



ALL REPORTS 2Q07 AND 1H07 RESULTS

Curitiba, Brazil, August 09, 2007 – América Latina Logística S.A.¹ – ALL (Bovespa: ALLL11)², Latin America's largest independent logistics company, announces its results for the second quarter and first half of 2007 (2Q07 and 1H07). ALL - taking into account assets of Brasil Ferrovias and Novoeste Brasil acquired by ALL in May of 2006 - operates 1,000 locomotives, 29,700 rail cars, 1,200 highway vehicles, distribution centers and warehousing installations. ALL's rail network serves an area that accounted for approximately 75% of Mercosur's GDP. The Company serves seven of the most active ports in Brazil and Argentina through which approximately 78% of all South America's grain exports are shipped annually. We operate in Brazil and Argentina offering a full range of logistics services, including rail transportation, domestic and international intermodal door-to-door transportation, dedicated fleet services and warehousing. The services 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 2006. 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). Numbers in 2Q06 and 1H06, unless otherwise stated, are presented in a pro-forma basis combining ALL, Brasil Ferrovias and Novoeste Brasil as if the acquisition of Brasil Ferrovias and Novoeste Brasil - that was completed in May of 2006 - were already in effect in January 1st, 2006.

Conference Calls:

English
August 13, 2007
Monday
11:00 a.m. US EDT

Portuguese
August 13, 2007
Monday
9:00 a.m. US EDT

Meeting with Analysts and Investors:

August 15, 2007
Wednesday
11:00 a.m. (Brasília)
WTC Hotel
São Paulo - SP

OPERATING AND FINANCIAL HIGHLIGHTS

- ✓ **Consolidated¹ EBITDAR increased 38.1% from R\$226.4 million in 2Q06 to R\$312.7 million in 2Q07 and consolidated¹ EBITDAR margin improved 14 percentage points from 40.5% to 54.6%.** Year-over-year EBITDAR growth was mainly driven by lower fixed and variable costs and higher volume of return cargo. EBITDAR increased 41.4% in agricultural commodities, 54.5% in industrial products, and 74.3% in highway services. Net income significantly improved in the period, from a loss of R\$2.4 million in 2Q06 to an income of R\$51.8 million in 2Q07. In 1H07, consolidated¹ EBITDAR increased 46.1%, reaching R\$508.0 million, EBITDAR margin improved 15.6 percentage points to 50.8% and net income reached R\$35.7 million compared to a net loss of R\$90.5 million in 1H06.
- ✓ **ALL Brasil rail volumes increased 8.9% from 6,929 million RTK in 2Q06 to 7,547 million RTK in 2Q07 speeding up the year-over-year growth process.** Volume growth was mainly driven by a 12.3% increase in industrial flows, due to growth in pure rail segments, wood products and containers. Agricultural commodities volumes increased 7.6% over 2Q06, reflecting operational improvement in the northern network. In 1H07, volume increased 6.0% from 12,757 million RTK in 1H06 to 13,516 million RTK.
- ✓ **Enhancement process in the northern network continues to show significant improvements in safety and asset reliability.** Number of accidents per million train kilometer in the northern network decreased from 64 in 1Q07 to 45 in 2Q07, and average distance between failures of locomotives increased 55.2% from 6,765 km to 10,498 km.
- ✓ **ALL Argentina had a weak quarter impacted by the overall inflationary environment and the energy shortages in the country.** Cold weather boosted residential demand for natural gas and electricity prompting the Argentine Government to restrict supplies to industrial sectors. The shortage negatively impacted our client's volume and limited operating hours on the ports we serve, increasing our transit times. As a result, volume decreased 1.1% in the 2Q07 and 0.6% in the 1H07. Salary increases driven by difficult overall inflationary environment increased our cost base in ALL Argentina.

¹ On May, 9th 2006, ALL acquired all of the shares of Brasil Ferrovias and Novoeste Brasil. For comparison purposes 2Q07 and 1H07 results will be compared with 2006 Pro-forma Results including Brasil Ferrovias and Novoeste as if the acquisition were already in effect since January 1st 2006.

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

Table 1 - Financial Highlights (R\$ millions)	2Q07	2Q06	% Change*	1H07	1H06	% Change*
ALL Brazil Operations						
Gross Sales	615.9	592.7	3.9%	1,065.7	1,050.3	1.5%
Net Sales	538.9	522.2	3.2%	929.4	919.4	1.1%
EBITDAR	307.6	212.6	44.6%	494.8	328.3	50.7%
<i>EBITDAR Margin**</i>	<i>57.1%</i>	<i>40.7%</i>	<i>16.4%</i>	<i>53.2%</i>	<i>35.7%</i>	<i>17.5%</i>
EBITDA	257.6	177.8	44.9%	397.3	260.1	52.7%
<i>EBITDA Margin**</i>	<i>47.8%</i>	<i>34.0%</i>	<i>13.8%</i>	<i>42.8%</i>	<i>28.3%</i>	<i>14.5%</i>
Net Income	55.3	(9.7)	na	40.1	(97.0)	na
ALL Consolidated***						
Gross Sales	650.6	630.9	3.1%	1,138.7	1,122.6	1.4%
Net Sales	572.8	559.4	2.4%	1,000.6	989.8	1.1%
EBITDAR	312.7	226.4	38.1%	508.0	347.7	46.1%
<i>EBITDAR Margin**</i>	<i>54.6%</i>	<i>40.5%</i>	<i>14.1%</i>	<i>50.8%</i>	<i>35.1%</i>	<i>15.6%</i>
EBITDA	262.7	191.5	37.2%	410.5	279.5	46.9%
<i>EBITDA Margin**</i>	<i>45.9%</i>	<i>34.2%</i>	<i>11.6%</i>	<i>41.0%</i>	<i>28.2%</i>	<i>12.8%</i>
Net Income****	51.8	(2.4)	na	35.7	(90.5)	na
EPS (R\$/ Share)	0.09	na	na	0.06	na	na
Consolidated Balance Sheet Indicators						
Total Assets	8,954.6	8,377.1	6.9%	8,954.6	8,377.1	6.9%
Shareholders Equity	2,434.0	2,477.3	-1.7%	2,434.0	2,477.3	-1.7%
Net Debt	2,853.6	2,281.6	25.1%	2,853.6	2,281.6	25.1%
Net Debt / (Trailing 12 months EBITDA)	3.5	4.1	-15.4%	3.5	4.1	-15.4%
Net Debt/ Equity	1.2	0.9	27.3%	1.2	0.9	27.3%

* Reflects the change in the 2Q07 and 1H07 compared to the same period 2006.

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

*** Excludes results of Santa Fé Vagões (40% owned by ALL).

**** Includes net income from Santa Fé Vagões as a result of earnings on equity stake

Per share calculation based on number of existing shares as of June 30th, 2007

Values may not add up due to rounding

Comments from Bernardo Hees – CEO

We are pleased to announce 2Q07 consolidated results showing a 38.1% year-over-year EBITDAR growth, with 54.6% EBITDAR margin, increases of 7.6% in volumes and 3.1% in revenues. Net income increased from a loss of R\$2.4 million in 2Q06 to an income of R\$51.8 million in 2Q07. These results reflect strong fixed and variable cost reductions in Brasil Ferrovias implemented in the second half of 2006 and margin improvements are a result of higher volume of return cargo in agricultural commodities as well as the lower participation of trucking drayage services in our revenue base. During the quarter we continued to consistently improve operational indicators and safety standards in the northern network, which are decisive to sustain future growth. The number of accidents per million train kilometer in the northern network decreased from 64 in 1Q07 to 45 in 2Q07, and locomotives reliability improved with average distance between failures increasing from 6,765 km to 10,498km in the same period. In 1H07, consolidated EBITDAR increased 46.1% to R\$508.0 million, volumes increased 5.0%, revenues 1.4% and net income reached R\$35.7 million compared to a net loss of R\$90.5 million in 1H06.

Volumes in ALL Brasil increased 8.9% reflecting the operational enhancements achieved this quarter, in spite of the elimination of the expensive trucking connection that used to be done last year from Cnaga Terminal at Campinas to Port of Santos. The acceleration rate of growth shown in 2Q07 as compared to 1Q07 was expected and it is in line with our original turnaround plan for the year.

Volumes in Agricultural Commodities increased 7.6%, mainly driven by volume growth in corn and fertilizers. EBITDAR increased 41.4% to R\$230.3 million in 2Q07 and EBITDAR margins improved over 17 percentage points to 60.5%, positively impacted by higher volumes of return cargo. Revenues increased 1.6% to R\$430.0 million as the volume increase was partially offset by a 5.6% decrease in average yield. The yield reduction mainly reflects (i) higher return cargo; and (ii) a reduction in drayage services. In 1H07, agricultural commodities EBITDAR increased 45.5%, volumes increased 3.5% and revenues decreased 2.0%.

