



AMÉRICA LATINA LOGÍSTICA



ALL REPORTS 1H06 AND 2Q06 RESULTS

Curitiba, Brazil, August 15, 2006 – América Latina Logística S.A.¹ – ALL (Bovespa: ALLL11)², Latin America's largest independent logistics company, announces its results for the first half and second quarter of 2006 (1H06 and 2Q06). ALL - taking into account assets of recently acquired Brasil Ferrovias and Novoeste Brasil - operates 960 locomotives, 27,000 rail cars, 1,400 highway vehicles, distribution centers and warehousing installations. ALL's rail network serves an area that accounted for approximately 80% of Mercosur's 2005 GDP. The Company serves six of the most active ports in Brazil and Argentina through which approximately 78% of South America's grain exports are shipped annually. We offer a full range of logistics services, including rail transportation, domestic and international intermodal door-to-door transportation, dedicated fleet services and warehousing services. ALL operates in Brazil and Argentina. The services in Brazil are provided by three business units: agricultural commodities, industrial products and highway services. Comparisons included in this report, unless otherwise stated, refer to the same period of 2005. Financial and operational information, unless otherwise stated, are presented in nominal Reais pursuant to Brazilian Corporate Law. Consolidated results, unless otherwise stated, excludes the results of Santa Fé Vagões (40% owned by ALL) and the results of recently acquired Brasil Ferrovias S.A. (wholly owned) and Novoeste Brasil S.A. (wholly owned). In this report the term "Brasil Ferrovias", unless otherwise stated, refers to both Brasil Ferrovias and Novoeste Brasil.

OPERATING AND FINANCIAL HIGHLIGHTS

- ✓ **In 1H06, EBITDAR increased 25.4% from R\$218.7 million in 1H05 to R\$274.4 million and EBITDAR margin improved 4.7 points from 40.8% in 1H05 to 45.5% in 1H06.** The year-over-year EBITDAR growth was a result of higher volumes and yields mainly in agricultural commodities and industrial products units. In agricultural commodities, EBITDAR increased 27.1% to R\$190.4 million and EBITDAR margin improved 2.1 percentage points to 58.9%. Industrial products EBITDAR increased 25.2% to R\$61.3 million and EBITDAR margin expanded 2.9 percentage points to 40.7%. In 2Q06, consolidated EBITDAR increased 22.3%, reaching R\$178.8 million and EBITDAR margin increased 4.0 points to 52.9%.
- ✓ **Consolidated volumes increased 8.8% from 9,268 million RTK in 1H05 to 10,082 million RTK in 1H06, despite farmers' protests which interrupted roads and railroads in May.** Volume growth was mainly driven by a 9.9% increase in agricultural commodities and an 8.8% increase in industrial products, driven by (i) a 100% increase in agricultural commodities volumes to Port of Rio Grande, as agricultural exports through the port increased 272% in 1H06 as compared to the same period of last year, and (ii) a 15.2% growth in industrial intermodal flows. In 2Q06, consolidated volumes increased 8.1% - despite weak volumes in May due to interruptions related to farmers' protests against Government's economic policy and the strong exchange rate.
- ✓ **Consolidated net income increased 97.1% in 1H06 reaching R\$97.6 million.** The increase reflects higher EBITDA during the period. In 2Q06, consolidated net income increased 131.0% from R\$34.5 million in 2Q05 to R\$79.7 million in 2Q06.
- ✓ **The acquisition of Brasil Ferrovias and the first phase of the restructuring process were successfully completed.** The agreement was signed on May 9th and on June 16th, after all necessary approvals the acquisition was completed in a share exchange, no cash transaction. A team of 20 ALL executives lead on a full time basis the restructuring process since May 10th. Work-force at Brasil Ferrovias has successfully been reduced from 4,500 to 2,000 with no disruption of service or loss of volumes. ALL and Brasil Ferrovias will be fully integrated and run as one company by 1Q07.

Conference Calls:

English
August 17, 2006
Thursday
11:00 a.m. US EST

Portuguese
August 17, 2006
Thursday
9:00 a.m. US EST

Meeting with Analysts and Investors:

August 22, 2006
Tuesday
11:00 a.m.
Caesar Business São Paulo Faria Lima
São Paulo - SP



¹ On May, 9th 2006, ALL acquired all of the shares of Brasil Ferrovias and Novoeste Brasil. Management will discuss and analyze 2006 results of ALL, Brasil Ferrovias and Novoeste Brasil on a separate basis.

² Preferred shares (ALLL4) and common shares (ALLL3) are also listed at BOVESPA but with no significant liquidity

Table 1 - Financial Highlights (R\$ millions)	2Q06	2Q05	% Change*	1H06	1H05	% Change*
ALL Brazil Operations						
Gross Sales	345.3	306.2	12.8%	616.7	533.6	15.6%
Net Sales	300.8	265.4	13.4%	532.4	461.8	15.3%
EBITDAR	165.1	136.4	21.0%	255.0	199.7	27.7%
<i>EBITDAR Margin**</i>	54.9%	51.4%	3.5%	47.9%	43.2%	4.6%
EBITDA	151.1	130.6	15.7%	224.4	191.0	17.5%
<i>EBITDA Margin**</i>	50.2%	49.2%	1.0%	42.2%	41.4%	0.8%
Net Income	72.7	56.7	28.3%	91.4	70.2	30.2%
ALL Consolidated***						
Gross Sales	383.5	340.6	12.6%	689.0	609.6	13.0%
Net Sales	338.0	298.9	13.1%	602.8	535.8	12.5%
EBITDAR	178.8	146.3	22.3%	274.4	218.7	25.4%
<i>EBITDAR Margin**</i>	52.9%	48.9%	4.0%	45.5%	40.8%	4.7%
EBITDA	164.8	140.4	17.4%	243.8	210.0	16.1%
<i>EBITDA Margin**</i>	48.8%	47.0%	1.8%	40.4%	39.2%	1.2%
Net Income	79.7	34.5	131.0%	97.6	49.5	97.1%
BRASIL FERROVIAS						
Gross Sales	247.4	248.4	-0.4%	433.6	427.3	1.5%
Net Sales	221.4	218.7	1.2%	387.0	378.4	2.3%
EBITDAR	52.5	81.7	-35.8%	82.1	136.4	-39.8%
<i>EBITDAR Margin**</i>	23.7%	37.4%	-13.7%	21.2%	36.1%	-14.8%
EBITDA	26.7	53.0	-49.7%	35.7	92.1	-61.2%
<i>EBITDA Margin**</i>	12.0%	24.2%	-12.2%	9.2%	24.3%	-15.1%
Net Income	(79.2)	(83.4)	-5.0%	(176.8)	(163.2)	8.4%
ALL AND BRASIL FERROVIAS PRO-FORMA ****						
Gross Sales	630.9	589.0	7.1%	1,122.6	1,036.9	8.3%
Net Sales	559.4	517.6	8.1%	989.8	914.2	8.3%
EBITDAR	231.3	228.0	1.5%	356.4	355.2	0.4%
<i>EBITDAR Margin**</i>	41.4%	44.1%	-2.7%	36.0%	38.8%	-2.8%
EBITDA	191.5	193.4	-1.0%	279.5	302.1	-7.5%
<i>EBITDA Margin**</i>	34.2%	37.4%	-3.1%	28.2%	33.0%	-4.8%
Net Income	0.5	(48.9)	na	(79.2)	(113.7)	-30.3%
EPS (R\$/ Share)	0.01	na	na	na	na	na
Consolidated Balance Sheet Indicators*****						
Total Assets	8,377.1	2,137.8	291.9%	8,377.1	2,137.8	291.9%
Shareholders Equity	2,477.3	828.7	198.9%	2,477.3	828.7	198.9%
Net Debt	2,281.6	228.0	900.7%	2,281.6	228.0	900.7%
Net Debt / (Trailing 12 months EBITDA)	4.1	0.6	579.4%	4.1	0.6	579.4%
Net Debt/ Equity	0.9	0.3	234.8%	0.9	0.3	234.8%

* Reflects the change in the 2Q06 and 1H06 compared to the same period 2005.

** For EBITDAR margin and EBITDA margin change means percentage points gained/(lost)

*** Excludes results of Santa Fé Vagões (40% owned by ALL), Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned).

**** Combined Results from ALL and Brasil Ferrovias

***** In 2Q06 and 1H06, includes Brasil Ferrovias and our 40% stake in Santa Fé Vagões.

In Brasil Ferrovias, results from 2Q06 and 1H06 excludes adjustments from opening Balance Sheet

Per share calculation based on number of existing shares as of June 30

Values may not add up due to rounding

Comments from Bernardo Hees – CEO

We are very pleased to announce ALL first semester results showing a 25.4% year-over-year EBITDAR growth and increases of 8.8% in volumes, 13.0% in revenues, 16.1% in EBITDA and 97.1% in net income.

These results were reached despite the problems we faced in May as farmers blocked roads and railroads over states of Mato Grosso, Mato Grosso do Sul and Paraná in order to protest against Brazil's strong exchange rate and lack of Government subsidies to commodities exports. Portions of our rail network in northern Paraná State - which are responsible for more than 80% of our agricultural commodities volumes - were blocked for 20 days. Also all highways connecting our rail terminals to the States of Mato Grosso and Mato Grosso do Sul were interrupted for 25 days. In spite of these interruptions, we were able to partially offset these losses and increased agricultural commodities volumes by 8.6% in 2Q06 mainly due to (i) a strong growth in the southern part of our rail network, as exports through the Port of Rio Grande increased 547%, recovering from 2005's drastic draught; and (ii) a good agricultural commodities performance during April and June; concluding the first semester with a 9.9% growth in volume while revenues increased 22.9%, average yield by 11.8% and EBITDAR by 27.1%.

In industrial products, volumes in intermodal flows increased 12.0% in 2Q06 and overall industrial volumes increased 7.1%, as demand for shipment of fuel products was negatively impacted by the road interruptions. Industrial segment revenues increased 14.3%, average yield grew 6.7% and EBITDAR increased 21.3%, from R\$33.7 million to R\$40.8 million. In 1H06, industrial volumes increased 8.8%, revenues increased 16.8% and EBITDAR increased 25.2%. Highway-based services increased EBITDAR by 261%, reaching R\$1.8 million in 2Q06 despite a volume reduction of 25.6%. In 1H06, EBITDAR increased to R\$3.2 million from R\$1.0 million in 1H05, or 224% and volumes decreased 21.5% to 23.2 million revenue kilometers. ALL Argentina recovered from a weak first quarter increasing volumes by 8.3% in 2Q06 and EBITDAR by 48.7% to P\$19.8 million, leading to a volume growth of 6.0% and EBITDAR increased 18.9% in 1H06.

In 2Q06, we concluded the acquisition of Brasil Ferrovias, an important step towards our vision of being the best logistics provider in Latin America. The deal improves our strategic position in agricultural commodities and industrial segments, reinforces the fundamentals of our business and increases the scale of our rail network. The turnaround process has already started and head-count has been significantly reduced. This first and important phase was successfully completed without disruptions in service or loss of volume. The whole turnaround process will take two to three years and we expect the two companies to be fully integrated and run as one by 1Q07. During 2006, ALL and Brasil Ferrovias will still be run independently and all goals and objectives set for ALL at the end of last year remain unchanged.

Favorable results in 2Q06 despite all problems faced in May showed the strong results-oriented culture of our team, reassuring our confidence in ALL 2006 target results and a successful integration of Brasil Ferrovias.

OPERATING PERFORMANCE BY BUSINESS SEGMENT

Consolidated Results³

Consolidated EBITDAR increased 25.4% in 1H06 from R\$218.7 million in 1H05 to R\$274.4 million in 1H06 and EBITDAR margin increased 4.7 percentage points from 40.8% in 1H05 to 45.5% in 1H06. This significant improvement in results was achieved in spite of the problems we faced in May when farmers blocked roads and railroads interrupting flows from northern Paraná to the Ports of Paranaguá and São Francisco. The overall increase reflects gains in all business units, with higher volumes and yield in agricultural commodities, industrial products and ALL Argentina. In highway services EBITDAR increased as the process of concentrating operations on more profitable flows continued with lower transported volumes and revenues as compared to the same period of 2005.

