



Conference Call on

1Q06 Earnings

May 05, 2006

1Q06 Earnings Highlights

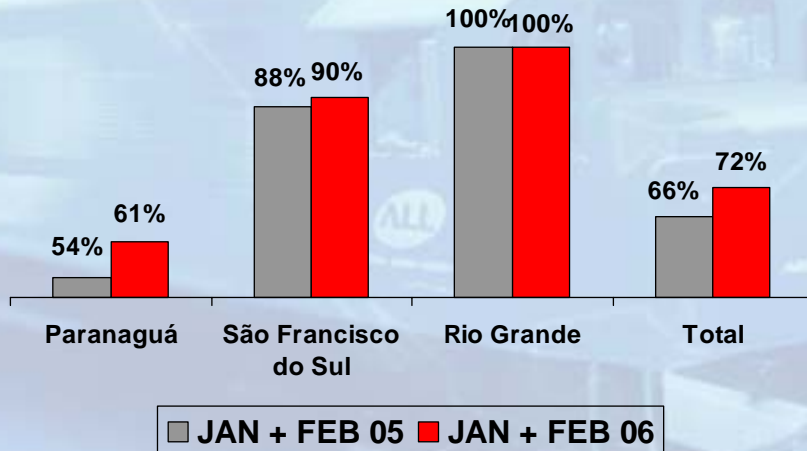


- EBITDAR increased 31.2% in 1Q06 reaching R\$95.5 million, and EBITDAR margin grew 5.5%, from 30.6% in 1Q05 to 36.1% in 1Q06
- Consolidated Volumes increased 9.6% from 4.235 million RTK in 1Q05 to 4.640 million RTK in 1Q06, pushed up by increases of 11.5% in agricultural commodities and 10.8% in industrial products
- Average Yield grew 6.7% from R\$54.6 to R\$58.3, mainly due to a 14.0% increase in agricultural commodities and 8.1% increase in industrial products, partially offset by a 20.4% decrease in ALL Argentina due to the devaluation of the Peso
- Revenues increased 13.6%, from R\$268.9 million in 1Q05 to R\$305.5 million in 1Q06. Net income increased 18.0% from R\$15.1 million in 1Q05 to R\$17.8 million in 1Q06

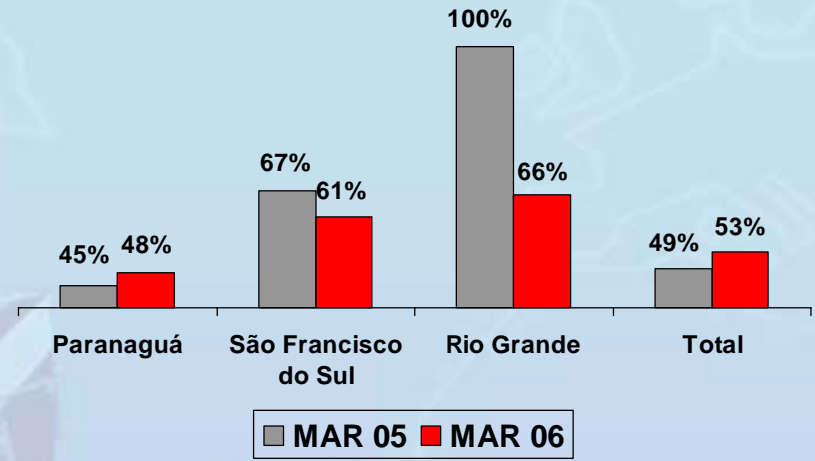
- In 1Q06, our market share in the ports increased from 57% to 61%:
The quarter had 2 distinct periods:
 - (i) From January until early March, the market still reflected the 2005 crop. Our market share in the ports increased from 66% to 72% and we kept our share of 100% in the Rio Grande Port
 - (ii) In March, the 2006 harvest transportation started. At this time, our market share grew 4%, from 49% to 53%. In the Rio Grande port, our share decreased from 100% to 66%, with the transported volume in the port increasing 280%

