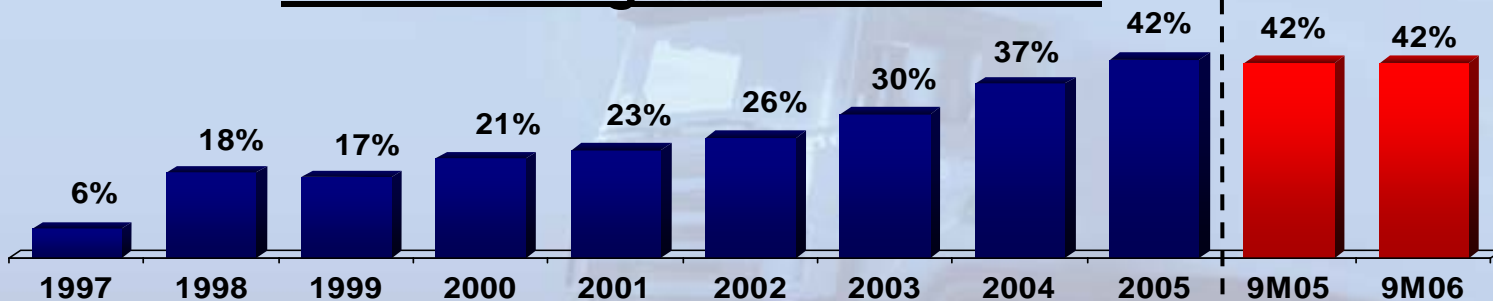
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# Consolidated EBITDA