Industrial products volumes increased 12.3% in 2Q07 and 11.9% in 1H07, with strong growth in intermodal and pure rail flows. Volumes in intermodal flows increased 10.4% in 2Q07 with higher volumes of wood products (25.3%) and containerized cargo (14.1%) as we gained market share. Pure rail volumes increased 13.4% in 2Q07, mainly due to fuel products (19.8%) reflecting higher activity in the sector. Revenues increased 11.9% to R\$154.3 million in 2Q07, EBITDAR increased 54.5% to R\$74.1 million, EBITDAR margin improved 16 percentage points to 56.8% in 2Q07. In 1H07, Industrial products EBITDAR increased 66.5% as EBITDAR margins improved 16.1% and revenues grew 12.2%. Highway services EBITDAR increased 74.3% to R\$3.2 million and EBITDAR margins improved from 6.7% to 11.6% in the period. In 1H07, EBITDAR increased 97.9% to R\$6.4 million and EBITDAR margins reached 11.3%.

ALL Argentina had a weak quarter due to energy shortages in the country. Restrictions on consumption of energy by industrial clients negatively impacted transported volumes directly and the terminals in the ports were limited to work from 1 a.m. to 4 p.m., increasing the total transit times in our operation and reducing rolling stock productivity.

Although a difficult scenario is likely for Argentina on the next quarters as long as the energy shortage continues, the strong operational gains we have reached in Brasil Ferrovias and the market opportunities we have in Brazil give us the confidence in achieving our volume goals for the year.

OPERATING PERFORMANCE BY BUSINESS SEGMENT

Consolidated Results³

Consolidated EBITDAR increased 38.1% in 2Q07 from R\$226.4 million in 2Q06 to R\$312.7 million in 2Q07 and EBITDAR margin increased 14.1 percentage points, from 40.5% in 2Q06 to 54.6% in 2Q07. The overall increase mainly reflects gain in all business units in Brazil, with a strong reduction in fixed and variable costs, and an increase in return cargo, partially offset by a decrease in Argentina's results. In 1H07, consolidated EBITDAR improved 46.1%, reaching R\$508.0 million and EBITDAR margin reached 50.8% improving 15.6 percentage points from 35.1% in 1H06.

Table 2 - EBITDAR (R\$ million)	2Q07	2Q06	Growth 2Q07	% Growth 2Q07	1H07	1H06	Growth 1H07	% Growth 1H07
ALL Consolidated	312.7	226.4	86.3	38.1%	508.0	347.7	160.2	46.1%
ALL Brazil	307.6	212.6	94.9	44.6%	494.8	328.3	166.4	50.7%
Agricultural Commodities	230.3	162.8	67.4	41.4%	366.2	251.7	114.5	45.5%
Industrial Products	74.1	47.9	26.1	54.5%	122.2	73.4	48.8	66.5%
Highway-Based Services	3.2	1.8	1.4	74.3%	6.4	3.2	3.2	97.9%
ALL Argentina	5.1	13.7	(8.6)	-62.8%	13.2	19.4	(6.2)	-32.0%

Gross revenues increased by 3.1% from R\$630.9 million in 2Q06 to R\$650.6 million in 2Q07, due to a 7.6% volume increase, partially offset by a 4.0% reduction in yield measured in R\$/'000 RTK from R\$75.0 to R\$72.0. The yield decrease was driven by: (i) reduction in drayage services, (ii) higher return cargo and (iii) a change in accounting practice in Brasil Ferrovias region, as revenues related to all services shared with other railroads are now recognized by the net amount. Total volumes increased 7.6%, from 7,993 million RTK in 2Q06 to 8,599 million RTK in 2Q07, due to increases of 12.3% in industrial products, 7.6% in agricultural commodities, partially offset by a 1.1% decrease in ALL Argentina.

Table 3 - EBITDAR Margin (%)	Second Quarter			First Half		
	2Q07	2Q06	Change*	1H07	1H06	Change*
ALL Consolidated	54.6%	40.5%	14.1%	50.8%	35.1%	15.6%
ALL Brazil	57.1%	40.7%	16.4%	53.2%	35.7%	17.5%
Agricultural Commodities	60.5%	43.1%	17.4%	58.3%	39.1%	19.2%
Industrial Products	56.8%	41.0%	15.7%	49.9%	33.8%	16.1%
Highway Based Services	11.6%	6.7%	4.9%	11.3%	5.6%	5.8%
ALL Argentina	15.1%	37.0%	-21.9%	18.5%	27.5%	-9.0%

* Indicates percentage points gain / (loss)

³ Excludes results of Santa Fé Vagões (40% owned by ALL) and for comparison purposes 2Q07 and 1H07 results will be compared with 2006 Pro-forma Results including Brasil Ferrovias and Novoste as if the acquisition were already in effect since January 1st 2006.

After taking into account railcar rental expenses, ALL's consolidated EBITDA increased 37.2% in 2Q07. Railcar rental expenses are related to the addition of new railcars to our fleet that are acquired by our clients in agricultural commodities and industrial products business units. EBITDA in agricultural commodities increased from R\$132.5 million in 2Q06 to R\$184.7 million in 2Q07, or 39.4%, and industrial products EBITDA increased from R\$43.5 million in 2Q06 to R\$69.7 million in 2Q07, or 60.4%. Consolidated EBITDA margin increased 12 percentage points in 2Q07, reaching 45.9%.

Table 4 - EBITDA (R\$ million)	2Q07	2Q06	Growth 2Q07	% Growth 2Q07	1H07	1H06	Growth 1H07	% Growth 1H07
ALL Consolidated	262.7	191.5	71.2	37.2%	410.5	279.5	131.0	46.9%
ALL Brazil	257.6	177.8	79.8	44.9%	397.3	260.1	137.2	52.7%
Agricultural Commodities	184.7	132.5	52.2	39.4%	276.4	193.1	83.4	43.2%
Industrial Products	69.7	43.5	26.2	60.4%	114.5	63.8	50.7	79.4%
Highway-Based Services	3.2	1.8	1.4	74.3%	6.4	3.2	3.2	97.9%
ALL Argentina	5.1	13.7	(8.6)	-62.8%	13.2	19.4	(6.2)	-32.0%

In 1H07, volumes increased by 5.0%, from 14,784 million RTK in 1H06 to 15,531 million RTK, mainly due to increases of 11.9% in industrial products and 3.5% in agricultural commodities. Gross revenues increased 1.4% in the first half of 2007 reaching R\$1,138.7 million while average yield decreased 3.2% to R\$69.2.

Agricultural Commodities

Table 5 - Agricultural Commodities (R\$ million)	Second Quarter			First Half		
	2Q07	2Q06	Change*	1H07	1H06	Change*
Volume (million RTK)	5,391	5,009	7.6%	9,387	9,066	3.5%
Gross Revenues	430.0	423.1	1.6%	709.2	723.5	-2.0%
Gross Yield (R\$/000 RTK)	79.8	84.5	-5.6%	75.6	79.8	-5.3%
Net Revenues	380.6	377.8	0.8%	627.9	643.8	-2.5%
EBITDAR	230.3	162.8	41.4%	366.2	251.7	45.5%
EBITDAR Margin	60.5%	43.1%	17.4%	58.3%	39.1%	19.2%
EBITDA	184.7	132.5	39.4%	276.4	193.1	43.2%
EBITDA Margin	48.5%	35.1%	13.4%	44.0%	30.0%	14.0%

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

In 2Q07, Agricultural commodities' EBITDAR increased 41.4%, from R\$162.8 million in 2Q06 to R\$230.3 million, and EBITDAR margin improved 17.4 percentage points to 60.5%, mainly driven by the strong reduction in fixed and variable costs in Brasil Ferrovias implemented during 2H06, reduction in drayage services and increase in return cargo.

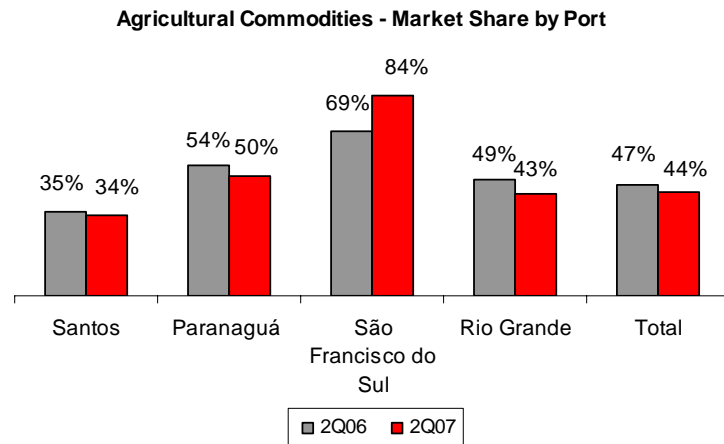
Table 6 - Agricultural Commodities Products (million RTK)	2Q07	2Q06	% Change	1H07	1H06	% Change
Soy	2,690.5	2,911.4	-7.6%	4,915.4	5,165.8	-4.8%
Soy Meal	830.5	1,013.0	-18.0%	1,248.7	1,735.7	-28.1%
Fertilizers	606.4	267.6	126.6%	1,131.4	494.9	128.6%
Sugar	556.9	469.7	18.6%	771.0	711.2	8.4%
Corn	477.9	68.5	597.4%	794.0	276.9	186.7%
Wheat	36.4	92.6	-60.7%	105.3	346.0	-69.6%
Rice	111.8	119.7	-6.6%	231.7	216.0	7.3%
Others	80.7	66.3	21.7%	189.3	119.0	59.1%
Total	5,391.1	5,008.8	7.6%	9,386.9	9,065.6	3.5%

Agricultural volumes increased 7.6% in 2Q07, from 5,009 million RTK in 2Q06 to 5,391 million RTK, speeding up growth compared to last quarter, as originally planned. The increase was a result of operational improvements in Brasil Ferrovias rail network as well as good market conditions. Transit time in Alto Araguaia-Santos route – the main route in Brasil Ferrovias – reached 152 hours as compared to 214 hours in the end of 2006, supported by a strong reduction in the number of accidents and a 55% improvement in locomotive reliability (as average distance between failures increased from 6,765 km to 10,498 km).