³ Excludes results of Santa Fé Vagões (40% owned by ALL) and the results of recently acquired Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned)

Table 2 - EBITDAR (R\$ million)	2Q06	2Q05	Growth 2Q06	% Growth 2Q06	1H06	1H05	Growth 1H06	% Growth 1H06
ALL Consolidated	178.8	146.3	32.6	22.3%	274.4	218.7	55.6	25.4%
ALL Brazil	165.1	136.4	28.7	21.0%	255.0	199.7	55.3	27.7%
Agricultural Commodities	122.4	102.3	20.2	19.7%	190.4	149.8	40.7	27.1%
Industrial Products	40.8	33.7	7.2	21.3%	61.3	48.9	12.4	25.2%
Highway-Based Services	1.8	0.5	1.3	261.2%	3.2	1.0	2.2	224.4%
ALL Argentina	13.7	9.8	3.9	39.6%	19.4	19.0	0.4	2.0%

Gross revenues increased by 13.0% from R\$609.6 million in 1H05 to R\$689.0 million in 1H06, and yield measured in R\$/000 RTK expanded 7.7% from R\$57.3 to R\$61.7 in the same period. Total volumes increased 8.8%, from 9,268 million RTK in 1H05 to 10,082 million RTK in 1H06, due to increases of 9.9% in agricultural commodities, 8.8% in industrial products and 6.0% in ALL Argentina. The protests against domestic agricultural policy reduced volumes in May as farmers blocked part of our rail network in northern Paraná for 20 days and the roads connecting the central-west region of Brazil to our clients' terminals for 25 days. The blockage had a strong negative impact (i) in agricultural commodities volumes to the ports of Paranaguá and São Francisco; and (ii) in fuel products volumes in our main route from Repar (Refinaria Presidente Getúlio Vargas in Curitiba) to Maringá and Londrina. However, the 214% growth in ALL's shipments of agricultural commodities to the port of Rio Grande in 2Q06 and the outstanding operational performance achieved during April and June at the northern portion of our network partially offset the losses incurred in May.

Table 3 - EBITDAR Margin (%)	Second Quarter			First Half		
	2Q06	2Q05	Change*	1H06	1H05	Change*
ALL Consolidated	52.9%	48.9%	4.0%	45.5%	40.8%	4.7%
ALL Brazil	54.9%	51.4%	3.5%	47.9%	43.2%	4.6%
Agricultural Commodities	64.3%	64.7%	-0.4%	58.9%	56.8%	2.1%
Industrial Products	49.3%	46.9%	2.4%	40.7%	37.8%	2.9%
Highway Based Services	6.7%	1.4%	5.2%	5.6%	1.5%	4.1%
ALL Argentina	37.0%	29.4%	7.6%	27.5%	25.7%	1.8%

* Indicates percentage points gain / (loss)

In 2Q06, volumes increased 8.1%, from 5,033 million RTK in 2Q05 to 5,442 million RTK, mainly due to a volume increase of 8.6% in agricultural commodities and 7.1% increase in industrial products. Gross revenues increased 12.6% in the second quarter of 2006 reaching R\$383.5 million and average yield expanded 8.5% from R\$59.6 per thousand RTK in 2Q05 to R\$64.7 per thousand RTK in 2Q06. Consolidated EBITDAR increased 22.3% to R\$178.8 million, and EBITDAR margin increased 4.0 percentage points, from 48.9% in 2Q05 to 52.9% in 2Q06.

After taking into account rail car rental expenses, ALL's consolidated EBITDA increased 17.4% and 16.1% in the 2Q06 and 1H06, respectively. Rail car rental expenses are related to the addition of new rail cars to our fleet by our clients in agricultural commodities and industrial products business units. EBITDA in agricultural commodities increased from R\$141.6 million in 1H05 to R\$163.1 million in 1H06, or 15.2%, and industrial products EBITDA increased from R\$48.4 million in 1H05 to R\$58.1 million in 1H06, or 20.0%.

Table 4 - EBITDA (R\$ million)	2Q06	2Q05	Growth 2Q06	% Growth 2Q06	1H06	1H05	Growth 1H06	% Growth 1H06
ALL Consolidated	164.8	140.4	24.4	17.4%	243.8	210.0	33.8	16.1%
ALL Brazil	151.1	130.6	20.5	15.7%	224.4	191.0	33.4	17.5%
Agricultural Commodities	109.8	97.0	12.8	13.2%	163.1	141.6	21.5	15.2%
Industrial Products	39.5	33.1	6.3	19.2%	58.1	48.4	9.7	20.0%
Highway-Based Services	1.8	0.5	1.3	261.2%	3.2	1.0	2.2	224.4%
ALL Argentina	13.7	9.8	3.9	39.6%	19.4	19.0	0.4	2.0%

Agricultural Commodities

Agricultural commodities' EBITDAR increased 27.1% in 1H06, from R\$149.8 million in 1H05 to R\$190.4 million in 1H06, mainly due to volume and yield growth, and EBITDAR margin improved 2.1 percentage points reaching 58.9%. In 2Q06, EBITDAR increased 19.7%, from R\$102.3 million in 2Q05 to R\$122.4 million in 2Q06, while EBITDAR margins worsened from 64.7% to 64.3%.

Table 5 - Agricultural Commodities (R\$ million)	Second Quarter			First Half		
	2Q06	2Q05	Change*	1H06	1H05	Change*
Volume (million RTK)	2,847	2,621	8.6%	5,154	4,689	9.9%
Gross Revenues	216.4	180.3	20.0%	369.8	301.0	22.9%
Gross Yield (R\$/'000 RTK)	76.0	68.8	10.5%	71.8	64.2	11.8%
Net Revenues	190.4	158.0	20.5%	323.5	263.9	22.6%
EBITDAR	122.4	102.3	19.7%	190.4	149.8	27.1%
EBITDAR Margin	64.3%	64.7%	-0.4%	58.9%	56.8%	2.1%
EBITDA	109.8	97.0	13.2%	163.1	141.6	15.2%
EBITDA Margin	57.7%	61.4%	-3.7%	50.4%	53.7%	-3.2%

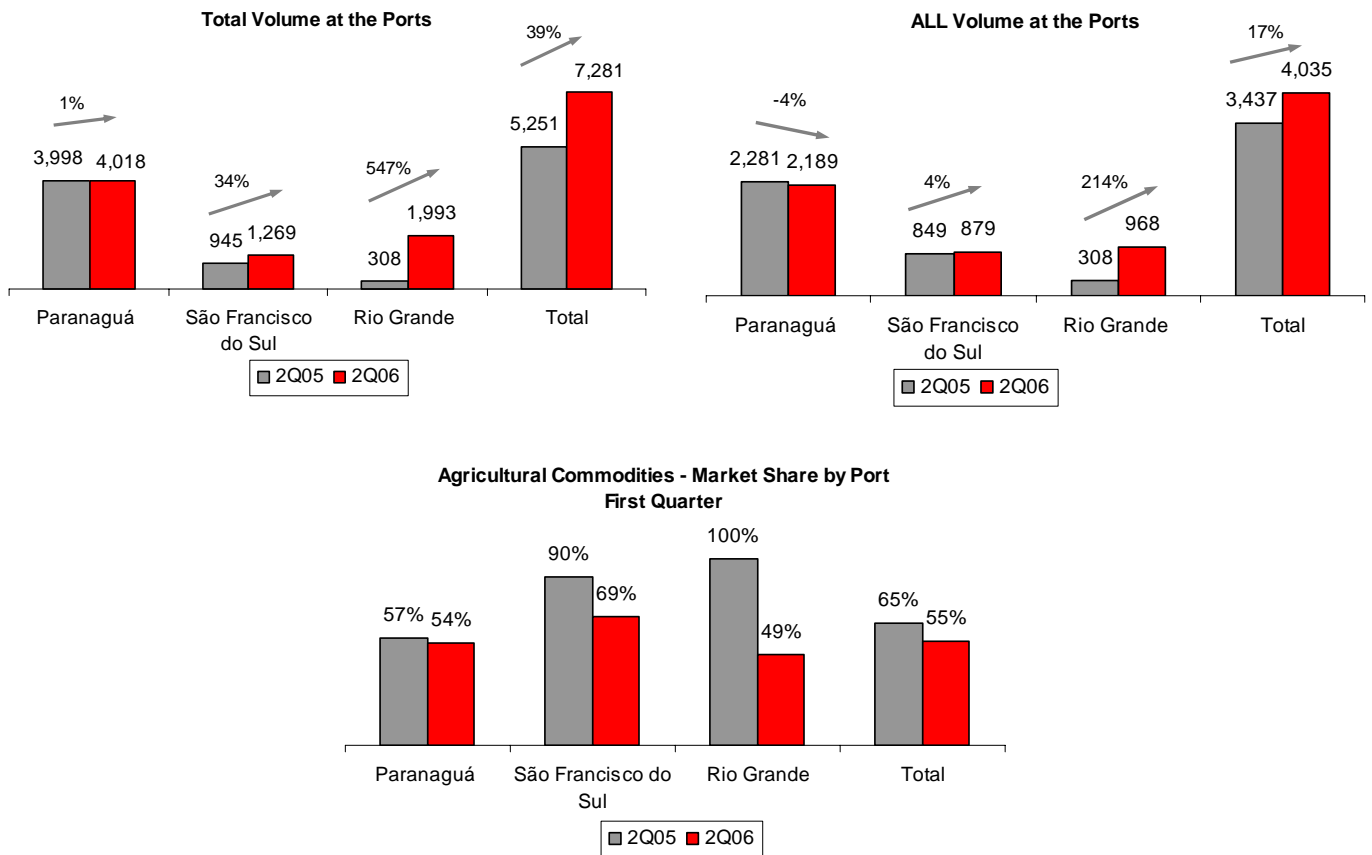
* For EBITDA Margin indicates percentage points gain / (loss)

During the 2Q06, the distribution of our rolling stock among the northern and southern portions of our rail network went back to normal, as the 2006 soybean crop in Rio Grande do Sul state increased almost 50%. During 2005 and part of 1Q06, our transportation capacity was largely concentrated on Paraná and Santa Catarina, as a drastic draught reduced year-over-year volumes by 80% in agricultural commodities the state of Rio Grande do Sul. Agricultural volumes increased 8.6% from 2,621 million RTK in 2Q05 to 2,847 million RTK in 2Q06. In April and June, as good operational performance along with improved market conditions resulted in a volume growth of 12.3%. In the southern portion of our rail network, the volumes to Port of Rio Grande strongly recovered from the low base posed by last year's draught, increasing 214% in 2Q06. In May volumes decreased by 3.1% as a result of farmer's protests and blockage. For a period of 20 days part of our rail lines in northern Paraná were interrupted by protesting farmers. These lines, which connect to the ports of Paranaguá and São Francisco, were responsible for 91% of our agricultural shipments in 2Q05. Moreover, the farmers interrupted logistic connections among states of Mato Grosso, Mato Grosso do Sul and our terminals in Paraná, blocking shipments from the central-western region to the northern portion of our network. The strong volume growth in the southern portion of our rail lines partially offset the impact of the blockage resulting in a small (3.1%) decrease in our agricultural commodities volume compared to same period of 2005.

The Company is currently seeking compensation for the losses resulting from the protests which - in the opinion of our legal advisors - were not supported by law.

Table 6 - Agricultural Commodities Products (million RTK)	2Q06	2Q05	% Change	1H06	1H05	% Change
Soy	1,534.5	1,191.4	28.8%	2,698.6	1,947.5	38.6%
Soy Meal	458.9	650.0	-29.4%	753.6	981.3	-23.2%
Fertilizers	202.2	256.8	-21.3%	395.7	448.3	-11.7%
Sugar	326.1	259.8	25.5%	393.0	410.5	-4.3%
Corn	68.5	46.0	49.0%	276.9	269.9	2.6%
Wheat	90.8	71.8	26.5%	339.0	330.8	2.5%
Rice	119.7	69.8	71.4%	216.0	180.5	19.7%
Others	46.2	74.9	-38.3%	80.9	120.1	-32.6%
Total	2,847.0	2,620.6	8.6%	5,153.8	4,688.8	9.9%

During the second quarter of 2006 total volume of agricultural commodities in the ports served by our network increased by 39% compared to 2Q05. In the same period our volume in the ports increased by 17% while our market share at the ports decreased 10 percentage points from 65% in 2Q05 to 55% in 2Q06 reflecting the strong increase in total volumes in the ports given the low comparison base in 2005. This effect was mostly pronounced in Rio Grande do Sul state that suffered one of the worst draughts of its history in 2005. In Port of Rio Grande, where our share reached 100% last year, total volumes increased 547% as compared to a 214% increase in ALL volumes, reducing our market share to 49% - more in line with historic trends.



Agricultural commodities gross revenues increased 20.0% in 2Q06 to R\$216.4 million, from R\$180.3 million in 2Q05, and net revenues increased 20.5% in 2Q06 to R\$190.4 million from R\$158.0 million in 2Q05. Gross yield, measured in R\$/'000 RTK, increased by 10.5% year-over-year mainly driven by pass through of year-over-year inflation and diesel price increases as well as transported freight mix. In first semester of 2006, volumes increased 9.9%, from 4.689 million RTK in 1H05 to 5.154 million RTK, gross yield increased 11.8% and gross revenues grew 22.9%, while net revenues increased 22.6% to R\$323.5 million.

Industrial Products

Industrial products' EBITDAR increased 25.2% in 1H06 from R\$48.9 million in 1H05 to R\$61.3 million in 1H06 and EBITDAR margins improved 2.9 percentage points from 37.8% to 40.7%, mainly due to volumes and average yield growth. Gross revenues increased 16.8% from R\$154.3 million in 1H05 to R\$180.2 million in 1H06 as a result of (i) a 8.8% volume growth despite the negative effects of farmers protests on fuel products transportation and (ii) a 7.3% yield increase as measured in R\$/'000 RTK mainly driven by pass through of inflation and diesel price increases. In 2Q06, EBITDAR increased 21.3% reaching R\$40.8 million. Gross revenues increased 14.3%, reaching R\$97.3 million in 2Q06 while volumes increased 7.1% and yield increased 6.7%.