Agricultural Commodities

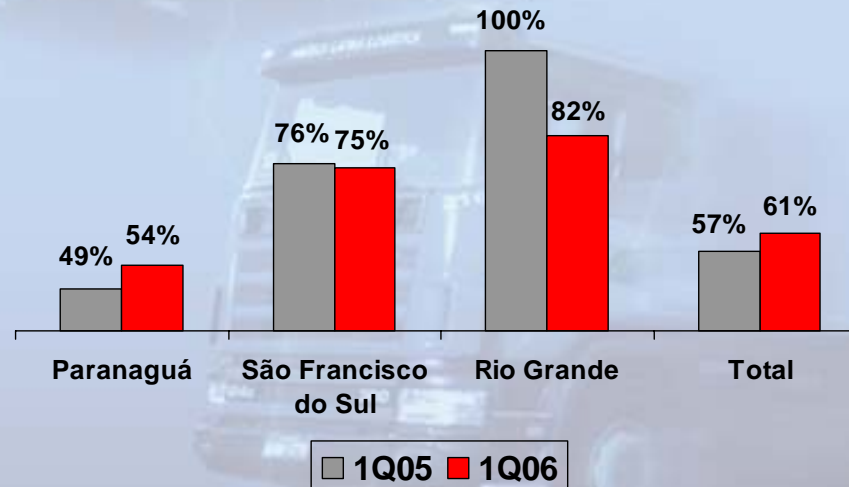
Market Share in the Ports



Market Share in the Ports



Market Share in the Ports



- Volume increased 11.5% in 1Q06, from 2,068 million RTK to 2,307 million RTK, with 65% of our capacity in take-or-pay agreements
- Gross revenues increased 27.1% to R\$153.4 million in 1Q06, with a yield increase of 14.0% due to the pass through of inflation and higher diesel prices compared to the previous year
- EBITDAR increased 43.1%, reaching R\$68.0 million in 1Q06 and EBITDAR margin increased 6.2% in 1Q06, from 44.9% to 51.1%

- Volume increased 10.8% in 1Q06, to 1,369 million RTK
- Intermodal industrial volumes increased 19.3% in 1Q06, especially in steel, food products, containers, wood and paper
- Gross revenues increased 19.8% in 1Q06, to R\$82.9 million, and average yield increased 8.1% in 1Q06, mainly due to pass through of inflation, as well as a change in the transported freight mix
- EBITDAR increased 33.9% in 1Q06, reaching R\$20.5 million and EBITDAR margin increased 3.7%, from 26.4% 1Q05 to 30.2% 1Q06