## EBITDA – Consolidated (R\$ million)



## EBITDA Margin – Consolidated

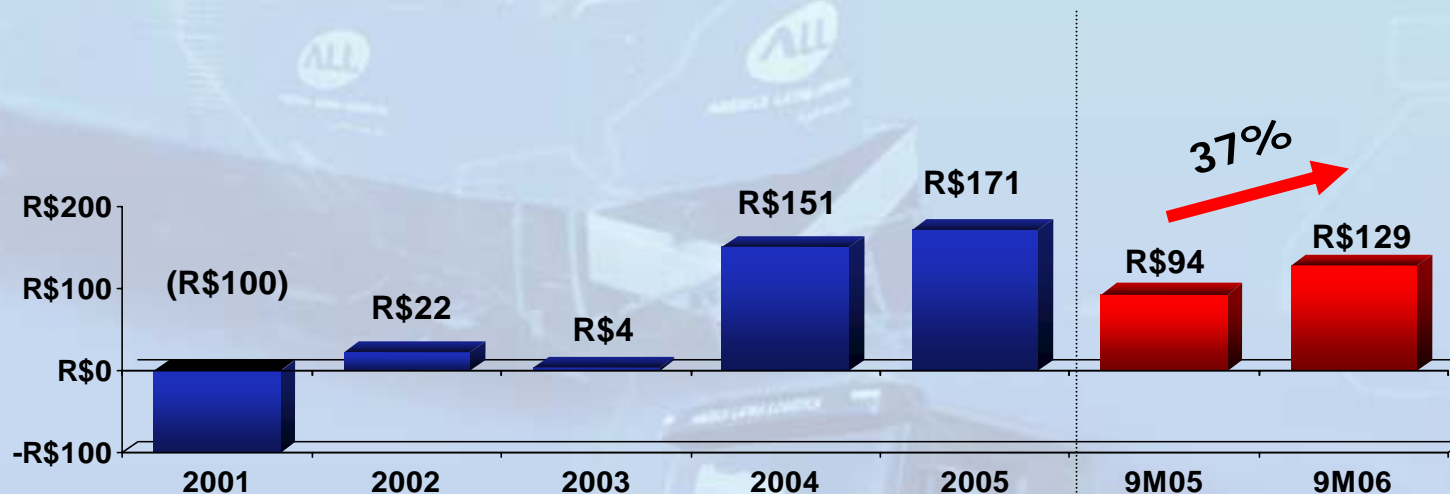


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# Consolidated Net Income

## Net Income – Consolidated (R\$ million)

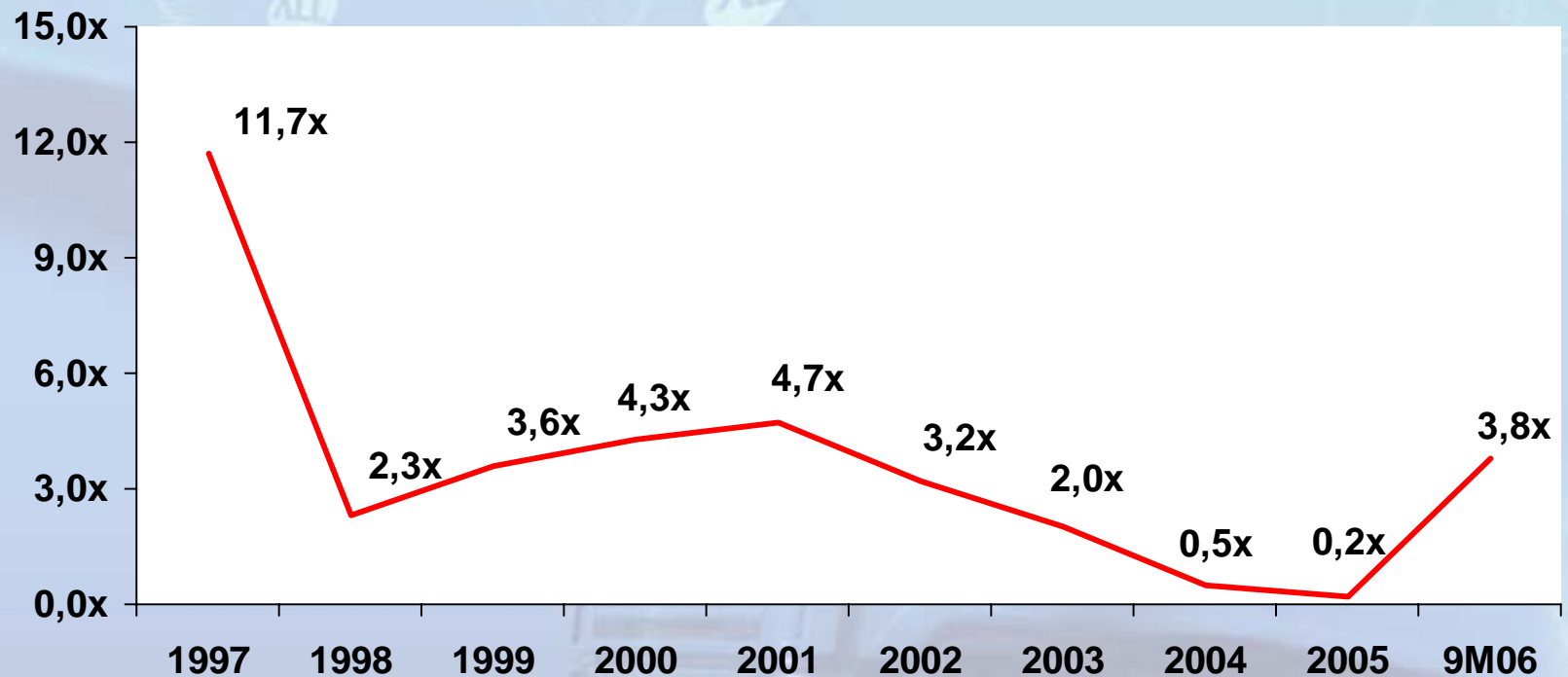


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## *Solid Reduction in Net Debt/EBITDA*

### Net Debt/EBITDA



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# Other Comments

- Our results in 3Q06 were impacted by a provision of R\$55.1 million related to expected losses in potential sale of our minority stake in Geodex
- Investments for 2007 are well underway in all operational areas
- Tariff's negotiations for next crop started and promise to be harder than last year, reflecting the perspective of a less promising Brazilian soy bean crop
- All operational and financial goals and objectives will be unified by january 2007

*We make forward-looking statements that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management, and on information currently available to us. Forward-looking statements include statements regarding our intent, belief or current expectations or that of our directors or executive officers.*

*Forward-looking statements also include information concerning our possible or assumed future results of operations, as well as statements preceded by, followed by, or that include the words "believes," "may," "will," "continues," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.*

*Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Our future results and shareholder values may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.*