Table 7 - Industrial Products (R\$ million)	Second Quarter			First Half		
	2Q06	2Q05	Change*	1H06	1H05	Change*
Volume (million RTK)	1,531	1,430	7.1%	2,900	2,666	8.8%
Gross Revenues	97.3	85.1	14.3%	180.2	154.3	16.8%
Gross Yield (R\$/'000 RTK)	63.5	59.5	6.7%	62.1	57.9	7.3%
Net Revenues	82.9	71.8	15.5%	150.7	129.6	16.3%
EBITDAR	40.8	33.7	21.3%	61.3	48.9	25.2%
EBITDAR Margin	49.3%	46.9%	2.4%	40.7%	37.8%	2.9%
EBITDA	39.5	33.1	19.2%	58.1	48.4	20.0%
EBITDA Margin	47.6%	46.1%	1.5%	38.5%	37.3%	1.2%

* For EBITDA Margin indicates percentage points gain / (loss)

Volume in intermodal flows increased at a two digits rate, reflecting significant market share gains in almost all business segments. The intermodal volume increase was mainly driven by higher volumes of steel products (82.2%), wood products (26.9%) and containerized cargo (13.5%), partially offset by a 24.7% decrease in vegetal oil affected by the interruption of part of our rail network for 20 days in May as well as the closing of soy crushing facilities. As we continue to grow intermodal flows at faster rates than pure rail industrial flows (i.e. fuel products and construction products flows) we should continue to see intermodal flows accounting for a increasingly larger portion of industrial flows. In 2Q06 intermodal flows accounted for 43% of total industrial products volumes compared to 41% in 2Q05. Total intermodal industrial volume increased by 15.2% in 1H06 compared to 1H05.

Table 8 - Intermodal Industrial Products (million RTK)	2Q06	2Q05	% Change	1H06	1H05	% Change
Vegetal Oil	76.3	112.7	-32.3%	113.1	150.2	-24.7%
Steel Products	159.5	102.2	56.0%	332.2	182.3	82.2%
Wood Products	106.6	75.0	42.3%	187.2	147.6	26.9%
Food Products	120.4	104.1	15.6%	190.2	161.8	17.5%
Containers	171.0	145.1	17.8%	321.9	283.5	13.5%
Others	23.3	47.5	-50.9%	62.6	122.3	-48.8%
Total	657.1	586.5	12.0%	1,207.1	1,047.6	15.2%

Table 9 - Industrial Products (million RTK)	2Q06	2Q05	% Change	1H06	1H05	% Change
Fuel Products	586.5	574.8	2.0%	1,146.4	1,102.2	4.0%
Construction	287.4	268.6	7.0%	546.8	515.9	6.0%
Total	874.0	843.4	3.6%	1,693.2	1,618.1	4.6%

In the fuel and construction segments - which are shipped almost exclusively by rail in our area of operation - our market share is already high and our performance is highly related to growth in the respective industries. In the construction segment we increased volumes by 6.0% in 1H06 as compared to the previous year, reflecting the higher activity in the sector. In fuel products, ALL volumes increased only 4.0% in 1H06, as the diesel and gasoline transportation were severely impacted in the month of May when the flows to Maringá and Londrina – two important destinations for the segment – were blocked for 20 days during the farmers' protests.

Highway Services Business Unit

Highway services' EBITDA increased 261.2% in 2Q06, from R\$0.5 million in 2Q05 to R\$1.8 million in 2Q06, and EBITDA margin increased from 1.4% in 2Q05 to 6.7%. The profitability improvement is in line with the trend verified in previous quarters, reflecting the process of discontinuation of unprofitable operations and establishment of minimum target return levels to the new operations. In first half of 2006, EBITDAR growth reached 224.4%, increasing from R\$1.0 million in 1H05 to R\$3.2 million, and EBITDAR margin expanded 4.1 percentage points to 5.6%.

Trucking volumes were reduced by the process of turning our strategic trucking unit in a more profitable business. During the last year, we cut some low profit operations setting higher profitability standards. The change in client base also resulted in a new mix of flows with lower average distance and therefore lower overall volumes and higher average yield measured in R\$/RK helping support better profitability.

Revenues decreased by 22.4% in 2Q06 reaching R\$31.6 million as a result of a 25.6% reduction in volumes, from 15.1 million RK in 2Q05 to 11.2 million RK in 2Q06, partially offset by an increase of 4.2% in average yield. In 1H06, gross revenues decreased 14.9% to R\$66.6 million as volumes decreased 21.5% and average yield increased 8.4%.

For the full year, we expect lower volumes in terms of transported RK as compared to 2005 and higher profitability. The reduction in volumes should be partially offset as new clients and new operations are developed increasing the business unit's activity while preserving improved margins.

Argentina Operations

ALL Argentina's gross revenues increased 10.9% from R\$34.5 million in 2Q05 to R\$38.2 million in 2Q06 as gross yield increased 2.4% and volume increased 8.3% from 982 million RTK in 2Q05 to 1,064 million RTK in 2Q06. Volume growth was mainly driven by improvements in operational performance recovering from a weak 1Q06. EBITDAR increased 39.6%, from R\$9.8 million in 2Q05 to R\$13.7 million in 2Q06.

In the first semester, ALL Argentina gross revenues increased 10.6%, from P\$93.3 million in 1H05 to P\$103.1 million in 1H06 and gross yield increased 4.3%, from P\$48.8 per thousand RTK in 1H05 to P\$50.9 per thousand RTK in 1H06. In Reais, gross revenues decreased from R\$76.0 million in 1H05 to R\$72.4 million in 1H06, or -4.7% as volumes increased 6.0%, partially offset by yield decrease of 10.1% from R\$39.7 per thousand RTK in 1H05 to R\$35.7 per thousand RTK in 1H06. EBITDA increased 2.0%, from R\$19.0 million in 1H05 to R\$19.4 million in the period.

Table 10 - Agricultural Commodities Products (000 RTK)	2Q06	2Q05	% Change	1H06	1H05	% Change
Soy	140.4	78.3	79.4%	196.3	115.5	70.0%
Soy Meal	19.8	10.2	94.1%	25.8	13.1	96.7%
Fertilizers	21.7	20.8	4.4%	36.1	35.1	3.0%
Sunflower	10.9	11.5	-5.6%	33.4	27.0	23.9%
Sugar	0.0	1.2	-100.0%	0.0	9.3	-100.0%
Corn	30.9	28.0	10.3%	51.3	60.1	-14.7%
Wheat	1.2	6.3	-81.6%	24.5	44.5	-45.0%
Rice	1.1	0.2	507.5%	3.6	3.3	11.2%
Total	225.8	156.5	44.3%	371.1	307.9	20.5%

Volume growth was boosted by a 44.3% growth in 2Q06 in agricultural commodities volumes, from 156.5 million RTK in 2Q05 to 225.8 million RTK in 2Q06. The volume increase was mainly driven by strong market share gains in soy, soy meal, corn and rice, which more than offset the reduction in overall agricultural market due to crop breaks of 40% in wheat and 20% in corn in our area of coverage. The growth was supported by a better operational performance as we allocate more railcars to higher margins agricultural commodities flows. Soy and soy meal volumes increased 79.4% and 94.1%, respectively, increasing its participation in overall agricultural volumes from 56.6% in 2Q05 to 70.9% in 2Q06.

Table 11 - Industrialized Products (000 RTK)	2Q06	2Q05	% Change	1H06	1H05	% Change
Vegetal Oil	7.7	8.7	-11.7%	16.8	16.3	3.1%
Steel Products	92.5	96.6	-4.2%	202.3	212.1	-4.6%
Wood	73.6	75.4	-2.3%	153.3	155.5	-1.4%
Food Products	85.1	108.6	-21.6%	133.8	207.7	-35.6%
Construction	417.8	386.8	8.0%	825.6	734.6	12.4%
Container	96.6	101.5	-4.9%	231.5	192.5	20.3%
Others	64.9	48.3	34.3%	93.0	86.9	7.1%
Total	838.2	825.9	1.5%	1,656.4	1,605.5	3.2%

Industrial products volumes increased marginally from 825.9 million RTK in 2Q05 to 838.2 million RTK in 2Q06. The increase was mainly driven by civil construction (8.0%) as we added the transportation of stones for the re-pavement of public highways and partially offset by a reduction in food products (21.6%), impacted by the drop in tomato preserves due to a lower production of tomato this year.

EBITDA increased from P\$13.3 million in 2Q05 to P\$19.8 million in 2Q06, or 48.7%. EBITDA margins increased from 28.5% in 2Q05 to 37.2% in 2Q06. Gross revenues increased 14.1% in 2Q06 to P\$54.7 million from P\$47.9 million in 2Q05 and gross yield measured in P\$/000 RTK increased 5.4%, from P\$48.7 per thousand RTK in 2Q05 to P\$51.4 per thousand RTK in 2Q06.

Brasil Ferrovias

On May 9th, after 6 months of negotiations, we concluded Brasil Ferrovias' acquisition. After all necessary approvals were obtained and all precedent conditions were met the deal was finally completed on June 16th on a share-exchange, non-cash transaction. Brasil Ferrovias operates two rail systems: (i) a narrow gauge system which is contiguous to our existing rail lines and connects our network to the states of Mato Grosso do Sul and São Paulo and to the Port of Santos; and (ii) a broad gauge system connecting the state of Mato Grosso to Port of Santos through the state of São Paulo. The two systems interconnect in Campinas and the route from Campinas to Santos is a mixed gauge route.

The acquisition is a significant step in our strategy giving ALL access to very important markets such as the state of São Paulo, the states of Mato Grosso and Mato Grosso do Sul where Brazilian agricultural frontier currently lies, and access to the port of Santos the largest in the country both in shipments of agricultural commodities and in container movements. After the acquisition agricultural commodities increased its importance in our mix of cargos increasing from 50% of total ALL's revenue to around 75%. Over time we should again reach a more balance mix between agricultural commodities and industrial cargo.

Since May 10th, a transition team selected among ALL executives is running Brasil Ferrovias with the mission of restructuring the company and preparing it to a full integration at the beginning of 2007.

In the 1H06 volume decreased 5.6% from 5,793 million RTK in 1H05 to 5,467 million RTK, revenues increased 1.5% from R\$427.3 million in to R\$433.6 million as yield in (R\$/000 RTK) increased from R\$73.8 to R\$79.3, or 7.5%. EBITDAR decreased from R\$136.4 million in 1H05 to R\$82.1 million in 1H06 mainly and EBITDAR margin worsened 15 percentage points from 36.1% to 21.2%. During 2Q06 volume decreased by 8.0% from 3,264 million RTK in 2Q05 to 3,002 million RTK in 2Q06, revenues decreased by 0.4% from R\$248.4 million to R\$247.4 million. In the same period, EBITDAR decreased by 35.8% from R\$81.7 million to R\$52.5 million and EBITDAR margin worsened by 14 percentage points from 37.4% to 23.7%.

Table 12 - Brasil Ferrovias (R\$ million)	Second Quarter			First Half		
	2Q06	2Q05	Change*	1H06	1H05	Change*
Volume (million RTK)	3.002	3.264	-8,0%	5.467	5.793	-5,6%
Gross Revenues	247,4	248,4	-0,4%	433,6	427,3	1,5%
Gross Yield (R\$/000 RTK)	82,4	76,1	8,3%	79,3	73,8	7,5%
Net Revenues	221,4	218,7	1,2%	387,0	378,4	2,3%
EBITDAR	52,5	81,7	-35,8%	82,1	136,4	-39,8%
EBITDAR Margin	23,7%	37,4%	-13,7%	21,2%	36,1%	-14,8%
EBITDA	26,7	53,0	-49,7%	35,7	92,1	-61,2%
EBITDA Margin	12,0%	24,2%	-12,2%	9,2%	24,3%	-15,1%

* For EBITDA Margin indicates percentage points gain / (loss)

The EBITDAR reduction we saw in the 1H06 and 2Q06 as compared to 1H05 and 2Q05 reflects the farmers protests which interrupted Ferronorte rail lines for 25 days as well as the high cost base of the company which was run with team of 4,500 people from January to May while volumes and revenues did not grow in spite of investments made in late 2005 and early 2006. The investments were mainly in improving rail lines and acquiring rail cars and locomotives which however did not became available early enough to have a positive impact in 2006 crop season started in March. The delivery of the 750 new rail cars acquired started only in April and should

be concluded in September. The used locomotives bought in the US were delivered in July and needs to be re-gauged and overhauled before being available for operation and will actually be in production for 2007's crop season.