The volume growth was reached despite the elimination of the trucking connection from Cnaga Terminal (in the Campinas region) to Port of Santos. Going by train all the way to the Port of Santos, instead of unloading in

Campinas, we achieved superior margins but reduced rolling stock productivity as average speed and rail car cycles are worse on the Campinas-Santos route. During the quarter, changes in mix of freight transported led to a significant increase of corn (597.4%), partially offset by a decrease in soybean (-7.6%) and soy meal (-18.0%) volumes. Return cargo volume also boosted, with fertilizers volumes increasing 126.6%.

In 2Q07, agricultural commodities exports through the ports we serve increased 12%, reflecting the market increase in our coverage region. ALL's transported volumes to the ports increased 5% compared with 2Q06, and while overall market share decreased 3 percentage points from 47% in 2Q06 to 44% in 2Q07.



Agricultural commodities gross revenues increased 1.6% in 2Q07, from R\$423.1 million in 2Q06 to R\$430.0 million, and net revenues increased 0.8%, from R\$377.8 million in 2Q06 to R\$380.6 million. Gross yield, measured in R\$/'000 RTK, decreased by 5.6% year-over-year mainly driven by: (i) reduction in drayage services, (ii) higher return cargo and (iii) a change in accounting practice in Brasil Ferrovias region, as revenues related to all services shared with other railroads are now recognized by the net amount. In the first semester of 2007, volumes increased 3.5%, from 9,066 million RTK in 1H06 to 9,387 million RTK, EBITDAR increased 45.5% to R\$366.2 million while gross yield decreased 5.3% and gross revenues decreased 2.0% to R\$709.2 million.

Industrial Products

Industrial products' EBITDAR increased 54.5% in 2Q07 reaching R\$74.1 million and EBITDAR margins increased 15.7 percentage points, from 41.0% to 56.8%. EBITDAR increase reflects the reduction in fixed cost base as well as a 12.3% volume growth during the period. Gross revenues increased 11.9% in 2Q07, reaching R\$154.3 million due to volume increase offset by a 0.4% yield decrease. In 1H07, EBITDAR increased 66.5% reaching R\$122.2 million. Gross revenues increased 12.2%, from R\$260.1 million in 1H06 to R\$291.8 million in 1H07, due to volume increase of 11.9% reaching 4,129 million RTK with an yield expansion of 0.3%.

Table 7 - Industrial Products (R\$ million)	Second Quarter			First Half		
	2Q07	2Q06	Change*	1H07	1H06	Change*
Volume (million RTK)	2,156	1,920	12.3%	4,129	3,691	11.9%
Gross Revenues	154.3	137.9	11.9%	291.8	260.1	12.2%
Gross Yield (R\$/'000 RTK)	71.6	71.8	-0.4%	70.7	70.5	0.3%
Net Revenues	130.5	116.8	11.7%	244.9	217.4	12.6%
EBITDAR	74.1	47.9	54.5%	122.2	73.4	66.5%
EBITDAR Margin	56.8%	41.0%	15.7%	49.9%	33.8%	16.1%
EBITDA	69.7	43.5	60.4%	114.5	63.8	79.4%
EBITDA Margin	53.4%	37.2%	16.2%	46.8%	29.4%	17.4%

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

Volume in intermodal flows increased 10.4% in 2Q07 due to significant market share gains in almost all business segments. The intermodal volume increase was mainly driven by higher volumes of wood products (25.3%), and containerized cargo (14.1%). As we expect to grow intermodal flows at faster rates than pure rail industrial flows (i.e. fuel products and construction products flows) in the long term we should see intermodal flows accounting for an increasingly larger portion of total industrial flows.

Table 8 - Intermodal Industrial Products (million RTK)	2Q07	2Q06	% Change	1H07	1H06	% Change
Steel Products	179.3	187.7	-4.5%	393.9	390.7	0.8%
Wood Products	133.6	106.6	25.3%	257.5	187.2	37.5%
Food Products	117.2	120.4	-2.6%	197.5	190.2	3.8%
Containers	195.0	171.0	14.1%	374.9	321.9	16.5%
Others	148.0	114.6	29.2%	324.4	259.4	25.0%
Total	773.1	700.3	10.4%	1,548.2	1,349.4	14.7%

In the fuel products, construction and vegetal oil segments - which are shipped almost exclusively by rail in our area of operation – we have two different situations: (i) in southern portion of our rail network, where we have a high market share our performance is highly dependent on growth in the respective industries; and (ii) in the northern portion of our rail network, where our market share is small and we have significant room to grow volumes are independent of the market growth. In 2Q07, ALL volumes increased 19.8% in fuel products and 8.2% in construction segment reflecting higher activity on these sectors in the south and market share gains on the north. Volumes in vegetal oil decreased 32.3%, in 2Q07 reflecting the overall reduction in soybean crushing activity in Brazil.

Table 9 - Pure Rail Industrial Products (million RTK)	2Q07	2Q06	% Change	1H07	1H06	% Change
Fuel Products	979.4	817.2	19.8%	1,854.1	1,614.9	14.8%
Vegetal Oil	85.3	108.2	-32.3%	152.5	166.1	-8.2%
Construction	318.1	294.1	8.2%	574.3	560.9	2.4%
Total	1,382.8	1,219.5	13.4%	2,581.0	2,341.9	10.2%

Highway Services Business Unit

Highway services' EBITDAR increased 74.3% in 2Q07, from R\$1.8 million in 2Q06 to R\$3.2 million, and EBITDAR margin expanded from 6.7% to 11.6%. During 1H07, EBITDAR increased from R\$3.2 million in 1H06 to R\$6.4 million in 1H07, or 97.9% and EBITDAR margins increased from 5.8% to 11.3%. The improvement in profitability reflects the process of discontinuation of unprofitable operations and establishment of minimum target return levels to the new operations that occurred throughout 2005 and 2006.

Volume measured in remunerated kilometers (RK) decreased 6.4% in the quarter and 8.2% in 1H07, despite the addition of new clients to our operation. The reduction was caused by the termination of a long-haul operation for Ford in Camaçari, Bahia. Gross revenues remained in line at R\$31.6 million as average yield increased 6.9% in the quarter.

During 2007, we should continue to see improved EBITDA margins and strong EBITDAR growth. In 2Q07, we have added new operations for AMBEV, Braskem and Peugeot.

Argentina Operations

ALL Argentina's gross revenues increased 8.3% from P\$54.7 million in 2Q06 to P\$59.2 million in 2Q07 as gross yield increased 9.5% partially offset by volume decrease of 1.1% to 1,052 million RTK. The energy shortages in the country negatively impacted total volumes in two ways: (i) directly, reducing rail car productivity as working hours in our clients' terminals were limited and (ii) indirectly, through the governmental restrictions on electricity and natural gas consumption by industries.

Agricultural commodities volumes increased 41.7% in 2Q07, from 225.8 million RTK in 2Q06 to 320.0 million RTK, mainly due to market share gains in soy, corn and wheat. The strong volume growth reached despite energy restrictions was supported by a strategy of concentrating more rail cars in higher margins agricultural commodities flows in detriment of some industrial flows. Although this strategy is efficient in terms of margins and total EBITDA it has a negative impact in total volumes in terms of RTK, as agricultural commodities flows have shorter distances compared to steel products shipments. For the first half of 2007, agricultural commodities volume increased 33.5% reaching 495.5 million RTK.

Table 10 - Agricultural Commodities Products (million RTK)	2Q07	2Q06	% Change	1H07	1H06	% Change
Soy	232.9	140.4	65.9%	306.2	196.3	56.0%
Soy Meal	14.1	19.8	-28.5%	21.6	25.8	-16.5%
Fertilizers	18.6	21.7	-14.1%	39.5	36.1	9.3%
Sunflower	11.5	10.9	6.0%	33.9	33.4	1.5%
Corn	39.3	30.9	27.5%	76.3	51.3	48.8%
Wheat	3.1	1.2	166.0%	17.3	24.5	-29.5%
Rice	0.4	1.1	-64.6%	0.7	3.6	-81.1%
Total	320.0	225.8	41.7%	495.5	371.1	33.5%

Industrial products volumes decreased from 838.2 million RTK in 2Q06 to 731.4 million RTK in 2Q07 mainly due to energy shortages in the country and our strategy to dedicate more rail cars to agricultural commodities and lower asset productivity due to energy restrictions. We gained market share in vegetal oil (27.2%), partially offset by decreases in steel, wood products and containerized cargo as more transportation capacity was shifted to higher margin agricultural commodities flows at the expense of industrial products flows. In 1H07, industrial products volume decreased 8.3% to 1,518.9 million RTK.