Highway Services & Argentina Operations

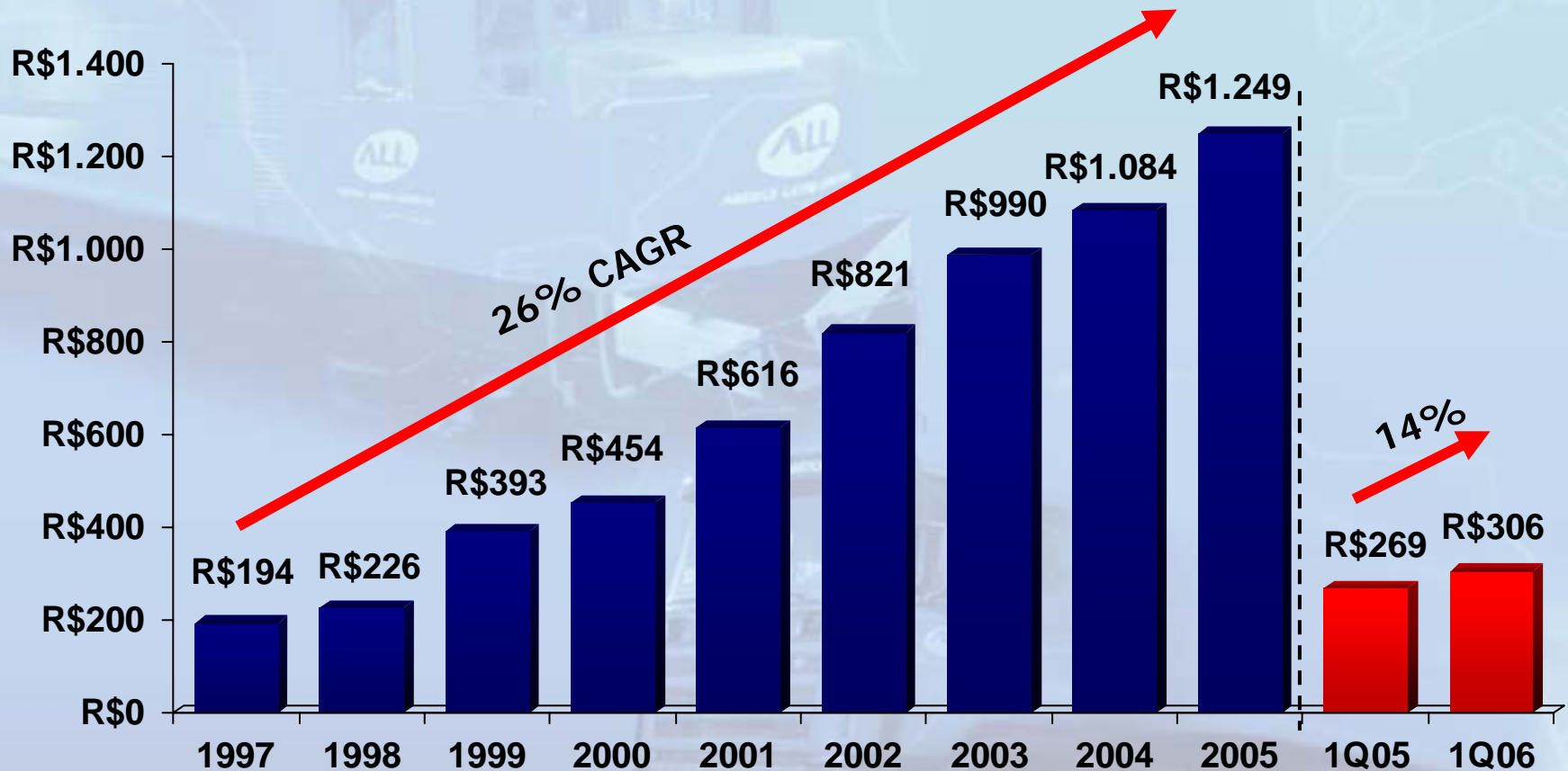


- Highway services: EBITDAR increased 185.7% in 1Q06, from R\$0.5 million to R\$1.4 million as we follow our strategy of concentrating in profitable dedicated operations
- Argentina volume increased marginally by 3.5% in 1Q06 reaching 964 million RTK, as the corn and wheat harvest dropped significantly and the soybean crop has been delayed. Our market share on the grain segment increased 13 points, from 27% in 1Q05 to 40% in 1Q06
- ALL Argentina EBITDAR decreased 20.5% in 1Q06 to P\$8.0 million as we did not react promptly to pass through to tariffs higher labor expenses

Consolidated Gross Revenues



Consolidated Gross Revenue (R\$m)