In this scenario we should expect 2006 volumes to be in line with 2005's and we should see a relatively small improvement in EBITDAR reflecting a reduced cost base. We already implemented the first phase adjusting our work-force from 4,500 in May to 2,000 in late June. This was a very important step and completed successfully with no interruption in the operation, no service disruption or any volume loss in the process. The reduction in work-force together with other cost reduction measures will remove R\$40 million from 2006's cost base positively impacting results and should improve annualized EBITDAR by at least R\$80 million per year starting in 2007.

Table 13 - Agricultural Commodities Products (million RTK)	2Q06	2Q05	% Change	1H06	1H05	% Change
Soy	1,577.4	1,726.5	-8.6%	2,829.7	2,999.4	-5.7%
Soy Meal	654.2	778.5	-16.0%	1,124.1	1,250.8	-10.1%
Fertilizers	82.4	125.9	-34.6%	124.4	243.8	-49.0%
Sugar	176.1	123.2	42.9%	376.6	307.6	22.4%
Wheat	1.9	0.3	470.8%	7.2	0.3	2000.6%
Others	26.9	16.3	64.7%	46.7	37.8	23.7%
Total	2,518.9	2,770.9	-9.1%	4,508.7	4,839.8	-6.8%

Table 14 - Industrialized Products (000 RTK)	2Q06	2Q05	% Change	1H06	1H05	% Change
Vegetal Oil	36.7	7.9	366.1%	58.4	14.6	300.6%
Steel Products	30.9	20.8	48.0%	63.2	49.2	28.5%
Fuel Products	287.7	306.7	-6.2%	575.7	573.9	0.3%
Iron ore and Pellets	98.4	99.2	-0.8%	188.5	211.9	-11.0%
Manganese	19.2	51.3	-62.5%	52.7	87.6	-39.8%
Construction	7.2	7.7	-6.1%	15.3	10.3	49.5%
Others	2.9	0.0	na	4.2	6.2	-32.2%
Total	483.0	493.5	-2.1%	958.1	953.6	0.5%

We estimate the restructuring process will require close to R\$400 million of cash being: (a) R\$240 million of severance payments; and (b) R\$150 million of working capital (prepayment of client advances and payment of overdue accounts payable). In addition to that capital expenditures for Brasil Ferrovias will be in the range of R\$250 million for 2006.

Similar to what we found in recently privatized ALL back in 1997, Brasil Ferrovias is a company with poor operational performance, low moral, weak results and a huge potential ahead of it. We have the challenge of turning around Brasil Ferrovias by (i) achieving similar levels of productivity and safety of ALL; and (ii) implementing the same obsessive cost control culture and (iii) reaching similar level of volumes and revenues in two to three years.

The first main objective is to create a strong, result-oriented culture as we did in ALL. We are better positioned to complete the turnaround process than we were in 1997, as we can build on our 9 years of experience and draw from our team. We are very confident in the potential of this opportunity.

CONSOLIDATED RESULTS⁴
 For Second Quarter 2006 Compared to Second Quarter 2005

Table 15 - Operational Indicators	Brazil			Argentina		
	2Q06	2Q05	% Change	2Q06	2Q05	% Change
Volumes						
RTK (million)	4,378	4,050	8.1%	1,064	982	8.3%
GTK (million)	7,484	7,051	6.1%	2,170	2,079	4.4%
Total RK (million)	11.2	15.1	-25.6%			
RK of Owned Fleet (million)	4.2	6.8	-38.5%			
RK of Owned and Agregated Fleet (9.5	11.5	-17.1%			
Carloads (thousand)	140.2	134.0	4.6%	36.4	33.4	8.9%
Diesel Consumption						
Rail (liters per 000 GTK)	5.39	5.52	-2.3%	3.54	3.70	-4.2%
Trucking (liters per RK)	0.42	0.44	-5.8%			

Consolidated Gross Revenue from Services

Consolidated gross revenue increased from R\$340.6 million in 2Q05 to R\$383.5 million in 2Q06, or 12.6%, due to a 12.8% increase in Brazilian operations' gross revenue from R\$306.2 million in 2Q05 to R\$345.3 million in 2Q06, and a 10.9% increase in Argentine operations' gross revenue from R\$34.5 million in 2Q05 to R\$38.2 million in 2Q06.

Table 16 - Gross Revenues (R\$ million)	2Q06	2Q05	Change	% Change
ALL Consolidated*	383.5	340.6	42.9	12.6%
ALL Brazil	345.3	306.2	39.1	12.8%
Agricultural Commodities	216.4	180.3	36.1	20.0%
Industrial Products	97.3	85.1	12.2	14.3%
Highway Based Services	31.6	40.8	(9.1)	-22.4%
ALL Argentina	38.2	34.5	3.7	10.9%

* Excludes results of Santa Fé Vagões (40% owned by ALL), Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned).

The R\$39.1 million increase in Brazilian operation's gross revenues in 2Q06, when compared to the same period last year, reflects a 8.1% increase in transported volume along with a 9.3% increase in the average yield from R\$65.5 per thousand RTK in 2Q05 to R\$71.7 per thousand RTK in 2Q06. The higher yield was mainly driven by the pass through of inflation and diesel price increases, as well as a change in transported freight mix.

Agricultural commodities' gross revenues increased by R\$36.1 million, or 20.0%, as transported volume increased 8.6% and as gross yield grew 10.5% from R\$68.8 in the 2Q05 to R\$76.0 in the 2Q06. In industrial products, gross revenues increased R\$12.2 million, or 14.3%, with a 7.1% growth in transported volume and a 6.7% expansion in average yield. In highway based services business unit gross revenues reached R\$31.6 million in 2Q06 as compared to R\$40.8 million in 2Q05 due to a reduction of 25.6% in transported volume, partially offset by a 4.2% increase in average yield.

In Argentina, gross revenues increased 14.1% in pesos as a result of (i) a 8.3% increase in transported volume and (ii) a 5.4% increase in average yield from P\$48.7 per thousand RTK in 2Q05 to P\$51.4 per thousand RTK in 2Q06. In Reais, gross revenues increased 10.9% in the 2Q06, impacted by the effect of a 13.9% depreciation of the Peso against the Real in 2Q06 as compared to 2Q05.

⁴ Excludes results of Santa Fé Vagões (40% owned by ALL) and the results of recently acquired Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned)

Taxes on Consolidated Gross Operating Revenue

Taxes on consolidated operating revenue increased 9.0% from R\$41.8 million in 2Q05 to R\$45.5 million in 2Q06. This tax increase resulted from a 9.0% increase in Brazilian operations' taxes - from R\$40.8 million in 2Q05 to R\$44.5 million in 2Q06 - and a 6.2% increase in Argentine operations' taxes, mainly due to higher revenues in Brazil and Argentina.

Consolidated Cost of Sales

Consolidated costs of sales slightly increased from R\$177.5 million in 2Q05 to R\$177.8 million in the 2Q06, due to an increase in Argentine operations' cost of sales from R\$26.7 million to R\$29.8 million, or 11.8%, partially offset by a 1.9% decrease in Brazilian operations' cost of sales from R\$150.9 million to R\$148.0 million.

Table 17 - Cost of Sales (R\$ million)	Brazil			Argentina			Consolidated		
	2Q06	2Q05	% Change	2Q06	2Q05	% Change	2Q06	2Q05	% Change
Fuel Expenses	(58.3)	(52.7)	10.7%	(6.4)	(6.2)	3.8%	(64.8)	(58.9)	10.0%
Rail portion	(54.5)	(46.2)	17.9%	(6.4)	(6.2)	3.8%	(60.9)	(52.4)	16.3%
Trucking portion	(3.8)	(6.5)	-40.7%	0.0	0.0	na	(3.8)	(6.5)	-40.7%
Outsourced and Contracted Trucking Expenses	(14.6)	(21.9)	-33.5%	(5.6)	(5.1)	11.4%	(20.2)	(27.0)	-25.1%
Drayage Services	(8.6)	(9.2)	-6.2%	(5.6)	(5.1)	11.4%	(14.3)	(14.3)	0.1%
Other than Drayage Services	(5.9)	(12.7)	-53.4%	0.0	0.0	na	(5.9)	(12.7)	-53.4%
Labor Expenses	(25.0)	(27.5)	-9.1%	(8.9)	(6.5)	37.0%	(33.9)	(34.0)	-0.3%
Maintenance Expenses	(8.1)	(8.0)	1.8%	(2.9)	(3.3)	-11.3%	(11.1)	(11.3)	-2.0%
Depreciation and Amortization Expenses	(12.7)	(12.0)	5.5%	(2.7)	(2.7)	-1.5%	(15.4)	(14.7)	4.2%
Concession and Lease Expense	(6.4)	(6.4)	0.7%	(1.1)	0.0	na	(7.5)	(6.4)	17.5%
Other Expenses	(8.8)	(16.5)	-46.7%	(2.2)	(2.9)	-25.5%	(11.0)	(19.4)	-43.5%
Railcar Rentals	(14.0)	(5.8)	140.7%	0.0	0.0	na	(14.0)	(5.8)	140.7%
Total Cost of Sales	(148.0)	(150.9)	-1.9%	(29.8)	(26.7)	11.8%	(177.8)	(177.5)	0.1%

* Excludes results of Santa Fé Vagões (40% owned by ALL), Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned).

Brazilian operations' cost of sales decreased in 2Q06 as compared with the same period of 2Q05 mainly driven by a significant reduction in volumes in highway services business unit and in intermodal operations. The major decreases were in outsourced and contracted freight expenses and in other expenses, reflecting the reduction in logistic services needs, partially offsetting by increases in (i) fuel expenses due to higher volumes in railroad services and a higher diesel price compared to 2Q05 and (ii) railcar rentals costs as new railcars are being added by the clients.

The increase in Argentine operations' cost of sales during the same period was mainly due to (i) an increase in labor costs associated with wage negotiations with unions, (ii) higher drayage services expenses reflecting the increase in intermodal operations, (iii) higher fuel expenses as the transported volume increased and (ii) concession and lease costs related to the new terms of our concession agreement.

Gross Profit

Consolidated gross profit increased 32.0%, from R\$121.3 million in 2Q05 to R\$160.2 million in 2Q06. The increase was due to a R\$39.1 million growth in consolidated net revenues along with marginal R\$0.3 million increase in consolidated cost of sales.

Operating Expenses

Consolidated operating expenses decreased from R\$20.3 million in 2Q05 to R\$13.3 million in 2Q06, or 34.4%, primarily driven by a decrease of 14.2% in Brazil, from R\$17.9 million to R\$15.4 million, and an increase in Argentina, from an expense of R\$2.3 million in 2Q05 to a revenue R\$2.1 million in 2Q06.

Brazilian operations' SG&A expenses decreased 18.2% from R\$22.4 million in 2Q05 to R\$18.3 million in 2Q06 and other operating revenues and expenses worsened from an income of R\$4.4 million to an income of R\$2.9 million in the same period. Argentina's SG&A decreased from R\$3.9 million in 2Q05 to R\$3.4 million in 2Q06, while other operating revenues improved from R\$1.6 million in 2Q05 to R\$5.5 million in 2Q06.

Net Financial Expense

Consolidated net financial expenses worsened to an expense of R\$49.8 million in 2Q06 compared to an expense of R\$28.6 million in 2Q05, mainly driven by (i) the increase in ALL's average net debt due to the cash remittances to Brasil Ferrovias in order to support extraordinary expenses related to the restructuring process and (ii) the extraordinary CPMF/IOF and fees related to the issuance of a new debenture in 2Q06. Brazilian operations' net financial expenses worsened from an expense of R\$21.0 million in 2Q05 to an expense of R\$47.2 million in 2Q06 and Argentine operations' net financial expenses improved from R\$7.6 million in 2Q05 to R\$2.5 million in 2Q06.

Other Costs and Expenses

Consolidated other costs and expenses - which includes equity earnings and gains on investments, non-operational results and translation gain or loss and monetary adjustment gain – improved from a loss of R\$20.1 million in 2Q05 to a loss of R\$1.3 million in 2Q06, mainly due to a zero translation loss in 2Q06, as we hedged the exchange rate variation on our investments in Argentina, compared to R\$19.3 million loss in 2Q05.

Table 18 - Other Costs (R\$ million)	Brazil			Argentina			Consolidated		
	2Q06	2Q05	% Change	2Q06	2Q05	% Change	2Q06	2Q05	% Change
Equity Earnings and Gain on Investments	(1.3)	(1.8)	-28.6%	(0.5)	(0.5)	-9.3%	(1.8)	(2.3)	-24.1%
Non-Operational Results	0.4	1.5	-70.8%	0.0	0.0		0.4	1.5	-70.8%
Translation Gain (loss) and Monetary Adjustment Gain			na	0.0	(19.3)	na	0.0	(19.3)	na
Other Costs	(0.9)	(0.3)	158.9%	(0.5)	(19.8)	-97.5%	(1.3)	(20.1)	-93.3%

Income Taxes

Consolidated income tax decreased from an expense of R\$17.8 million in the 2Q05 to an expense of R\$16.1 million in 2Q06. Brazilian income tax expenses decreased from R\$18.6 million in 2Q05 to an income of R\$16.7 million in 2Q06. In Argentina income tax worsened from a gain R\$0.8 million in 2Q05 to a gain of R\$0.7 million in 2Q06.