Table 11 - Industrialized Products (million RTK)	2Q07	2Q06	% Change	1H07	1H06	% Change
Vegetal Oil	9.8	7.7	27.2%	18.8	16.8	12.1%
Steel Products	67.2	92.5	-27.3%	132.0	202.3	-34.7%
Wood	36.1	73.6	-51.0%	98.5	153.3	-35.8%
Food Products	64.0	85.1	-24.8%	138.9	133.8	3.7%
Construction	412.4	417.8	-1.3%	848.8	825.6	2.8%
Container	87.8	96.6	-9.1%	179.3	231.5	-22.6%
Others	54.1	64.9	-16.6%	102.7	93.0	10.4%
Total	731.4	838.2	-12.7%	1,518.9	1,656.4	-8.3%

EBITDA decreased from P\$19.8 million in 2Q06 to P\$9.0 million in 2Q07, and EBITDA margins decreased from 37.2% to 15.5%. The EBITDA reduction resulted from significant cost increase driven by mandatory wage increases for unionized employees. In Reais, gross revenues decreased 9.2% from R\$38.2 million in 2Q06 to R\$34.7 million in 2Q07 as a result of the currency depreciation. EBITDA in Reais decreased 62.8% from R\$13.7 million in 2Q06 to R\$5.1 million in 2Q07. In 1H07, gross revenues increased 13.6% to P\$117.2 million with a 14.3% yield expansion offset by a volume decrease of 0.6%. EBITDA decreased 23.4%, from P\$27.8 million in 1H06 to P\$21.3 million in 1H07.

CONSOLIDATED RESULTS ⁴
 For Second Quarter 2007 Compared to Second Quarter 2006

Table 12 - Operational Indicators	Brazil			Argentina		
	2Q07	2Q06	% Change	2Q07	2Q06	% Change
Volumes						
RTK (million)	7,547	6,929	8.9%	1,052	1,064	-1.1%
GTK (million)	13,392	12,437	7.7%	2,116	2,170	-2.5%
Total RK (million)	10.5	11.2	-6.4%			
RK of Owned Fleet (million)	5.0	4.2	19.5%			
RK of Owned and Agregated Fleet (million)	9.4	9.5	-1.2%			
Carloads (thousand)	198.1	195.8	1.2%	36.7	36.4	0.9%
Diesel Consumption						
Rail (liters per 000 GTK)	5.33	5.49	-3.0%	3.35	3.54	-5.6%
Trucking (liters per RK)	0.39	0.42	-6.7%			

Consolidated Gross Revenue from Services

Consolidated gross revenue increased from R\$630.9 million in 2Q06 to R\$650.6 million in 2Q07, or 3.1%, due to a 3.9% increase in Brazilian operations' gross revenue, from R\$592.7 million in 2Q06 to R\$615.9 million in 2Q07, partially offset by a 9.2% decrease in Argentine operations' gross revenue, from R\$38.2 million in 2Q06 to R\$34.7 million in 2Q07.

Table 13 - Gross Revenues (R\$ million)	2Q07	2Q06	Change	% Change
ALL Consolidated*	650.6	630.9	19.7	3.1%
ALL Brazil	615.9	592.7	23.3	3.9%
Agricultural Commodities	430.0	423.1	6.9	1.6%
Industrial Products	154.3	137.9	16.4	11.9%
Highway Based Services	31.6	31.6	0.0	0.1%
ALL Argentina	34.7	38.2	(3.5)	-9.2%

* Excludes results of Santa Fé Vagões (40% owned by ALL).

Brazilian operation's gross revenues increased R\$23.3 million in 2Q07, when compared to the same period last year, reflecting an 8.9% increase in transported volume and a 4.4% decrease in average yield, from R\$81.0 per thousand RTK in 2Q06 to R\$77.4 per thousand RTK in 2Q07. The lower yield reflects (i) reduction in drayage services, (ii) higher return cargo and (iii) a change in accounting practice in Brasil Ferrovias region, as revenues related to all services shared with other railroads are now recognized by its net amount.

Agricultural commodities' gross revenues increased by R\$6.9 million, or 1.6%, as transported volume increased 7.6% and as gross yield decreased 5.6%, from R\$84.5 in the 2Q06 to R\$79.8 in the 2Q07. In industrial products, gross revenues increased R\$16.4 million, or 11.9%, with a 12.3% growth in transported volume and a 0.4% decrease in average yield. In highway-based services unit, gross revenues reached R\$31.6 million in 2Q07 in line with the same period last year while transported volume was reduced by 6.4%, partially offset by a 6.9% expansion in average yield.

In Argentina, gross revenues increased 8.3% in Pesos as a result of an increase in average yield from P\$51.4 per thousand RTK in 2Q06 to P\$56.3 per thousand RTK in 2Q07, while transported volume decreased 1.1% to 1,052 million RTK, negatively affected by the energy shortage in the country. In Reais, gross revenues decreased 9.2% in the 2Q07, from R\$38.2 million in 2Q06 to R\$34.7 million in 2Q07, impacted by an 11.2% devaluation of the Peso against the Real in 2Q07 compared to 2Q06.

⁴ Excludes results of Santa Fé Vagões (40% owned by ALL).

Taxes on Consolidated Gross Operating Revenue

Taxes on consolidated operating revenue increased 8.8% from R\$71.5 million in 2Q06 to R\$77.8 million in 2Q07. This tax increase resulted from a 9.4% increase in Brazilian operations' taxes - from R\$70.4 million in 2Q06 to R\$77.0 million in 2Q07 due to higher revenues and a higher average tax rate reflecting a change in mix of transported freight, partially offset by a 25.2% decrease in Argentine operations' taxes.

Consolidated Cost of Sales

Consolidated costs of sales decreased from R\$358.5 million in 2Q06 to R\$339.6 million in the 2Q07, or 5.3%, due to a 5.6% decrease in Brazilian operations' cost of sales from R\$328.7 million in 2Q06 to R\$310.4 million in 2Q07 and a decrease in Argentine operations' cost of sales from R\$29.8 million to R\$29.2 million, or 2.2%.

Table 14 - Cost of Sales *	Brazil			Argentina			Consolidated		
(R\$ million)	2Q07	2Q06	% Change	2Q07	2Q06	% Change	2Q07	2Q06	% Change
Fuel Expenses	(101.4)	(98.0)	3.5%	(5.8)	(6.4)	-9.4%	(107.3)	(104.4)	2.7%
Rail portion	(93.7)	(90.8)	3.2%	(5.8)	(6.4)	-9.4%	(99.5)	(97.3)	2.4%
Trucking portion	(7.7)	(7.1)	8.9%	0.0	0.0	na	(7.7)	(7.1)	8.9%
Outsourced and Contracted Trucking Expenses	(10.5)	(21.2)	-50.7%	(4.0)	(5.6)	-29.4%	(14.4)	(26.8)	-46.2%
Drayage Services	(6.7)	(15.2)	-56.2%	(4.0)	(5.6)	-29.4%	(10.7)	(20.9)	-48.9%
Other than Drayage Services	(3.8)	(5.9)	-45.6%	0.0	0.0	na	(3.8)	(5.9)	-35.3%
Labor Expenses	(42.6)	(48.9)	-13.0%	(10.8)	(8.9)	21.6%	(53.4)	(57.8)	-7.7%
Maintenance Expenses	(20.4)	(36.6)	-44.3%	(2.5)	(2.9)	-13.5%	(22.9)	(39.6)	-42.0%
Depreciation and Amortization Expenses	(52.4)	(41.7)	25.8%	(2.6)	(2.7)	-5.2%	(55.0)	(44.4)	23.9%
Concession and Lease Expense	(8.3)	2.1	na	(1.0)	(1.1)	-9.8%	(9.3)	1.0	na
Other Expenses	(24.8)	(49.6)	-50.0%	(2.5)	(2.2)	15.2%	(27.3)	(51.8)	-47.2%
Railcar Rentals	(50.0)	(34.8)	43.7%	0.0	0.0	na	(50.0)	(34.8)	43.7%
Total Cost of Sales	(310.4)	(328.7)	-5.6%	(29.2)	(29.8)	-2.2%	(339.6)	(358.5)	-5.3%

* Excludes results of Santa Fé Vagões (40% owned by ALL).

Brazilian operations' cost of sales reduction in 2Q07 compared to the same period of 2006 was mainly driven by decreases in (i) trucking drayage services as we reduced drayage services in the southern network and switched some flows from trucking to rail in the northern network; (ii) labor expenses mainly driven by lay-offs that occurred in the 2H06 as we adjusted the fixed cost base and (iii) maintenance expenses due to a change in maintenance procedures in Brasil Ferrovias network. The cost reduction was partially offset by an increase in fuel expenses due to higher rail volumes and an increase in railcars rental cost as new rail cars were added by the clients.