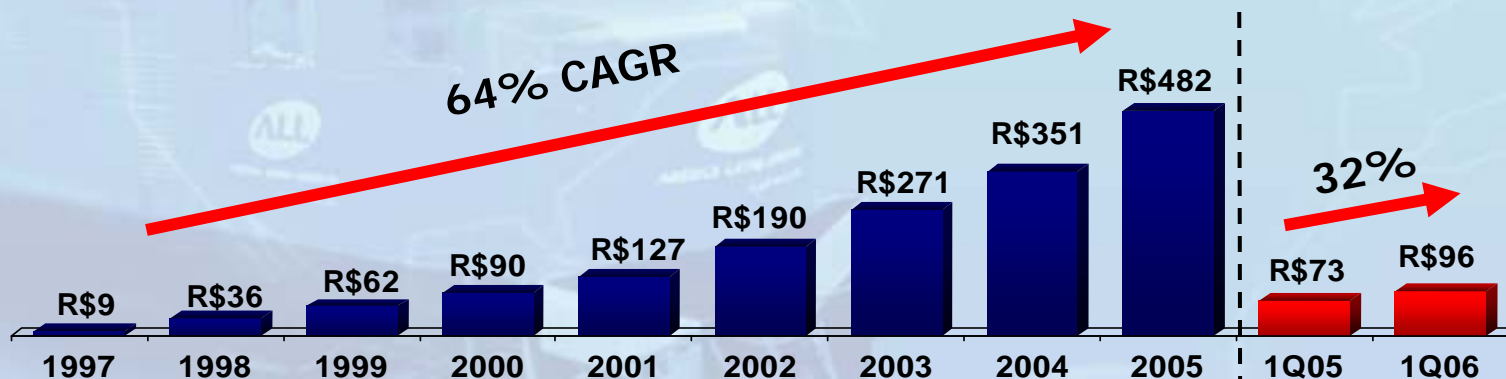


Notes:

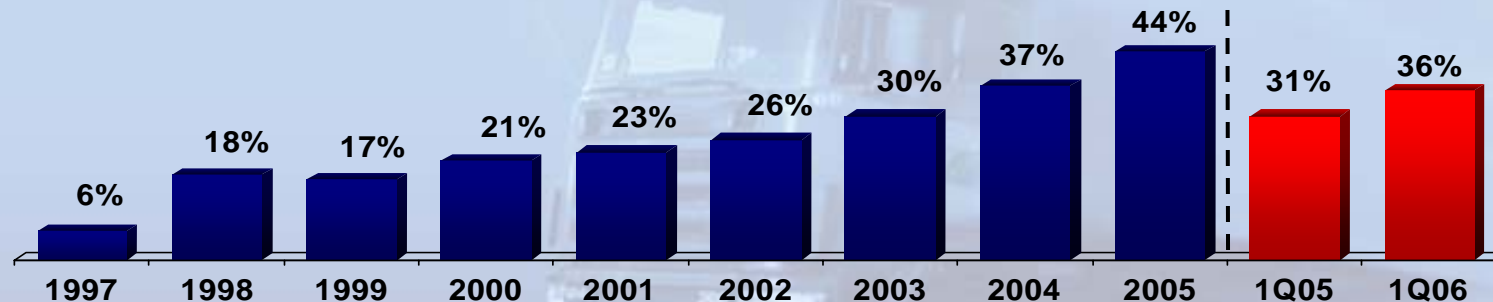
- (1) 1997 was the first year of operation after the privatization – Data from March 97 to February 98. 1999 figures account for the beginning of the Argentine operation.
- (2) The financial results from ALL Argentina were not consolidated with those of ALL Brazil as of December 1, 2001, following the 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\$mm)