Net Income

As an effect of the results discussed above, consolidated net income increased from a profit of R\$34.5 million in 2Q05 to a profit of R\$79.7 million in 2Q06, or 131.0%.

Investments

Consolidated investments increased from R\$45.8 million in 2Q05 to R\$64.5 million in 2Q06, or 40.8%. The increase reflects higher investments in Brazilian operations from R\$42.2 million in 2Q05 to R\$58.1 million in 2Q06, and an increase in investments in ALL Argentina, from R\$3.6 million in 2Q05 to R\$6.4 million in 2Q06.

In Brazil, maintenance CAPEX went up by 4.8% reflecting higher transported volumes. ALL Brazil expansion CAPEX increased 116.3%, from R\$12.5 million to R\$27.1 million. Among ALL Brazil expansion investments it is worth mentioning: (i) rail cars investments made on behalf of our clients amounting R\$3.6 million, (ii) rail track investments of R\$10.7 million, (iii) investments of R\$11.4 million in additional locomotives for 2006 and 2007.

Investments in Argentina increased 76.4%, from R\$3.6 million in 2Q05 to R\$6.4 in 2Q06, mainly due to higher expansion CAPEX in refurbishment of railcars from our dead fleet (R\$1.4 million), terminals and logistic infrastructure (R\$0.6 million) and additional locomotives (R\$0.4 million).

Table 19 - Investments (R\$ million)	Brazil			Argentina			Consolidated		
	2Q06	2Q05	% Change	2Q06	2Q05	% Change	2Q06	2Q05	% Change
Maintenance	31,6	29,7	6,5%	3,1	2,9	6,3%	34,7	32,6	6,5%
Expansion	27,5	12,5	119,3%	2,4	0,7	235,6%	29,9	13,2	125,5%
Total Investments	59,1	42,2	40,0%	5,5	3,6	51,4%	64,5	45,8	40,9%

Cash Flow

Consolidated cash flow from operational activities increased compared to the same period last year, from a surplus of R\$117.4 million in 2Q05 to a surplus of R\$147.8 million in 2Q06, reflecting EBITDA growth in the period. Cash outflow from investments increased from an outflow of R\$45.8 million in 2Q05 to an outflow of R\$64.5 million in 2Q06, mainly due to increases in expansion CAPEX in Brazil and Argentina. Cash flow from financing activities increased from an outflow of R\$60.5 million in 2Q05, to an inflow of R\$450.0 million in 2Q06 as we issued a new debenture amounting R\$700 million partially offset by a cash outflow related to Brasil Ferrovias restructuring process and debt repayments related to amortization of current debt. The overall cash variation in 2Q06 was positive in R\$533.3 million, as compared as to a cash inflow of R\$11.1 million in 2Q05.

Table 20 - Cash Flow (R\$ million)	Brazil			Argentina			Consolidated		
	2Q06	2Q05	% Change	2Q06	2Q05	% Change	2Q06	2Q05	% Change
Operating Activities	117,8	106,7	10,5%	10,0	10,7	-6,6%	127,8	117,4	8,9%
Investing Activities	(59,0)	(34,9)	68,8%	(5,5)	(10,8)	-49,0%	(64,5)	(45,8)	40,9%
Financing Activities	471,9	(61,4)	na	(2,0)	0,9	-320,3%	470,0	(60,5)	na
Increase in Cash	530,8	10,4	4988,4%	2,5	0,8	226,0%	533,3	11,1	4703,9%

Balance Sheet and Capital Structure

Consolidated net debt reached R\$2,281 million compared to R\$228.0 million in the end of 1Q06, mainly due to the acquisition of Brasil Ferrovias, which was highly leveraged. Net Debt to EBITDA ratio increased from 0.5X in the end of 1Q06 to 4.1X in the end of 2Q06, and net debt to equity ratio increased from 0.2X in 1Q06 to 0.9X in the 2Q06.

CONSOLIDATED RESULTS ⁵

For the First Semester of 2006 Compared to the First Semester of 2005

Table 21 - Operational Indicators	Brazil			Argentina		
	1H06	1H05	% Change	1H06	1H05	% Change
Volumes						
RTK (million)	8,054	7,355	9.5%	2,028	1,913	6.0%
GTK (million)	13,667	12,651	8.0%	4,212	4,027	4.6%
Total RK (million)	23.2	29.5	-21.5%			
RK of Owned Fleet (million)	8.4	13.8	-39.0%			
RK of Owned and Agregated Fleet (million)	19.0	22.4	-15.1%			
Carloads (thousand)	257.7	242.6	6.2%	68.9	66.1	4.3%
Diesel Consumption						
Rail (liters per 000 GTK)	5.54	5.70	-2.7%	3.50	3.72	-6.1%
Trucking (liters per RK)	0.42	0.43	-2.6%			

Consolidated Gross Revenue from Services

Consolidated gross revenue increased by 13.0% from R\$609.6 million in 1H05 to R\$689.0 million in 1H06 mainly due to 15.6% increase in Brazilian operations' gross revenues, from R\$533.6 million in 1H05 to R\$616.7 million in 1H06, offset by a 4.8% decrease in Argentine operations' gross revenues, from R\$76.0 million in 1H05 to R\$72.4 million in 1H06.

⁵ Excludes results of Santa Fé Vagões (40% owned by ALL) and the results of recently acquired Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned)

	1H06	1H05	Change	% Change
ALL Consolidated*	689.0	609.6	79.5	13.0%
ALL Brazil	616.7	533.6	83.1	15.6%
Agricultural Commodities	369.8	301.0	68.8	22.9%
Industrial Products	180.2	154.3	25.9	16.8%
Highway Based Services	66.6	78.3	(11.7)	-14.9%
ALL Argentina	72.4	76.0	(3.6)	-4.8%

* Excludes results of Santa Fé Vagões (40% owned by ALL), Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned).

Brazilian operations' gross revenues increased 15.6% as volume increased 9.5%, from 7,355 million RTK in 1H05 to 8,054 million RTK in 1H06 and average yield measured in R\$/thousand RTK grew 10.3%, to R\$68.3 due to price increases in commercial agreements. Agricultural commodities' gross revenues increased 22.9% in 1H06, with a 9.9% increase in transported volume and as gross yield grew 11.8%. In industrial products, gross revenues increased 16.8%, with a 7.3% increase in gross yield and 8.8% increase in transported volume. Gross revenues in highway based services business unit decreased 14.9% in 1H06 due to a 21.5% decrease in volume offset by average yield increase of 8.4%, from R\$2.65 per Km to R\$2.88 per Km.

In Argentina, gross revenues increased 10.6% in pesos, reaching P\$103.1 million in 1H06, as volume increased 6.0% from 1,913 million RTK in 1H05 to 2,028 million RTK and gross yield increased 4.3%, from P\$48.8 per thousand RTK in 1H05 to P\$50.9 per thousand RTK in 1H06. In Reais, ALL Argentina gross revenues decreased 4.7% in 1H06 to R\$72.4 million due to a 13.9% devaluation of the Peso year-over-year.

Taxes on Consolidated Gross Operating Revenue

Taxes on consolidated operating revenue increased 16.9% from R\$73.8 million in 1H05 to R\$86.2 million in 1H06. This tax increase resulted from a 17.4% increase in Brazilian operations' taxes - from R\$71.8 million in 1H05 to R\$84.3 million in 1H06 - and a 3.9% decrease in Argentine operations' taxes, mainly due to the variation in revenues in Brazil and Argentina.

Consolidated Cost of Sales

Consolidated costs of sales increased from R\$345.0 million in 1H05 to R\$372.0 million in the 1H06, or 7.8%, compounded by an increase of 9.2% in Brazilian operations' cost of sales from R\$287.0 million to R\$313.4 million and a 0.9% increase in Argentine operations' cost of sales from R\$58.0 million to R\$58.5 million.

	Brazil			Argentina			Consolidated		
	1H06	1H05	% Change	1H06	1H05	% Change	1H06	1H05	% Change
Fuel Expenses	(112.7)	(95.1)	18.5%	(12.4)	(13.3)	-6.9%	(125.1)	(108.4)	15.4%
Rail portion	(102.8)	(85.0)	20.9%	(12.4)	(13.3)	-6.9%	(115.2)	(98.3)	17.1%
Trucking portion	(9.9)	(10.1)	-1.9%	0.0	0.0	na	(9.9)	(10.1)	-1.9%
Outsourced and Contracted Trucking Expenses	(37.8)	(41.6)	-9.2%	(10.3)	(11.7)	-11.5%	(48.2)	(53.3)	-9.7%
Drayage Services	(16.9)	(16.8)	0.7%	(10.3)	(11.7)	-11.5%	(27.3)	(28.5)	-4.3%
Other than Drayage Services	(20.9)	(24.9)	-16.2%	0.0	0.0	na	(20.9)	(24.9)	-16.2%
Labor Expenses	(50.6)	(52.1)	-2.9%	(17.8)	(14.1)	26.8%	(68.4)	(66.2)	3.4%
Maintenance Expenses	(18.9)	(18.6)	1.8%	(5.9)	(7.8)	-24.1%	(24.9)	(26.4)	-5.8%
Depreciation and Amortization Expenses	(21.9)	(23.1)	-5.3%	(5.4)	(6.1)	-11.7%	(27.2)	(29.2)	-6.7%
Concession and Lease Expense	(12.9)	(12.8)	0.4%	(2.2)	0.0	na	(15.0)	(12.8)	17.4%
Other Expenses	(29.0)	(34.9)	-16.9%	(4.5)	(5.1)	-11.3%	(33.5)	(40.0)	-16.2%
Railcar Rentals	(29.6)	(8.7)	242.8%	0.0	0.0	na	(29.6)	(8.7)	242.8%
Total Cost of Sales	(313.4)	(287.0)	9.2%	(58.5)	(58.0)	0.9%	(372.0)	(345.0)	7.8%

* Excludes results of Santa Fé Vagões (40% owned by ALL), Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned).

Brazilian operations' cost of sales growth in 1H06 as compared with 1H05 was mainly driven by: (i) railcars rental cost as new rail cars are being added by the clients; (ii) an increase in overall fuel expenses, reflecting higher diesel prices and higher volumes in rail business and (iii) higher fuel expenses by outsourced and contracted fleet in our internal gas stations, partially offset by a decrease in aggregated and contracted fleet expenses and in other expenses, reflecting volume reductions in trucking services and intermodal flows.

Argentine operations' overall cost of sales increased 0.9% in the same period, mainly due to an increase in labor costs associated with wage negotiations with unions, partially offset by reductions in the other cost lines due to the Peso's depreciation towards Real.

Gross Profit

Consolidated gross profit increased by 21.0% or R\$40.0 million, from R\$190.8 million in 1H05 to R\$230.8 million in 1H06, resulting from a R\$67.0 million increase in net revenues and a R\$27.0 million increase in cost of sales.

Operating Income and Expenses

Consolidated operating expenses decreased from R\$38.2 million in 1H05 to R\$29.6 million in 1H06, or 22.6%. Brazilian operations' SG&A expenses decreased from R\$37.9 million in 1H05 to R\$32.7 million in 1H06, or 13.7%, while other operating revenues and expenses worsened from an income of R\$7.2 million to an income of R\$4.0 million in the same period, leading to an overall operating expenses decrease of 6.6% in Brazil from a R\$30.7 million in 1H05 to R\$28.7 million in 1H06.

Argentina's SG&A expenses decreased 27.4% from R\$8.4 million in 1H05 to R\$6.1 million in 1H06 and other operating income and expenses improved from a gain of R\$0.9 million to a gain of R\$5.2 million in the same period, resulting in an overall 88.1% decrease in Argentine operating expenses from R\$7.5 million in 1H05 to R\$0.9 million in 1H06.

Net Financial Expenses

Consolidated net financial expenses increased by 24.3% from R\$62.4 million in 1H05 to R\$77.5 million in 1H06, mainly driven by (i) the increase in ALL's average net debt due to the cash remittances to Brasil Ferrovias in order to support extraordinary expenses related to the restructuring process and (ii) the extraordinary CPMF and fees related to the issuance of a new debenture in 2Q06. Brazilian operations' net financial expenses increased 41.4%, from R\$52.3 million in 1H05 to R\$73.9 million in 1H06 and Argentine operations' net financial expenses decreased from R\$10.1 million to R\$3.6 million in the same period, or 64.1%.

Other Costs and Expenses

Consolidated other cost and expenses, which includes equity earnings and gains on investments, non-operational results and translation gain or loss and monetary adjustment gains, improved from a loss of R\$18.6 million in 1H05 to a loss of R\$2.7 million in 1H06, mainly due to a zero translation loss in 2Q06, as we hedged the exchange rate variation on our investments in Argentina, compared to R\$16.0 million loss in 1H05.