The decrease in Argentine operations' cost of sales in Reais during the same period mainly reflects the marginal reduction in transported volumes and a stronger Real compared with Peso, partially offset by higher labor expenses driven by wage increases negotiated with unions in 2Q07.

Gross Profit

Consolidated gross profit increased 16.1%, from R\$200.8 million in 2Q06 to R\$233.2 million in 2Q07. The increase was due to a R\$18.9 million reduction in consolidated cost of sales and a R\$13.4 million increase in consolidated net revenues.

Operating Expenses

Consolidated operating expenses decreased from R\$33.4 million in 2Q06 to R\$13.9 million in 2Q07, or 58.5%, driven by a decrease of 73.0% in Brazil, from R\$35.5 million to R\$9.6 million, and a expense increase in Argentina, from a revenue of R\$2.1 million in 2Q06 to an expense of R\$4.3 million in 2Q07.

Brazilian operations' SG&A expenses decreased 51.5% from R\$41.1 million in 2Q06 to R\$19.9 million in 2Q07, reflecting the cost reduction in Brasil Ferrovias' concessions. Other operating revenues and expenses increased from an income of R\$5.6 million to an income of R\$10.3 million in Brazil in the same period. Argentina's SG&A decreased 4.5%, from R\$3.4 million in 2Q06 to R\$3.3 million in 2Q07, while other operating revenues worsened from an income of R\$5.5 million in 2Q06 to an expense of R\$1.0 million in 2Q07.

Net Financial Expense

Consolidated net financial expenses improved 3.4% from R\$153.6 million in 2Q06 compared to R\$148.3 million in 2Q07 driven by a reduction in average interest rates, partially offset by an increase in average net debt related to the financing of restructuring process in Brasil Ferrovias during 2H06. Brazilian operations' net financial expenses improved from R\$151.1 million in 2Q06 to R\$144.0 million in 2Q07 and Argentine operations' net financial expenses worsened from R\$2.5 million in 2Q06 to R\$4.3 million in 2Q07.

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 – worsened from an expense of R\$1.8 million in 2Q06 to an expense of R\$8.9 million in 2Q07, due to an increase in equity losses on investments from a gain of R\$4.4 million in 2Q06 to a loss of R\$9.1 million in 2Q07, partially offset by an improvement in non-operational revenues in Brazil, from a loss of R\$6.3 million in 2Q06 to a gain of R\$0.3 million in 2Q07

Table 15 - Other Costs (R\$ million)	Brazil			Argentina			Consolidated		
	2Q07	2Q06	% Change	2Q07	2Q06	% Change	2Q07	2Q06	% Change
Equity Earnings and Gain on Investments	(8.7)	4.9	na	(0.4)	(0.5)	-16.3%	(9.1)	4.4	na
Non-Operational Results	0.3	(6.3)	na	0.0	0.0	na	0.3	(6.3)	na
Translation Gain (loss) and Monetary Adjustment	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
Other Costs	(8.5)	(1.4)	519.4%	(0.4)	(0.5)	-16.3%	(8.9)	(1.9)	378.0%

Income Taxes

Consolidated income tax expenses improved from R\$14.6 million in the 2Q06 to R\$9.9 million in 2Q07 despite a better EBT. The reduction reflects lower average income tax rate in 2Q07 mainly due to better results in Brasil Ferrovias concession's (which have strong accumulated losses) and due to deferred income taxes on the companies with net losses during the period. Brazilian income taxes decreased from an expense of R\$15.3 million in 2Q06 to an expense of R\$11.1 million in 2Q07. In Argentina income tax improved from an income of R\$0.7 million in 2Q06 to an income of R\$1.2 million in 2Q07.

Net Income

As an effect of the results discussed above, consolidated net income improved from a loss of R\$2.7 million in 2Q06 to an income of R\$52.1 million in 2Q07. Including results coming from our stake in Santa Fe Vagoes, net income increased from a loss of R\$2.4 million in 2Q06 to an income of R\$51.8 million in 2Q07.

Investments

Consolidated investments decreased from R\$187.0 million in 2Q06 to R\$156.3 million in 2Q07, or 16.4%. The decrease mainly reflects lower investments in Brazilian operations.

In Brazil, maintenance and expansion CAPEX decreased in 2Q07 compared to the same period of 2006. Among ALL Brazil expansion investments it is worth mentioning: (i) refurbishment of rail cars and locomotives in the amount of R\$31.3 million, (ii) rail track investments of R\$51.3 million, (iii) acquisition of additional trucks to new logistics operations and to increase market share in existing ones (R\$4.5 million).

Investments in Argentina increased 38.6%, from R\$6.4 million in 2Q06 to R\$8.9 in 2Q07, mainly due to higher expansion CAPEX from R\$2.8 million to R\$5.3 million.

Table 16 - Investments (R\$ million)	Brazil			Argentina			Consolidated		
	2Q07	2Q06	% Change	2Q07	2Q06	% Change	2Q07	2Q06	% Change
Maintenance	51.7	139.3	-62.9%	3.6	3.6	0.1%	55.3	142.9	-61.3%
Expansion	95.7	41.3	131.5%	5.3	2.8	88.0%	101.0	44.1	128.8%
Total Investments	147.4	180.6	-18.4%	8.9	6.4	38.6%	156.3	187.0	-16.4%

Cash Flow

Consolidated cash flow from operational activities increased from a surplus of R\$147.8 million in 2Q06 to a surplus of R\$252.8 million in 2Q07, reflecting the EBITDA increase during the period. Cash outflow from investments decreased from an outflow of R\$64.5 million in 2Q06 to an outflow of R\$156.3 million in 2Q07, mainly due to an increase in CAPEX with the acquisition of Brasil Ferrovias. Cash flow from financing activities decreased from an inflow of R\$450.0 million in 2Q06, to an outflow of R\$203.4 million in 2Q07 reflecting higher amortization payments in 2Q07 and new loans amounting R\$700 million in 2Q06. The overall cash variation in 2Q07 was negative in R\$107.0 million compared as to a cash inflow of R\$533.3 million in 2Q06.

Table 17 - Cash Flow (R\$ million)	Brazil			Argentina			Consolidated		
	2Q07	2Q06*	% Change	2Q07	2Q06	% Change	2Q07	2Q06	% Change
Operating Activities	240.1	130.5	84.0%	12.7	17.3	-26.7%	252.8	147.8	71.0%
Investing Activities	(147.5)	(58.0)	154.1%	(8.9)	(6.4)	37.7%	(156.3)	(64.5)	142.5%
Financing Activities	(199.7)	419.2	-147.6%	(3.7)	30.8	-112.2%	(203.4)	450.0	-145.2%
Increase in Cash	(107.1)	491.6	-121.8%	0.1	41.7	-99.8%	(107.0)	533.3	-120.1%

* In 2Q06, does not include Brasil Ferrovias

Balance Sheet and Capital Structure

Consolidated net debt reached R\$2,853.6 million in 2Q07 compared to R\$2,833.3 million at the 1Q07. Net Debt to EBITDA ratio in 2Q07 decreased from 3.8X in 1Q07 to 3.5X, and net debt to equity ratio remained in line at 1.2X.

CONSOLIDATED RESULTS ⁵

For the First Semester of 2007 Compared to the First Semester of 2006

Table 18 - Operational Indicators	Brazil			Argentina		
	1H07	1H06	% Change	1H07	1H06	% Change
Volumes						
RTK (million)	13,516	12,757	6.0%	2,015	2,028	-0.6%
GTK (million)	23,672	22,672	4.4%	4,111	4,212	-2.4%
Total RK (million)	21.3	23.2	-8.2%			
RK of Owned Fleet (million)	9.6	8.4	13.5%			
RK of Owned and Agregated Fleet (million)	18.8	19.0	-1.0%			
Carloads (thousand)	366.7	365.8	0.2%	72.0	68.9	4.5%
Diesel Consumption						
Rail (liters per 000 GTK)	5.45	5.59	-2.6%	3.33	3.50	-4.8%
Trucking (liters per RK)	0.39	0.42	-7.6%			

Consolidated Gross Revenue from Services

Consolidated gross revenue increased by 1.4% from R\$1,122.6 million in 1H06 to R\$1,138.7 million in 1H07 mainly due to 1.5% increase in Brazilian operations' gross revenues, from R\$1,050.3 million in 1H06 to R\$1,065.7 million in 1H07 and a 0.9% increase in Argentine operations' gross revenues, from R\$72.4 million in 1H06 to R\$73.0 million in 1H07.

⁵ Excludes results of Santa Fé Vagões (40% owned by ALL)

Table 19 - Gross Revenues (R\$ million)	1H07	1H06	Change	% Change
ALL Consolidated*	1,138.7	1,122.6	16.1	1.4%
ALL Brazil	1,065.7	1,050.3	15.4	1.5%
Agricultural Commodities	709.2	723.5	(14.3)	-2.0%
Industrial Products	291.8	260.1	31.7	12.2%
Highway Based Services	64.7	66.6	(1.9)	-2.9%
ALL Argentina	73.0	72.4	0.6	0.9%

* Excludes results of Santa Fé Vagões (40% owned by ALL).