EBITDAR Margin – Consolidated

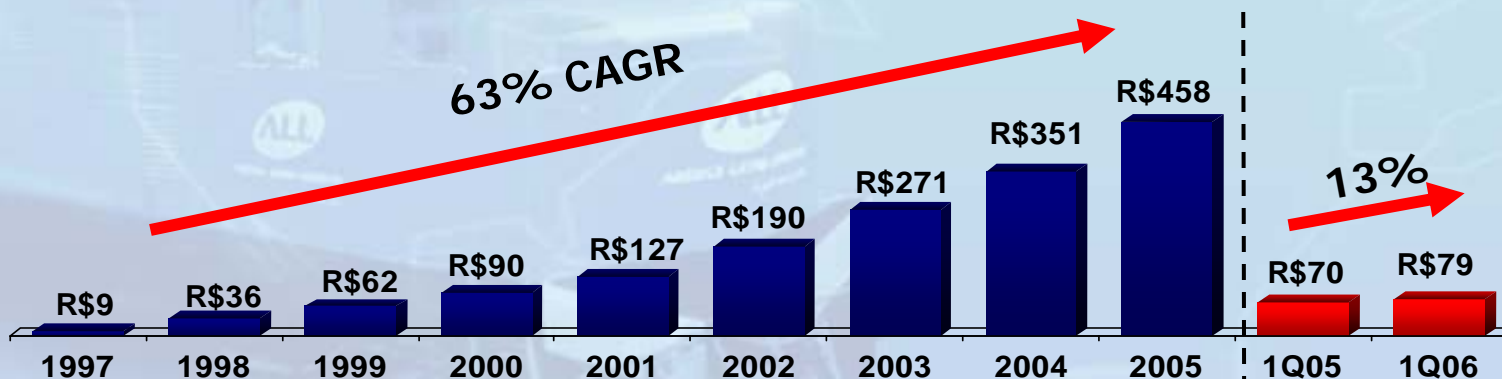


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Consolidated EBITDAR

EBITDA – Consolidated (R\$mm)



EBITDA Margin – Consolidated

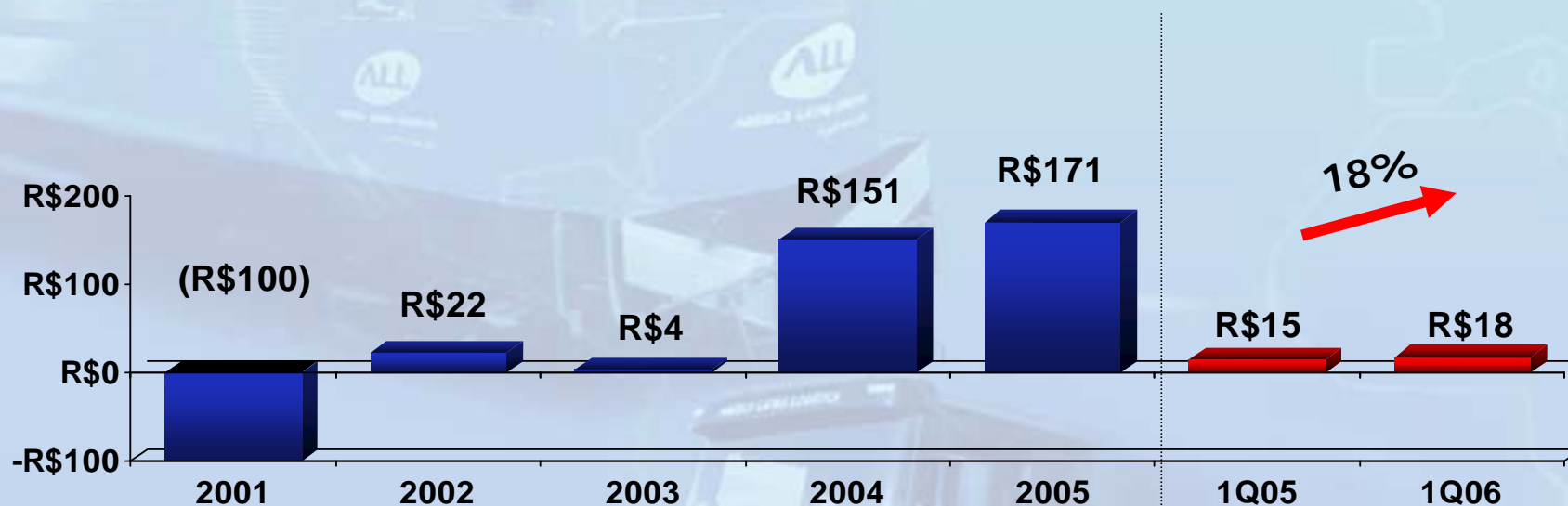


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Consolidated Net Income

Net Income – Consolidated (R\$m)