Table 24 - Other Costs (R\$ million)	Brazil			Argentina			Consolidated		
	1H06	1H05	% Change	1H06	1H05	% Change	1H06	1H05	% Change
Equity Earnings and Gain on Investments	(2.9)	(3.1)	-6.5%	(1.0)	(1.1)	-13.7%	(3.9)	(4.3)	-8.4%
Non-Operational Results	1.2	1.6	-24.7%	0.0	0.0		1.2	1.6	-24.7%
Translation Gain (loss) and Monetary Adjustment Gain			na	0.0	(16.0)	na	0.0	(16.0)	na
Other Costs	(1.7)	(1.5)	13.3%	(1.0)	(17.1)	-94.2%	(2.7)	(18.6)	-85.5%

Income Taxes

Consolidated tax expenses increased from R\$22.1 million in 1H05 to R\$23.5 million in 1H06. In Brazil, income tax expenses reached R\$23.2 million in 1H06 as compared with expenses of R\$20.2 million in 1H05, while in Argentina tax expenses improved from R\$2.0 million in 1H05 to an expense of R\$0.2 million in 1H06.

Net Income

As a result of the above facts, our net income increased 97.1% from R\$49.5 million in 1H05 to R\$97.6 million in 1H06.

Investments

Consolidated investments increased from R\$106.5 million in 1H05 to R\$152.9 million in 1H06, or 43.6%. The increase mainly reflects higher investments in Brazilian operations from R\$95.7 million in 1H05 to R\$141.0 million in 1H06, and an increase in investments in ALL Argentina, from R\$10.8 million in 1H05 to R\$11.9 million in 1H06.

The increase in Brazilian operations investments in 1H06 were due to a 9.2% increase in maintenance CAPEX, reflecting higher transported volumes, and an year-over-year growth of 93.4% in expansion CAPEX. Among ALL Brazil expansion CAPEX it is worth mentioning: (a) acquisition and refurbishing of additional locomotives for 1H06, 2006 and 2007 (R\$38.1 million); (b) investment made on behalf of our clients (R\$8.5 million); and (c) investments in rail track infrastructure (R\$25.7 million) and (d) acquisition of additional trucks to new logistics operations and to increase market share in existing ones (R\$3.5 million). In Argentina, the maintenance investments were in line with previous quarter while expansion CAPEX increased 30.1% due to higher locomotives and railcars investments.

Table 25 - Investments (R\$ million)	Brazil			Argentina			Consolidated		
	1H06	1H05	% Change	1H06	1H05	% Change	1H06	1H05	% Change
Maintenance	57,6	52,3	10,2%	6,4	7,0	-8,9%	64,0	59,3	8,0%
Expansion	84,4	43,4	94,3%	4,6	3,8	20,2%	89,0	47,2	88,3%
Total Investments	142,0	95,7	48,4%	11,0	10,8	1,4%	152,9	106,5	43,6%

Cash Flow

Consolidated cash flow from operational activities increased from R\$88.2 million in 1H05 to R\$137.3 million in 1H06, or 55.6%, reflecting EBITDA increase in the period. Cash flow from investments increased from an outflow of R\$106.5 million in 1H05 to an outflow of R\$152.9 million in 1H06, mainly explained by the increase in expansion CAPEX in Brazil and Argentina, while cash flow from financing activities increased from an outflow of R\$90.4 million in 1H05 to an inflow of R\$618.6 million in 1H06, reflecting a new debenture issuance of R\$700 million. The overall cash variation in 1H06 was positive in R\$603.0 million, as compared as to a cash outflow of R\$108.6 million in 1H05.

Table 26 - Cash Flow (R\$ million)	Brazil			Argentina			Consolidated		
	1H06	1H05	% Change	1H06	1H05	% Change	1H06	1H05	% Change
Operating Activities	127,6	63,9	99,6%	9,7	24,3	-60,1%	137,3	88,2	55,6%
Investing Activities	(141,9)	(88,5)	60,4%	(11,0)	(18,0)	-38,8%	(152,9)	(106,5)	43,6%
Financing Activities	613,7	(93,8)	na	4,8	3,4	42,8%	618,6	(90,4)	na
Increase in Cash	599,5	(118,3)	na	3,5	9,7	-63,7%	603,0	(108,6)	na

Balance Sheet and Capital Structure

Consolidated net debt reached R\$2,281 million compared to R\$228.0 million in the end of 1Q06, mainly due to the acquisition of Brasil Ferrovias, which was highly leveraged. Net Debt to EBITDA ratio increased from 0.5X in the end of 1Q06 to 4.1X in the end of 1H06, and net debt to equity ratio increased from 0.2X in 1Q06 to 0.9X in the 1H06.

EVENTS TO DISCUSS 2Q06 RESULTS

2Q06 Conference Calls:

[PORTUGUESE]
August 17, 2006 – Thursday
09:00 a.m. US EST / 10h00 Brazil
Tel.: +55 (11) 4688-6301
Code: ALL
Replay: +55 (11) 4688-6225
Senha: 598

[ENGLISH]
August 17, 2006 – Thursday
11:00 a.m. US EST / 12h00 Brazil
Tel.: +1 (973) 935-8516
Code: ALL ou 7611056
Replay: +1 (973) 341-3080

2Q06 Meeting with Investors and Analysts:

August 22, 2006 – Tuesday
11:00 a.m. (lunch will be served after the meeting)
Caesar Business São Paulo Faria Lima
Rua das Olimpíadas, 205
São Paulo

RSVP: www.all-logistica.com/ri or (11) 3186-3777

For additional information, please access the Company's website – www.all-logistica.com/ir, or contact our Investor Relations Area:

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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.

APPENDIX

Table 27 - Financial Results (R\$ million)	Brazil			Argentina			Consolidated*		
	2Q06	2Q05	% Change	2Q06	2Q05	% Change	2Q06	2Q05	% Change
Gross revenues	345.3	306.2	12.8%	38.2	34.5	10.9%	383.5	340.6	12.6%
Deduction from gross revenues	(44.5)	(40.8)	9.0%	(1.1)	(1.0)	6.2%	(45.5)	(41.8)	9.0%
Net revenues	300.8	265.4	13.4%	37.1	33.5	11.0%	338.0	298.9	13.1%
Cost of sales	(148.0)	(150.9)	-1.9%	(29.8)	(26.7)	11.8%	(177.8)	(177.5)	0.1%
Fuel	(58.3)	(52.7)	10.7%	(6.4)	(6.2)	3.8%	(64.8)	(58.9)	10.0%
Outsourced and contracted fleet	(14.6)	(21.9)	-33.5%	(5.6)	(5.1)	11.4%	(20.2)	(27.0)	-25.1%
Labor	(25.0)	(27.5)	-9.1%	(8.9)	(6.5)	37.0%	(33.9)	(34.0)	-0.3%
Maintenance	(8.1)	(8.0)	1.8%	(2.9)	(3.3)	-11.3%	(11.1)	(11.3)	-2.0%
Depreciation and Amortization	(12.7)	(12.0)	5.5%	(2.7)	(2.7)	-1.5%	(15.4)	(14.7)	4.2%
Lease and Concession	(6.4)	(6.4)	0.7%	(1.1)	0.0	na	(7.5)	(6.4)	17.5%
Other	(8.8)	(16.5)	-46.7%	(2.2)	(2.9)	-25.5%	(11.0)	(19.4)	-43.5%
Railcar Rental	(14.0)	(5.8)	140.7%	0.0	0.0	na	(14.0)	(5.8)	140.7%
Gross profit	152.9	114.6	33.5%	7.3	6.8	7.9%	160.2	121.3	32.0%
Operating income (expenses)	(15.4)	(17.9)	-14.2%	2.1	(2.3)	na	(13.3)	(20.3)	-34.4%
Selling, General and Administrative	(18.3)	(22.4)	-18.2%	(3.4)	(3.9)	-13.5%	(21.7)	(26.3)	-17.5%
Other	2.9	4.4	-34.5%	5.5	1.6	0.0%	8.4	6.0	0.0%
Equity earnings and gain (loss) on investments	(1.3)	(1.8)	0.0%	(0.5)	(0.5)	0.0%	(1.8)	(2.3)	0.0%
Operating profit (loss) before net financial expenses	136.2	94.8	43.6%	8.9	3.9	129.0%	145.1	98.7	47.0%
Net financial expenses	(47.2)	(21.0)	124.8%	(2.5)	(7.6)	-66.6%	(49.8)	(28.6)	74.0%
Operating profit (loss)	89.0	73.8	20.5%	6.3	(3.7)	-270.6%	95.4	70.1	36.0%
Translation gain (loss) and monetary adjustment gain (loss), net	0.0	0.0	0.0%	0.0	(19.3)	na	0.0	(19.3)	na
Non-operating results	0.4	1.5	-70.8%	0.0	0.0	0.0%	0.4	1.5	-70.8%
Income tax benefit (expense)	(16.7)	(18.6)	-10.2%	0.7	0.8	-17.0%	(16.1)	(17.8)	-9.8%
Net income (loss)	72.7	56.7	28.3%	7.0	(22.2)	na	79.7	34.5	131.0%

* Excludes results of Santa Fé Vagões (40% owned by ALL), Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned).

Table 28 - Financial Results (R\$ million)	Brazil			Argentina			Consolidated*		
	1H06	1H05	% Change	1H06	1H05	% Change	1H06	1H05	% Change
Gross revenues	616.7	533.6	15.6%	72.4	76.0	-4.8%	689.0	609.6	13.0%
Deduction from gross revenues	(84.3)	(71.8)	17.4%	(1.9)	(2.0)	-3.9%	(86.2)	(73.8)	16.9%
Net revenues	532.4	461.8	15.3%	70.5	74.0	-4.8%	602.8	535.8	12.5%
Cost of sales	(313.4)	(287.0)	9.2%	(58.5)	(58.0)	0.9%	(372.0)	(345.0)	7.8%
Fuel	(112.7)	(95.1)	18.5%	(12.4)	(13.3)	-6.9%	(125.1)	(108.4)	15.4%
Outsourced and contracted fleet	(37.8)	(41.6)	-9.2%	(10.3)	(11.7)	-11.5%	(48.2)	(53.3)	-9.7%
Labor	(50.6)	(52.1)	-2.9%	(17.8)	(14.1)	26.8%	(68.4)	(66.2)	3.4%
Maintenance	(18.9)	(18.6)	1.8%	(5.9)	(7.8)	-24.1%	(24.9)	(26.4)	-5.8%
Depreciation and Amortization	(21.9)	(23.1)	-5.3%	(5.4)	(6.1)	-11.7%	(27.2)	(29.2)	-6.7%
Lease and Concession	(12.9)	(12.8)	0.4%	(2.2)	0.0	na	(15.0)	(12.8)	17.4%
Other	(29.0)	(34.9)	-16.9%	(4.5)	(5.1)	-11.3%	(33.5)	(40.0)	-16.2%
Railcar Rental	(29.6)	(8.7)	242.8%	0.0	0.0	0.0%	(29.6)	(8.7)	242.8%
Gross profit	218.9	174.9	25.2%	11.9	16.0	-25.3%	230.8	190.8	21.0%
Operating income (expenses)	(28.7)	(30.7)	-6.6%	(0.9)	(7.5)	-88.1%	(29.6)	(38.2)	-22.6%
Selling, General and Administrative	(32.7)	(37.9)	-13.7%	(6.1)	(8.4)	-27.4%	(38.8)	(46.3)	-16.2%
Other	4.0	7.2	-44.2%	5.2	0.9	476.6%	9.2	8.1	13.8%
Equity earnings and gain (loss) on investments	(2.9)	(3.1)	-6.5%	(1.0)	(1.1)	-13.7%	(3.9)	(4.3)	-8.4%
Operating profit (loss) before net financial expenses	187.3	141.0	32.8%	10.0	7.3	36.8%	197.3	148.3	33.0%
Net financial expenses	(73.9)	(52.3)	41.4%	(3.6)	(10.1)	-64.1%	(77.5)	(62.4)	24.3%
Operating profit (loss)	113.4	88.7	27.8%	6.4	(2.8)	-332.4%	119.8	86.0	39.3%
Translation gain (loss) and monetary adjustment gain (loss), net	0.0	0.0	0.0%	0.0	(16.0)	na	0.0	(16.0)	na
Non-operating results	1.2	1.6	-24.7%	0.0	0.0	0.0%	1.2	1.6	-24.7%
Income tax benefit (expense)	(23.2)	(20.2)	15.1%	(0.2)	(2.0)	-87.3%	(23.5)	(22.1)	6.1%
Net income (loss)	91.4	70.2	30.2%	6.2	(20.7)	na	97.6	49.5	97.1%

* Excludes results of Santa Fé Vagões (40% owned by ALL), Brasil Ferrovias (wholly owned) and Novoeste Brasil (wholly owned).