Brazilian operations' gross revenues increased 1.5% as volume increased 6.0%, from 12,757 million RTK in 1H06 to 13,516 million RTK in 1H07, partially offset by a decrease in average yield measured in R\$/thousand RTK of 4.0%, to R\$74.1 due to higher volume of return cargo flows and less drayage services.

Agricultural commodities' gross revenues decreased 2.0% in 1H07, with a 3.5% increase in transported volume and a yield decrease of 5.3%. In industrial products, gross revenues increased 12.2%, with a 0.3% increase in gross yield and 11.9% increase in transported volume. Gross revenues in highway based services business unit decreased 2.9% in 1H07 due to a 8.2% decrease in volume offset by average yield increase of 5.8%, from R\$2.88 per Km to R\$3.04 per Km.

In Argentina, gross revenues increased 13.6% in Pesos, reaching P\$117.2 million in 1H07, as volume decreased 0.6% from 2,028 million RTK in 1H06 to 2,015 million RTK and gross yield increased 14.3%, from P\$50.9 per thousand RTK in 1H06 to P\$58.1 per thousand RTK in 1H07. In Reais, ALL Argentina gross revenues increased 0.9% in 1H07 to R\$73.0 million reflecting an 11.2% devaluation of the Peso year-over-year.

Taxes on Consolidated Gross Operating Revenue

Taxes on consolidated operating revenue increased 4.0% from R\$132.8 million in 1H06 to R\$138.1 million in 1H07. This tax increase resulted from a 4.1% increase in Brazilian operations' taxes - from R\$130.9 million in 1H06 to R\$136.3 million in 1H07 - and a 8.2% decrease in Argentine operations' taxes, mainly due to higher revenues in Brazil and Argentina and a higher average tax rate in Brazil reflecting a change in mix of transported freight.

Consolidated Cost of Sales

Consolidated costs of sales decreased from R\$726.9 million in 1H06 to R\$641.8 million in the 1H07, or 11.7%, compounded by a reduction of 12.7% in Brazilian operations' cost of sales from R\$668.4 million to R\$583.2 million and a slight increase of 0.1% in Argentine operations' cost of sales to R\$58.6 million.

Table 20 - Cost of Sales *	Brazil			Argentina			Consolidated		
(R\$ million)	1H07	1H06	% Change	1H07	1H06	% Change	1H07	1H06	% Change
Fuel Expenses	(181.8)	(183.9)	-1.2%	(11.5)	(12.4)	-7.0%	(193.3)	(196.3)	-1.5%
Rail portion	(170.6)	(170.7)	-0.1%	(11.5)	(12.4)	-7.0%	(182.1)	(183.1)	-0.5%
Trucking portion	(11.2)	(13.2)	-14.6%	0.0	0.0	na	(11.2)	(13.2)	-14.6%
Outsourced and Contracted Trucking Expenses	(20.5)	(49.8)	-58.8%	(8.9)	(10.3)	-14.3%	(29.4)	(60.2)	-51.2%
Drayage Services	(13.1)	(28.9)	-54.7%	(8.9)	(10.3)	-14.3%	(22.0)	(39.3)	-44.0%
Other than Drayage Services	(7.5)	(20.9)	-64.2%	0.0	0.0	na	(7.5)	(20.9)	-64.2%
Labor Expenses	(84.9)	(100.1)	-15.2%	(20.5)	(17.8)	15.3%	(105.4)	(117.9)	-10.6%
Maintenance Expenses	(39.1)	(69.1)	-43.4%	(5.2)	(5.9)	-12.3%	(44.3)	(75.1)	-41.0%
Depreciation and Amortization Expenses	(95.6)	(77.9)	22.7%	(5.4)	(5.4)	1.3%	(101.1)	(83.3)	21.3%
Concession and Lease Expense	(16.6)	(16.9)	-1.3%	(2.1)	(2.2)	-4.7%	(18.7)	(19.0)	-1.7%
Other Expenses	(47.2)	(102.4)	-53.9%	(5.0)	(4.5)	9.6%	(52.1)	(107.0)	-51.3%
Railcar Rentals	(97.5)	(68.2)	42.9%	0.0	0.0	na	(97.5)	(68.2)	42.9%
Total Cost of Sales	(583.2)	(668.4)	-12.7%	(58.6)	(58.5)	0.1%	(641.8)	(726.9)	-11.7%

* Excludes results of Santa Fé Vagões (40% owned by ALL).

Brazilian operations' cost of sales reduction in 1H07 as compared with 1H06 was mainly driven by: (i) trucking drayage services as we reduced trucking connections in the southern network and switched some flows from trucking to rail in the northern network; (ii) trucking related fuel expenses due to lower trucking volumes, (iii) labor

expenses mainly driven by lay-offs that occurred in the 2H06 as we adjusted the fixed cost base and (iv) maintenance expenses due to a change in maintenance procedures in Brasil Ferrovias network. The reduction was partially offset by an increase in railcars rental cost as new rail cars were added by the clients.

Argentine operations' overall cost of sales remained almost in line with last year as higher labor costs associated with wage increase related to unionized employees were offset by a weaker Peso against the Real and a marginal decrease in transported volumes.

Gross Profit

Consolidated gross profit increased by 36.4% or R\$95.8 million, from R\$262.9 million in 1H06 to R\$358.8 million in 1H07, resulting from a R\$10.8 million increase in net revenues and a R\$85.1 million reduction in cost of sales.

Operating Income and Expenses

Consolidated operating expenses decreased from R\$67.0 million in 1H06 to R\$24.7 million in 1H07, or 63.1%. Brazilian operations' SG&A expenses decreased from R\$75.7 million in 1H06 to R\$43.3 million in 1H07, or 42.9%, reflecting the cost reduction in Brasil Ferrovias' concessions, and other operating revenues and expenses improved from an income of R\$9.7 million to an income of R\$27.1 million in the same period, leading to a 75.5% reduction in operating expenses in Brazil, from a R\$66.1 million in 1H06 to R\$16.2 million in 1H07.

Argentina's SG&A expenses increased 14.3% from R\$6.1 million in 1H06 to R\$6.9 million in 1H07 and other operating income and expenses worsened from a gain of R\$5.2 million to a loss of R\$1.6 million in the same period, resulting in an overall decrease in Argentine operating expenses from R\$0.9 million in 1H06 to R\$8.5 million in 1H07.

Net Financial Expenses

Consolidated net financial expenses increased by 2.6% from R\$272.1 million in 1H06 to R\$279.1 million in 1H07, mainly driven by (i) the increase in ALL's average net debt due to the financing of restructuring process of Brasil Ferrovias during 2H06 and (ii) an increase in interest expenses related to leasing and concession due to a change in accounting practice in Brasil Ferrovias (the interest related to leasing and concession is accounted in financial results as in ALL, instead of being accounted in cost of goods sold as it was in Brasil Ferrovias in 1Q06). Brazilian operations' net financial expenses increased 1.1%, from R\$268.5 million in 1H06 to R\$271.4 million in 1H07 and Argentine operations' net financial expenses increased from R\$3.6 million to R\$7.6 million in the same period.

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, worsened from a gain of R\$3.0 million in 1H06 to a loss of R\$11.9 million in 1H07, mainly due to equity earnings and loss on investments which decreased from a gain of R\$2.3 million in 1H06 to a loss of R\$12.4 million in 1H07.

Table 21 - Other Costs (R\$ million)	Brazil			Argentina			Consolidated		
	1H07	1H06	% Change	1H07	1H06	% Change	1H07	1H06	% Change
Equity Earnings and Gain on Investments	(11.5)	3.2	na	(0.9)	(1.0)	-11.2%	(12.4)	2.3	na
Non-Operational Results	0.5	0.7	-29.2%	0.0	0.0	na	0.5	0.7	-29.2%
Translation Gain (loss) and Monetary Adjustment Gain	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
Other Costs	(11.0)	3.9	na	(0.9)	(1.0)	-11.2%	(11.9)	3.0	na

Income Taxes

Consolidated tax expenses decreased from R\$17.7 million in 1H06 to R\$6.7 million in 1H07 despite a better EBT. The reduction reflects lower average income tax rate in 1H07 mainly due to better results in Brasil Ferrovias concession's (which have strong accumulated losses) and deferred income and taxes on the companies with net losses during the period. In Brazil, income tax expenses improved from R\$17.4 million in 1H06 compared with expenses of R\$7.4 million in 1H07, while in Argentina tax expenses improved from an expense of R\$0.2 million in 1H06 to a gain of R\$0.7 million in 1H07.

Net Income

As a result of the above facts, our net income reached R\$36.5 million in 1H07, compared with a net loss of R\$90.8 million in 1H06. Including the result coming from our stake in Santa Fe Vagoes, net income increased from a loss of R\$90.5 million in 1H06 to an income of R\$35.7 million in 1H07.