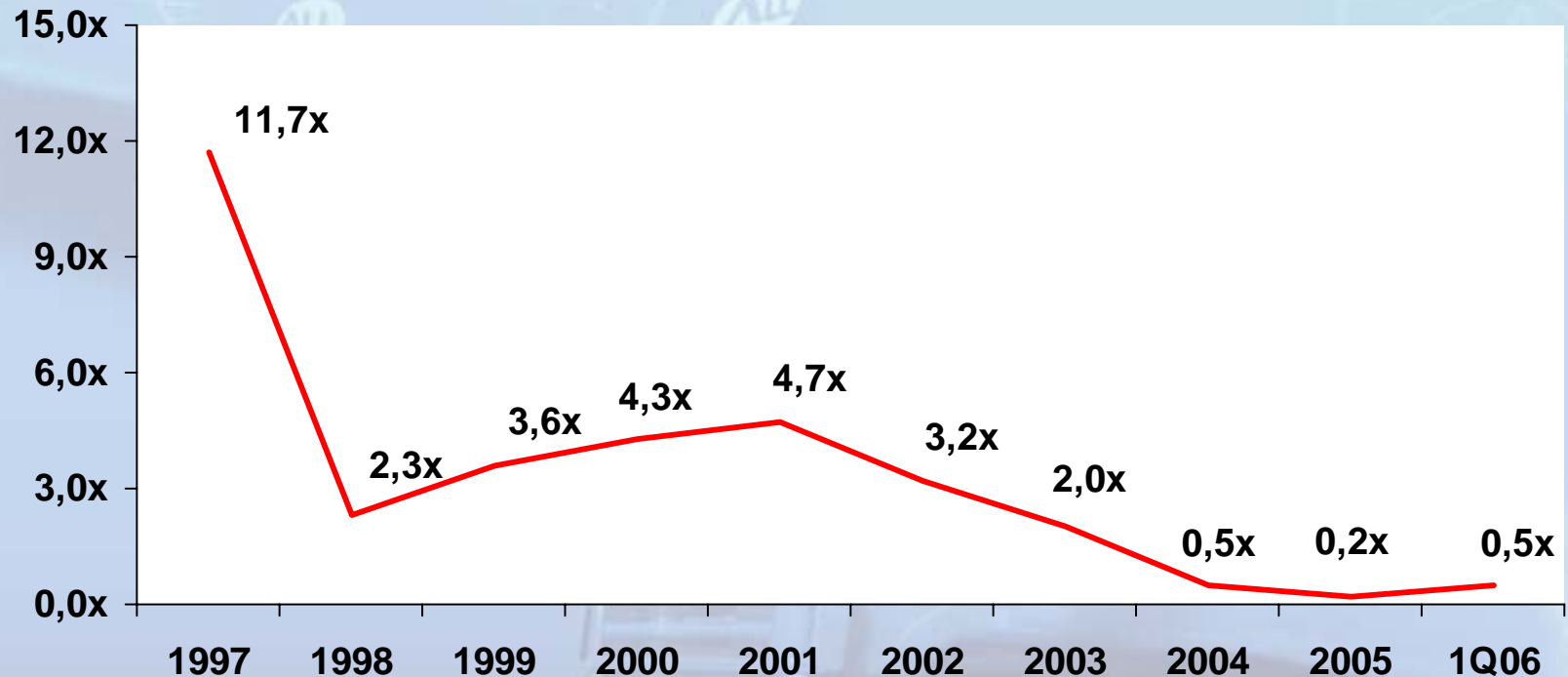
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* Excludes the effects of deferred tax gains registered in 9M04 and foreign currency translation losses in our investment in ALL Argentina registered in 9M05.

Solid Reduction in Net Debt/EBITDA

Net Debt/EBITDA



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Recent Developments

- In the Southern Region of Brazil, 2006 estimates point to more than 50% increase in the soybean crop
- 700 railcars were added to our fleet by our clients in the first quarter and another 300 railcars will be added in the coming months
- We presented a firm bid for the acquisition of Brasil Ferrovias. We bid for both systems and we continue in negotiations with the selling shareholders



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.