Table 29 - Financial Results (R\$ million)	Brazil			Argentina			Santa Fé	Brasil Ferrovias*	Consolidated*		
	2Q06	2Q05	% Change	2Q06	2Q05	% Change	2Q06	Jun-06	2Q06	2Q05	% Change
Gross revenues	345.3	306.2	12.8%	38.2	34.5	10.9%	6.63	83.9	474.0	340.6	39.2%
Deduction from gross revenues	(44.5)	(40.8)	9.0%	(1.1)	(1.0)	6.2%	(1.41)	(9.3)	(56.2)	(41.8)	34.6%
Net revenues	300.8	265.4	13.4%	37.1	33.5	11.0%	5.22	74.6	417.8	298.9	39.8%
Cost of sales	(148.0)	(150.9)	-1.9%	(29.8)	(26.7)	11.8%	(4.68)	(47.0)	(229.5)	(177.5)	29.2%
Fuel	(58.3)	(52.7)	10.7%	(6.4)	(6.2)	3.8%	0.00	(14.0)	(78.8)	(58.9)	33.8%
Outsourced and contracted fleet	(14.6)	(21.9)	-33.5%	(5.6)	(5.1)	11.4%	0.00	(2.5)	(22.7)	(27.0)	-15.8%
Labor	(25.0)	(27.5)	-9.1%	(8.9)	(6.5)	37.0%	0.00	(2.5)	(36.4)	(34.0)	7.0%
Maintenance	(8.1)	(8.0)	1.8%	(2.9)	(3.3)	-11.3%	0.00	(0.7)	(11.7)	(11.3)	3.8%
Depreciation and Amortization	(12.7)	(12.0)	5.5%	(2.7)	(2.7)	-1.5%	0.00	(10.6)	(25.9)	(14.7)	76.0%
Lease and Concession	(6.4)	(6.4)	0.7%	(1.1)	0.0	na	0.00	5.1	(2.4)	(6.4)	-62.1%
Other	(8.8)	(16.5)	-46.7%	(2.2)	(2.9)	-25.5%	(4.68)	(13.9)	(29.6)	(19.4)	52.4%
Railcar Rental	(14.0)	(5.8)	140.7%	0.0	0.0	0.0%	0.00	(7.9)	(21.9)	(5.8)	277.5%
Gross profit	152.9	114.6	33.5%	7.3	6.8	7.9%	0.55	27.6	188.3	121.3	55.2%
Operating income (expenses)	(15.4)	(17.9)	-14.2%	2.1	(2.3)	na	(0.10)	(0.1)	(13.5)	(20.3)	-33.5%
Selling, General and Administrative	(18.3)	(22.4)	-18.2%	(3.4)	(3.9)	-13.5%	(0.14)	(4.4)	(26.2)	(26.3)	-0.4%
Other	2.9	4.4	-34.5%	8.9	3.9	129.0%	0.44	4.3	16.5	8.3	98.6%
Equity earnings and gain (loss) on investments	(1.3)	(1.8)	-28.6%	(0.5)	(0.5)	-9.3%	0.00	0.0	(1.8)	(2.3)	-24.1%
Operating profit (loss) before net financial expenses	136.2	94.8	43.6%	8.9	3.9	129.0%	0.44	27.5	173.1	98.7	75.3%
Net financial expenses	(47.2)	(21.0)	124.8%	(2.5)	(7.6)	-66.6%	0.03	(31.3)	(81.0)	(28.6)	183.3%
Operating profit (loss)	89.0	73.8	20.5%	6.3	(3.7)	-270.6%	0.47	(3.8)	92.1	70.1	31.3%
Translation gain (loss) and monetary adjustment gain (loss), net	0.0	0.0	0.0%	0.0	(19.3)	na	0.00	0.0	0.0	(19.3)	na
Non-operating results	0.4	1.5	-70.8%	0.0	0.0	0.0%	0.00	(0.4)	0.0	1.5	-97.2%
Income tax benefit (expense)	(16.7)	(18.6)	-10.2%	0.7	0.8	-17.0%	(0.15)	(0.2)	(16.4)	(17.8)	-7.9%
Net income (loss)	72.7	56.7	28.3%	7.0	(22.2)	na	0.32	(0.4)	75.7	34.5	119.3%

*Results from Brasil Ferrovias in June 2006 excludes adjustments from opening Balance Sheet

Table 30 - Financial Results (R\$ million)	Brazil			Argentina			Santa Fé	Brasil Ferrovias*	Consolidated		
	1H06	1H05	% Change	1H06	1H05	% Change	1H06	Jun-06	1H06	1H05	% Change
Gross revenues	616.7	533.6	15.6%	72.4	76.0	-4.8%	11.30	83.9	784.2	609.6	28.7%
Deduction from gross revenues	(84.3)	(71.8)	17.4%	(1.9)	(2.0)	-3.9%	(2.40)	(9.3)	(97.9)	(73.8)	32.7%
Net revenues	532.4	461.8	15.3%	70.5	74.0	-4.8%	8.90	74.6	686.3	535.8	28.1%
Cost of sales	(313.4)	(287.0)	9.2%	(58.5)	(58.0)	0.9%	(8.30)	(47.0)	(427.3)	(345.0)	23.9%
Fuel	(112.7)	(95.1)	18.5%	(12.4)	(13.3)	-6.9%	0.00	(14.0)	(139.1)	(108.4)	28.3%
Outsourced and contracted fleet	(37.8)	(41.6)	-9.2%	(10.3)	(11.7)	-11.5%	0.00	(2.5)	(50.7)	(53.3)	-5.0%
Labor	(50.6)	(52.1)	-2.9%	(17.8)	(14.1)	26.8%	0.00	(2.5)	(70.9)	(66.2)	7.1%
Maintenance	(18.9)	(18.6)	1.8%	(5.9)	(7.8)	-24.1%	0.00	(0.7)	(25.5)	(26.4)	-3.3%
Depreciation and Amortization	(21.9)	(23.1)	-5.3%	(5.4)	(6.1)	-11.7%	0.00	(10.6)	(37.8)	(29.2)	29.6%
Lease and Concession	(12.9)	(12.8)	0.4%	(2.2)	0.0	na	0.00	5.1	(9.9)	(12.8)	-22.5%
Other	(29.0)	(34.9)	-16.9%	(4.5)	(5.1)	-11.3%	(8.30)	(13.9)	(55.8)	(40.0)	39.4%
Railcar Rental	(29.6)	(8.7)	242.8%	0.0	0.0	0.0%	0.00	(7.9)	(37.6)	(8.7)	334.5%
Gross profit	218.9	174.9	25.2%	11.9	16.0	-25.3%	0.61	27.6	259.0	190.8	35.8%
Operating income (expenses)	(28.7)	(30.7)	-6.6%	(0.9)	(7.5)	-88.1%	(0.22)	(0.1)	(29.9)	(38.2)	-21.8%
Selling, General and Administrative	(32.7)	(37.9)	-13.7%	(6.1)	(8.4)	-27.4%	(0.29)	(4.4)	(43.4)	(46.3)	-6.2%
Other	4.0	7.2	-44.2%	5.2	0.9	476.6%	0.07	4.3	13.5	8.1	67.7%
Equity earnings and gain (loss) on investments	(2.9)	(3.1)	-6.5%	(1.0)	(1.1)	-13.7%	0.00	0.0	(3.9)	(4.3)	-8.4%
Operating profit (loss) before net financial expenses	187.3	141.0	32.8%	10.0	7.3	36.8%	0.39	27.5	225.2	148.3	51.9%
Net financial expenses	(73.9)	(52.3)	41.4%	(3.6)	(10.1)	-64.1%	0.06	(31.3)	(108.8)	(62.4)	74.4%
Operating profit (loss)	113.4	88.7	27.8%	6.4	(2.8)	na	0.45	(3.8)	116.5	86.0	35.5%
Translation gain (loss) and monetary adjustment gain (loss), net	0.0	0.0	0.0%	0.0	(16.0)	na	0.00	0.0	0.0	(16.0)	na
Non-operating results	1.2	1.6	-24.7%	0.0	0.0	0.0%	0.00	(0.4)	0.8	1.6	-48.5%
Income tax benefit (expense)	(23.2)	(20.2)	15.1%	(0.2)	(2.0)	-87.3%	(0.15)	(0.2)	(23.8)	(22.1)	7.6%
Net income (loss)	91.4	70.2	30.2%	6.2	(20.7)	na	0.30	(4.4)	93.5	49.6	88.7%

*Results from Brasil Ferrovias in June 2006 excludes adjustments from opening Balance Sheet

Tabela 31 - Resultados Financeiros (R\$ Milhões)	Brasil Ferrovias					
	2T06	2T05	% Variação	1S06	1S05	% Variação
Receita Bruta	247.4	248.4	-0.4%	433.6	427.3	1.5%
Deduções da Receita Bruta	(26.0)	(29.7)	-12.5%	(46.6)	(48.9)	-4.6%
Receita Líquida	221.4	218.7	1.2%	387.0	378.4	2.3%
Custos de serviços prestados	(180.8)	(192.5)	-6.1%	(354.9)	(337.3)	5.2%
Combustível	(39.6)	(35.5)	11.7%	(71.2)	(62.4)	14.0%
Agregados e Terceiros	(6.6)	(13.6)	-51.2%	(12.0)	(15.0)	-20.0%
Mão-de-obra	(23.9)	(22.2)	7.8%	(49.5)	(43.1)	14.8%
Manutenção	(28.5)	(26.8)	6.2%	(50.2)	(44.0)	14.2%
Depreciação e Amortização	(29.0)	(26.5)	9.6%	(56.0)	(52.2)	7.4%
Arrendamento e Concessão	8.5	(13.7)	na	(4.0)	(27.8)	-85.6%
Outros	(35.9)	(25.5)	40.6%	(65.6)	(48.4)	35.5%
Vagões	(25.8)	(28.7)	-10.1%	(46.4)	(44.3)	4.6%
Lucro Bruto	40.6	26.2	55.1%	32.1	41.2	-22.1%
Receitas (despesas) operacionais	(20.1)	(7.2)	177.8%	(37.4)	(13.8)	170.2%
Com vendas, gerais e administrativas	(22.8)	(14.4)	58.1%	(43.0)	(25.3)	70.4%
Outros	2.7	7.2	-62.1%	5.7	11.4	-50.3%
Resultado de Equivalência Patrimonial e Ganho (Perda) em Investimentos	6.2	14.3	-56.5%	6.2	0.0	na
Lucro (prejuízo) operacional antes das despesas financeiras líquidas	26.7	33.3	-19.7%	0.9	27.3	-96.6%
Despesas financeiras líquidas	(99.1)	(100.8)	-1.7%	(177.0)	(193.1)	-8.3%
Lucro (prejuízo) operacional	(72.3)	(67.5)	7.2%	(176.1)	(165.8)	6.2%
Resultados não-operacionais	(6.7)	(15.6)	-57.0%	(0.5)	3.2	na
Imposto de Renda	(0.2)	(0.4)	-50.3%	(0.2)	(0.5)	-65.3%
Lucro (prejuízo) líquido	(79.2)	(83.4)	-5.0%	(176.8)	(163.2)	8.4%

Os números do 2T06 e 1S06 excluem os ajustes do Balanço de Abertura

Table 32 - Financial Highlights per business unit (R\$ million)	Agricultural Commodities		Industrial Products		Highway Based Services		ALL Argentina		Total*	
	2Q06	2Q05	2Q06	2Q05	2Q06	2Q05	2Q06	2Q05	2Q06	2Q05
Gross Revenues	216,4	180,3	97,3	85,1	31,6	40,8	38,2	34,5	383,5	340,6
Net Revenues	190,4	158,0	82,9	71,8	27,6	35,5	37,1	33,5	338,0	298,9
Cost of Sales	(73,8)	(67,8)	(43,9)	(44,2)	(30,3)	(38,8)	(29,8)	(26,7)	(177,8)	(177,5)
Gross Profit	116,6	90,2	39,0	27,6	(2,7)	(3,2)	7,3	6,8	160,2	121,3
EBIT	105,4	77,0	34,1	21,7	(3,2)	(3,9)	8,9	3,9	145,1	98,7
EBITDA	109,8	97,0	39,5	33,1	1,8	0,5	13,7	9,8	164,8	140,4
EBITDAR	122,4	102,3	40,8	33,7	1,8	0,5	13,7	9,8	178,8	146,3
% Net Revenues										
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	-39%	-43%	-53%	-62%	-110%	-109%	-80%	-80%	-53%	-59%
Gross Profit	61%	57%	47%	38%	-10%	-9%	20%	20%	47%	41%
EBIT	55%	49%	41%	30%	-12%	-11%	24%	12%	43%	33%
EBITDA	58%	61%	48%	46%	7%	1%	37%	29%	49%	47%
EBITDAR	64%	65%	49%	47%	7%	1%	37%	29%	53%	49%
Volume										
RTK million	2.847	2.621	1.531	1.430			1.064	982	5.442	5.033
RK thousand					11,2	15,1			11,2	15,1
R\$ / Volume unit										
	R\$ / thousand RTK		R\$ / thousand RTK		R\$ / RK		R\$ / thousand RTK		R\$ / thousand RTK	
Net Revenues	66,9	60,3	54,1	50,2	2,5	2,4	34,9	34,0	62,1	59,4
Cost of Sales	(25,9)	(25,9)	(28,7)	(30,9)	(2,7)	(2,6)	(28,0)	(27,2)	(32,7)	(35,3)
Gross Profit	41,0	34,4	25,5	19,3	(0,2)	(0,2)	6,9	6,9	29,4	24,1
EBIT	37,0	29,4	22,3	15,2	(0,3)	(0,3)	8,4	3,9	26,7	19,6
EBITDA	38,6	37,0	25,8	23,2	0,2	0,0	12,9	10,0	30,3	27,9
EBITDAR	43,0	39,0	26,7	23,5	0,2	0,0	12,9	10,0	32,9	29,1