Investments

Consolidated investments decreased from R\$351.2 million in 1H06 to R\$329.9 million in 1H07, or 6.1%. The decrease mainly reflects lower investments in Brazilian operations from R\$339.3 million in 1H06 to R\$306.4 million in 1H07, and an increase in investments in ALL Argentina, from R\$11.9 million in 1H06 to R\$23.5 million in 1H07.

The change in Brazilian operations investments in 1H07 was due to a 44.5% decrease in maintenance CAPEX, and an year-over-year increase of 38.2% in expansion CAPEX. Among ALL Brazil expansion CAPEX it is worth mentioning: (a) refurbishing of additional locomotives and railcars (R\$78.6 million); (b) investments in rail track infrastructure (R\$94.1 million) and (c) acquisition of additional trucks to new logistics operations and to increase market share in existing ones (R\$9.5 million). In Argentina, the maintenance investments increased 1.5% while expansion CAPEX increased 229.3% due to higher locomotives and railcars investments.

Table 22 - Investments (R\$ million)	Brazil			Argentina			Consolidated		
	1H07	1H06	% Change	1H07	1H06	% Change	1H07	1H06	% Change
Maintenance	108.9	196.4	-44.5%	7.0	6.9	1.5%	115.9	203.3	-43.0%
Expansion	197.5	142.9	38.2%	16.5	5.0	229.3%	214.0	147.9	44.6%
Total Investments	306.4	339.3	-9.7%	23.5	11.9	97.2%	329.9	351.2	-6.1%

Cash Flow

Consolidated cash flow from operational activities increased from R\$157.3 million in 1H06 to R\$185.9 million in 1H07, or 18.2%, reflecting EBITDA increase in the period. Cash flow from investments increased from an outflow of R\$152.8 million in 1H06 to an outflow of R\$329.9 million in 1H07, mainly reflecting the increase in expansion CAPEX in Brasil Ferrovias, while cash flow from financing activities decreased from an inflow of R\$598.6 million in 1H06 to an outflow of R\$218.8 million in 1H07. The overall cash variation in 1H07 was negative in R\$362.8 million, compared to a cash inflow of R\$603.0 million in 1H06.

Table 23 - Cash Flow (R\$ million)	Brazil			Argentina			Consolidated		
	1H07	1H06*	% Change	1H07	1H06	% Change	1H07	1H06	% Change
Operating Activities	171.9	140.3	22.6%	14.0	17.0	-17.8%	185.9	157.3	18.2%
Investing Activities	(306.4)	(140.9)	117.4%	(23.5)	(11.9)	96.5%	(329.9)	(152.9)	115.8%
Financing Activities	(221.0)	561.0	-139.4%	2.2	37.6	-94.3%	(218.8)	598.6	-136.6%
Increase in Cash	(355.5)	560.3	-163.4%	(7.3)	42.6	-117.2%	(362.8)	603.0	-160.2%

* In 1H06, does not include Brasil Ferrovias

Balance Sheet and Capital Structure

Consolidated net debt reached R\$2,853.6 million compared to R\$2,615.6 million in the end of 2006. Net Debt to EBITDA ratio decreased from 3.8X in the end of 2006 to 3.5X in the end of 1H07, reflecting the EBITDA increase in the period and net debt to equity ratio increased from 1.1X in the end of 2006 to 1.2X in 1H07.

EVENTS TO DISCUSS 2Q07 RESULTS

2Q07 Results Conference Calls:

[ENGLISH]

August 13, 2007 – Monday
11:00 a.m. US EDT / 12h00 Brazil
Tel.: +1 (973) 935-8893
Code: ALL or 8982859

Replay: +1 (973) 341-3080
Code: 8982859

[PORTUGUESE]

August 13, 2007 – Monday
09:00 a.m. US EDT / 10h00 Brazil
Tel.: +55 (11) 4688-6301
Code: ALL

Replay: +55 (11) 4688-6225
Code: 328

2Q07 Results Investors Meeting:

August 15, 2007 – Wednesday
11:00 a.m. (lunch will be served after the meeting)

WTC Hotel

Av. das Nações Unidas, 12,559
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 24 - Financial Results (R\$ million)	Brazil			Argentina			Consolidated*		
	2Q07	2Q06	% Change	2Q07	2Q06	% Change	2Q07	2Q06	% Change
Gross revenues	615.9	592.7	3.9%	34.7	38.2	-9.2%	650.6	630.9	3.1%
Deduction from gross revenues	(77.0)	(70.4)	9.4%	(0.8)	(1.1)	-25.2%	(77.8)	(71.5)	8.8%
Net revenues	538.9	522.2	3.2%	33.9	37.1	-8.8%	572.8	559.4	2.4%
Cost of sales	(310.4)	(328.7)	-5.6%	(29.2)	(29.8)	-2.2%	(339.6)	(358.5)	-5.3%
Fuel	(101.4)	(98.0)	3.5%	(5.8)	(6.4)	-9.4%	(107.3)	(104.4)	2.7%
Outsourced and contracted fleet	(10.5)	(21.2)	-50.7%	(4.0)	(5.6)	-29.4%	(14.4)	(26.8)	-46.2%
Labor	(42.6)	(48.9)	-13.0%	(10.8)	(8.9)	21.6%	(53.4)	(57.8)	-7.7%
Maintenance	(20.4)	(36.6)	-44.3%	(2.5)	(2.9)	-13.5%	(22.9)	(39.6)	-42.0%
Depreciation and Amortization	(52.4)	(41.7)	25.8%	(2.6)	(2.7)	-5.2%	(55.0)	(44.4)	23.9%
Lease and Concession	(8.3)	2.1	na	(1.0)	(1.1)	-9.8%	(9.3)	1.0	na
Other	(24.8)	(49.6)	-50.0%	(2.5)	(2.2)	15.2%	(27.3)	(51.8)	-47.2%
Railcar Rental	(50.0)	(34.8)	43.7%	0.0	0.0	na	(50.0)	(34.8)	43.7%
Gross profit	228.5	193.5	18.1%	4.7	7.3	-35.8%	233.2	200.8	16.1%
Operating income (expenses)	(9.6)	(35.5)	-73.0%	(4.3)	2.1	na	(13.9)	(33.4)	-58.5%
Selling, General and Administrative	(19.9)	(41.1)	-51.5%	(3.3)	(3.4)	-4.5%	(23.2)	(44.5)	-47.9%
Other	10.3	5.6	84.7%	(1.0)	5.5	na	9.3	11.1	-15.9%
Equity earnings and gain (loss) on investments	(8.7)	4.9	na	(0.4)	(0.5)	-16.3%	(9.1)	4.4	na
Operating profit (loss) before net financial expenses	210.2	162.9	29.0%	(0.0)	8.9	na	210.2	171.8	22.3%
Net financial expenses	(144.0)	(151.1)	-4.7%	(4.3)	(2.5)	70.6%	(148.3)	(153.6)	-3.4%
Operating profit (loss)	66.2	11.8	459.3%	(4.3)	6.3	na	61.8	18.2	240.2%
Translation gain (loss) and monetary adjustment gain (loss), net	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
Non-operating results	0.3	(6.3)	na	0.0	0.0	0.0%	0.3	(6.3)	na
Income tax benefit (expense)	(11.1)	(15.3)	-27.4%	1.2	0.7	74.5%	(9.9)	(14.6)	-32.0%
Net income (loss)	55.3	(9.7)	na	(3.2)	7.0	na	52.1	(2.7)	na

* Excludes results of Santa Fé Vagões (40% owned by ALL).