* Excludes results coming from our 40% stake in Santa Fé Vagões

Table 33 - Financial Highlights per business unit (R\$ million)	Agricultural Commodities		Industrial Products		Highway Based Services		ALL Argentina		Total*	
	1H06	1H05	1H06	1H05	1H06	1H05	1H06	1H05	1H06	1H05
Gross Revenues	369,8	301,0	180,2	154,3	66,6	78,3	72,4	76,0	689,0	609,6
Net Revenues	323,5	263,9	150,7	129,6	58,2	68,2	70,5	73,9	602,8	535,8
Cost of Sales	(155,5)	(127,1)	(94,9)	(85,6)	(63,0)	(74,2)	(58,5)	(58,0)	(372,0)	(345,0)
Gross Profit	168,0	136,8	55,8	44,0	(4,9)	(6,0)	11,9	16,0	230,8	190,8
EBIT	147,0	115,7	45,3	33,1	(5,0)	(7,9)	10,1	7,3	197,3	148,3
EBITDA	163,1	141,6	58,1	48,4	3,2	1,0	19,4	19,0	243,8	210,0
EBITDAR	190,4	149,8	61,3	48,9	3,2	1,0	19,4	19,0	274,4	218,7
% Net Revenues										
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	-48%	-48%	-63%	-66%	-108%	-109%	-83%	-79%	-62%	-64%
Gross Profit	52%	52%	37%	34%	-8%	-9%	17%	22%	38%	36%
EBIT	45%	44%	30%	26%	-9%	-12%	14%	10%	33%	28%
EBITDA	50%	54%	39%	37%	6%	1%	28%	26%	40%	39%
EBITDAR	59%	57%	41%	38%	6%	1%	28%	26%	46%	41%
Volume										
RTK million	5.154	4.689	2.900	2.666			2.028	1.913	10.082	9.268
RK thousand					23,2	29,5			23,2	29,5
R\$ / Volume unit										
	R\$ / thousand RTK		R\$ / thousand RTK		R\$ / RK		R\$ / thousand RTK		R\$ / thousand RTK	
Net Revenues	62,8	56,3	52,0	48,6	2,5	2,3	34,7	38,6	59,8	57,8
Cost of Sales	(30,2)	(27,1)	(32,7)	(32,1)	(2,7)	(2,5)	(28,9)	(30,3)	(36,9)	(37,2)
Gross Profit	32,6	29,2	19,2	16,5	(0,2)	(0,2)	5,9	8,3	22,9	20,6
EBIT	28,5	24,7	15,6	12,4	(0,2)	(0,3)	5,0	3,8	19,6	16,0
EBITDA	31,6	30,2	20,0	18,2	0,1	0,0	9,6	9,9	24,2	22,7
EBITDAR	37,0	31,9	21,1	18,4	0,1	0,0	9,6	9,9	27,2	23,6

* Excludes results coming from our 40% stake in Santa Fé Vagões

Table 34 - EBITDA Reconciliation (R\$ million)	2Q06			2Q05		
	Brazil	Argentina	Consolidated	Brazil	Argentina	Consolidated
Operating Profit before net financial expenses	136.2	8.6	144.9	94.8	3.9	98.7
Depreciation and amortization.....	14.2	3.2	17.4	15.9	3.2	19.1
Lease and concession.....	8.7	0.0	8.7	8.8	0.0	8.8
Payment of lease and concession.....	(13.0)	0.0	(13.0)	(12.9)	0.0	(12.9)
Tax gains (1).....	0.0	0.0	0.0	8.0	0.0	8.0
Accidents / compensations (2)	0.0	0.5	0.5	2.0	0.6	2.6
Non-cash items (3).....	5.0	1.1	6.1	3.3	0.0	3.3
Non-recurring items (4).....	0.0	0.3	0.3	10.7	2.1	12.8
EBITDA	151.1	13.7	164.8	130.6	9.8	140.4

Table 35 - EBITDA Reconciliation (R\$ million)	1H06			1H05		
	Brazil	Argentina	Consolidated	Brazil	Argentina	Consolidated
Operating Profit before net financial expenses	187.3	9.8	197.1	141.0	7.3	148.4
Depreciation and amortization.....	26.7	6.4	33.0	28.9	7.3	36.2
Lease and concession.....	17.5	0.0	17.5	17.6	0.0	17.6
Payment of lease and concession.....	(26.0)	0.0	(26.0)	(25.8)	0.0	(25.8)
Tax gains (1).....	5.9	0.0	5.9	11.4	0.0	11.4
Accidents / compensations (2)	0.9	1.0	1.9	2.6	1.4	4.0
Non-cash items (3).....	8.4	1.1	9.5	4.6	0.0	4.6
Non-recurring items (4).....	3.7	1.2	4.9	10.7	3.0	13.7
EBITDA	224.4	19.4	243.8	191.0	19.0	210.0

(1)Tax gains in Brazil: R\$5.9 million in 1H06, R\$8.8 million in 2Q05 and R\$11.4 million in 1H05, relating to a gain for the acquisition of tax credits which were recorded under financial income in the consolidated statements of operations.

(2)Accidents/compensation: Brazil and Argentina – amounts relating to compensation for accidents that occurred in previous periods.

(3)Non-cash items: Brazil: In 2Q06, R\$5.0 million representing the sum of R\$2.3 million in labor provisions, R\$1.8 million of goodwill of logispar and R\$0.9 equity loss in Geodex. In 1H06, Brazil:R\$8.4 million representing the sum of R\$4.1 million in labor provisions, R\$1.1 million equity loss in Geodex and R\$3.6 million of goodwill of logispar acquisition. In 2Q05, R\$3.3 million, representing the sum of R\$1.5 million of labor provisions and R\$1.8 million related to the goodwill of logispar acquisition. In 1H05, R\$4.6 million representing the sum of R\$3.6 million related to the goodwill of logispar acquisition, R\$1.5 million of labor provisions and R\$0.5 million of equity gain in Geodex.

(4) Non-recurring items: Brazil: In 1H06, R\$3.7 million representing the sum of R\$0.8 million related to fixed asset sales and expenses of R\$2.9 million related to processes of due diligence, evaluation and acquisition, including Brasil Ferrovias. In 2Q05 and 1H05, R\$10.7 million representing the sum of R\$3.4 million related to severance payments, R\$5.7 million related to equity operations extraordinary fees and expenses, and R\$1.6 million of loss related to fixed asset sales.

Table 36 - EBITDA Reconciliation (R\$ million)	BRASIL FERROVIAS			
	2Q06	2Q05	1H06	1H05
Operating Profit before net financial expenses	26.7	33.3	0.9	27.3
Depreciation and amortization.....	29.0	26.5	56.0	52.2
Lease and concession.....	(8.5)	13.7	4.0	27.8
Payment of lease and concession.....	(13.9)	(13.9)	(27.8)	(27.9)
Non-cash items	(6.2)	(14.3)	(6.2)	0.0
Non-recurring items (1).....	(0.4)	7.7	8.7	12.7
EBITDA	26.7	53.0	35.7	92.1

(1) Non-recurring items: In 2Q05, R\$7.7 million representing the sum of R\$4.0 million of locomotive's leasing payments (reclassified as investment in opening balance sheet) and R\$3.7 million related to labor and fiscal provisions. In 1H05, R\$12.7 million representing the sum of R\$8.0 million of locomotive's leasing payments (reclassified as investment in opening balance sheet) and R\$4.7 million related to labor and fiscal provisions. In 1H06, R\$8.7 million representing the sum of R\$8.4 million of locomotive's leasing payments (reclassified as investment in opening balance sheet) and R\$0.3 million of labor and fiscal provisions.

Table 37 - ALL Consolidated Balance Sheet*					
(R\$ million)	2Q06	1Q06	(R\$ million)	2Q06	1Q06
Current Assets	2,043.3	1,378.7	Current Liabilities	2,254.2	638.7
Cash and banks	41.7	33.0	Loans and financing	985.3	163.7
Financial Investments	1,567.6	1,043.0	Debentures	192.9	32.7
Trade accounts receivable	136.1	79.3	Suppliers	514.5	247.5
Inventories	56.3	38.3	Taxes, charges and contributions	160.3	105.9
Lease and concession	7.0	7.4	Lease and concession payable	24.8	23.8
Taxes Recoverable	179.1	139.3	Dividends and Interest on own capi	1.5	21.4
Advances and Other receivables	47.4	28.8	Salaries and payroll charges	197.5	20.2
Prepaid expenses	8.2	9.5	Advances from customers	34.4	9.3
			Other payables	142.9	14.4
Long-Term Assets	863.4	242.5	Long-Term Liabilities	3,614.5	1,193.1
Related Parties	10.3	0.8	Loans and financing	1,843.7	630.0
Lease and Concession	125.7	83.4	Debentures	868.9	476.8
Judicial deposits	320.2	26.1	Provision for contingencies	149.3	15.4
Taxes recoverable	101.7	73.6	Lease and concession payable	582.9	52.0
Other receivable	15.3	26.9	Other payables	169.7	18.9
Long term investments	204.1	17.8			
Prepaid expenses	86.1	13.8	Deferred Income	31.1	8.6
Permanent Assets	5,470.4	1,179.8	Shareholders' equity	2,477.3	960.5
Investments	2,341.8	228.9	Capital stock	2,131.2	690.2
Property, plant and equipment	2,771.3	911.0	Surplus reserves	259.1	259.1
Deferred charges	357.3	40.0	Net Income in the period	87.0	11.3
Total Assets	8,377.1	2,801.0	Total Liabilities and shareholders' equity	8,377.1	2,801.0

In 2Q06, includes Brasil Ferrovias (wholly owned) and our 40% stake in Santa Fé Vagões.

Table 38 - Free Cash Flow (R\$ millions)	2Q06	2Q05	Change	1H06	1H05	Change
Net Income (in cash basis)	146.2	86.7	59.5	218.2	165.0	53.2
Net Income	75.7	34.5	41.2	93.5	49.6	43.9
Depreciation and amortization	12.9	17.6	(4.7)	28.9	34.7	(5.8)
Lease and Concession	4.0	3.8	0.2	8.2	12.2	(4.0)
Realized results of swaps	(7.8)	(6.7)	(1.1)	(7.8)	(8.6)	0.8
Interest Expenses (IS)	61.3	37.3	24.0	95.4	77.1	18.3
Working Capital	37.9	15.4	22.4	(30.5)	(54.9)	24.4
Clients	(0.6)	(7.9)	7.3	(11.5)	(26.2)	14.6
Inventory	(4.2)	(0.3)	(3.9)	(14.4)	(2.6)	(11.7)
Suppliers	48.6	(4.1)	52.7	7.7	(24.6)	32.3
Taxes	(11.8)	21.2	(33.0)	(5.9)	3.4	(9.3)
Labor	5.9	6.4	(0.6)	(6.3)	(4.8)	(1.5)
Other Accounts Variation	(36.2)	15.3	(51.5)	(50.4)	(21.9)	(28.5)
Operating Activities	147.8	117.4	30.5	137.3	88.2	49.1
Capex	(64.5)	(45.8)	(18.7)	(152.9)	(106.5)	(46.4)
Sale of Investments	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Expenses	0.0	0.0	0.0	0.0	0.0	0.0
Investing Activities	(64.5)	(45.8)	(18.7)	(152.9)	(106.5)	(46.4)
Free Cash Flow*	83.3	71.6	11.7	(15.6)	(18.2)	2.7
Capital increase	10.0	0.4	9.6	17.9	35.2	(17.3)
Dividends and Interest on paid in capital		(0.3)	0.3	0.0	(0.3)	0.3
New loans	726.8	0.1	726.6	948.4	12.2	936.2
Repayments	(97.6)	(60.8)	(36.8)	(158.5)	(137.5)	(21.0)
Brasil Ferrovias (Cash + Change in Cash)	(189.2)	0.0	(189.2)	(189.2)	0.0	(189.2)
Financing Activities	450.0	(60.5)	510.5	618.6	(90.4)	708.9
Change in Cash	533.3	11.1	522.2	603.0	(108.6)	711.6
Opening Balance of Cash	1,076.0	645.5	430.5	1,006.3	765.0	241.3
Closing Balance of Cash	1,609.3	656.6	952.7	1,609.3	656.3	952.9