Table 25 - Financial Results (R\$ million)	Brazil			Argentina			Santa Fé			Consolidated		
	2Q07	2Q06	% Change	2Q07	2Q06	% Change	2Q07	2Q06	% Change	2Q07	2Q06	% Change
Gross revenues	615.9	592.7	3.9%	34.7	38.2	-9.2%	0.8	6.6	-88.0%	651.4	637.5	2.2%
Deduction from gross revenues	(77.0)	(70.4)	9.4%	(0.8)	(1.1)	-25.2%	(0.2)	(1.4)	-87.9%	(78.0)	(72.9)	7.0%
Net revenues	538.9	522.2	3.2%	33.9	37.1	-8.8%	0.6	5.2	-88.0%	573.4	564.6	1.6%
Cost of sales	(310.4)	(328.7)	-5.6%	(29.2)	(29.8)	-2.2%	(0.9)	(4.7)	-81.6%	(340.5)	(363.2)	-6.3%
Fuel	(101.4)	(98.0)	3.5%	(5.8)	(6.4)	-9.4%	0.0	0.0	na	(107.3)	(104.4)	2.7%
Outsourced and contracted fleet	(10.5)	(21.2)	-50.7%	(4.0)	(5.6)	-29.4%	0.0	0.0	na	(14.4)	(26.8)	-46.2%
Labor	(42.6)	(48.9)	-13.0%	(10.8)	(8.9)	21.6%	0.0	0.0	na	(53.4)	(57.8)	-7.7%
Maintenance	(20.4)	(36.6)	-44.3%	(2.5)	(2.9)	-13.5%	0.0	0.0	na	(22.9)	(39.6)	-42.0%
Depreciation and Amortization	(52.4)	(41.7)	25.8%	(2.6)	(2.7)	-5.2%	0.0	0.0	na	(55.0)	(44.4)	23.9%
Lease and Concession	(8.3)	2.1	na	(1.0)	(1.1)	-9.8%	0.0	0.0	na	(9.3)	1.0	na
Other	(24.8)	(49.6)	-50.0%	(2.5)	(2.2)	15.2%	(0.9)	(4.7)	-81.6%	(28.2)	(56.4)	-50.1%
Railcar Rental	(50.0)	(34.8)	43.7%	0.0	0.0	na	0.0	0.0	na	(50.0)	(34.8)	43.7%
Gross profit	228.5	193.5	18.1%	4.7	7.3	-35.8%	(0.2)	0.5	na	232.9	201.4	15.7%
Operating income (expenses)	(9.6)	(35.5)	-73.0%	(4.3)	2.1	na	(0.1)	(0.1)	8.9%	(14.0)	(33.5)	-58.3%
Selling, General and Administrative	(19.9)	(41.1)	-51.5%	(3.3)	(3.4)	-4.5%	(0.1)	(0.1)	-21.1%	(23.3)	(44.7)	-47.8%
Other	10.3	5.6	84.7%	(1.0)	5.5	na	0.0	0.0	-95.1%	9.3	11.1	-16.2%
Equity earnings and gain (loss) on investments	(8.7)	4.9	na	(0.4)	(0.5)	-16.3%	0.0	0.0	na	(9.1)	4.4	na
Operating profit (loss) before net financial expenses	210.2	162.9	29.0%	(0.0)	8.9	na	(0.3)	0.4	na	209.8	172.2	21.8%
Net financial expenses	(144.0)	(151.1)	-4.7%	(4.3)	(2.5)	70.6%	0.1	0.0	96.4%	(148.3)	(153.6)	-3.5%
Operating profit (loss)	66.2	11.8	459.3%	(4.3)	6.3	na	(0.3)	0.5	na	61.5	18.6	230.0%
Translation gain (loss) and monetary adjustment gain (loss), net	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
Non-operating results	0.3	(6.3)	na	0.0	0.0	na	(0.1)	0.0	na	0.2	(6.3)	na
Income tax benefit (expense)	(11.1)	(15.3)	-27.4%	1.2	0.7	74.5%	0.0	(0.2)	na	(9.9)	(14.8)	-32.7%
Net income (loss)	55.3	(9.7)	na	(3.2)	7.0	na	(0.4)	0.3	na	51.8	(2.4)	na

Table 26 - Financial Results (R\$ million)	Brazil			Argentina			Consolidated*		
	1H07	1H06	% Change	1H07	1H06	% Change	1H07	1H06	% Change
Gross revenues	1,065.7	1,050.3	1.5%	73.0	72.4	0.9%	1,138.7	1,122.6	1.4%
Deduction from gross revenues	(136.3)	(130.9)	4.1%	(1.8)	(1.9)	-8.2%	(138.1)	(132.8)	4.0%
Net revenues	929.4	919.4	1.1%	71.2	70.5	1.1%	1,000.6	989.8	1.1%
Cost of sales	(583.2)	(668.4)	-12.7%	(58.6)	(58.5)	0.1%	(641.8)	(726.9)	-11.7%
Fuel	(181.8)	(183.9)	-1.2%	(11.5)	(12.4)	-7.0%	(193.3)	(196.3)	-1.5%
Outsourced and contracted fleet	(20.5)	(49.8)	-58.8%	(8.9)	(10.3)	-14.3%	(29.4)	(60.2)	-51.2%
Labor	(84.9)	(100.1)	-15.2%	(20.5)	(17.8)	15.3%	(105.4)	(117.9)	-10.6%
Maintenance	(39.1)	(69.1)	-43.4%	(5.2)	(5.9)	-12.3%	(44.3)	(75.1)	-41.0%
Depreciation and Amortization	(95.6)	(77.9)	22.7%	(5.4)	(5.4)	1.3%	(101.1)	(83.3)	21.3%
Lease and Concession	(16.6)	(16.9)	-1.3%	(2.1)	(2.2)	-4.7%	(18.7)	(19.0)	-1.7%
Other	(47.2)	(102.4)	-53.9%	(5.0)	(4.5)	9.6%	(52.1)	(107.0)	-51.3%
Railcar Rental	(97.5)	(68.2)	42.9%	0.0	0.0	na	(97.5)	(68.2)	42.9%
Gross profit	346.2	251.0	37.9%	12.7	11.9	6.3%	358.8	262.9	36.5%
Operating income (expenses)	(16.2)	(66.1)	-75.5%	(8.5)	(0.9)	854.7%	(24.7)	(67.0)	-63.1%
Selling, General and Administrative	(43.3)	(75.7)	-42.9%	(6.9)	(6.1)	14.3%	(50.2)	(81.8)	-38.6%
Other	27.1	9.7	180.4%	(1.6)	5.2	na	25.5	14.8	71.8%
Equity earnings and gain (loss) on investments	(11.5)	3.2	na	(0.9)	(1.0)	-11.2%	(12.4)	2.3	na
Operating profit (loss) before net financial expenses	318.4	188.2	69.2%	3.3	10.0	-67.3%	321.7	198.2	62.3%
Net financial expenses	(271.4)	(268.5)	1.1%	(7.6)	(3.6)	111.4%	(279.1)	(272.1)	2.6%
Operating profit (loss)	47.0	(80.3)	na	(4.3)	6.4	na	42.7	(73.9)	na
Translation gain (loss) and monetary adjustment gain (loss), net	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
Non-operating results	0.5	0.7	-29.2%	0.0	0.0	0.0%	0.5	0.7	-29.2%
Income tax benefit (expense)	(7.4)	(17.4)	-57.5%	0.7	(0.2)	na	(6.7)	(17.7)	-62.2%
Net income (loss)	40.1	(97.0)	na	(3.6)	6.2	na	36.5	(90.8)	na

* Excludes results of Santa Fé Vagões (40% owned by ALL).

Table 27 - Financial Results (R\$ million)	Brazil			Argentina			Santa Fé			Consolidated		
	1H07	1H06	% Change	1H07	1H06	% Change	1H07	1H06	% Change	1H07	1H06	% Change
Gross revenues	1,065.7	1,050.3	1.5%	73.0	72.4	0.9%	3.0	11.3	-73.7%	1,141.7	1,133.9	0.7%
Deduction from gross revenues	(136.3)	(130.9)	4.1%	(1.8)	(1.9)	-8.2%	(0.6)	(2.4)	-75.0%	(138.7)	(135.2)	2.6%
Net revenues	929.4	919.4	1.1%	71.2	70.5	1.1%	2.4	8.9	-73.3%	1,003.0	998.7	0.4%
Cost of sales	(583.2)	(668.4)	-12.7%	(58.6)	(58.5)	0.1%	(2.5)	(8.3)	-70.1%	(644.3)	(735.2)	-12.4%
Fuel	(181.8)	(183.9)	-1.2%	(11.5)	(12.4)	-7.0%	0.0	0.0	na	(193.3)	(196.3)	-1.5%
Outsourced and contracted fleet	(20.5)	(49.8)	-58.8%	(8.9)	(10.3)	-14.3%	0.0	0.0	na	(29.4)	(60.2)	-51.2%
Labor	(84.9)	(100.1)	-15.2%	(20.5)	(17.8)	15.3%	0.0	0.0	na	(105.4)	(117.9)	-10.6%
Maintenance	(39.1)	(69.1)	-43.4%	(5.2)	(5.9)	-12.3%	0.0	0.0	na	(44.3)	(75.1)	-41.0%
Depreciation and Amortization	(95.6)	(77.9)	22.7%	(5.4)	(5.4)	1.3%	0.0	0.0	na	(101.1)	(83.3)	21.3%
Lease and Concession	(16.6)	(16.9)	-1.3%	(2.1)	(2.2)	-4.7%	0.0	0.0	na	(18.7)	(19.0)	-1.7%
Other	(47.2)	(102.4)	-53.9%	(5.0)	(4.5)	9.6%	(2.5)	(8.3)	-70.1%	(54.6)	(115.2)	-52.6%
Railcar Rental	(97.5)	(68.2)	42.9%	0.0	0.0	na	0.0	1.0	na	(97.5)	(67.2)	45.1%
Gross profit	346.2	251.0	37.9%	12.7	11.9	6.3%	(0.1)	0.6	na	358.7	263.5	36.1%
Operating income (expenses)	(16.2)	(66.1)	-75.5%	(8.5)	(0.9)	854.7%	(0.3)	(0.2)	55.1%	(25.1)	(67.2)	-62.7%
Selling, General and Administrative	(43.3)	(75.7)	-42.9%	(6.9)	(6.1)	14.3%	(0.3)	(0.3)	20.5%	(50.6)	(82.1)	-38.4%
Other	27.1	9.7	180.4%	(1.6)	5.2	na	0.0	0.1	-87.1%	25.5	14.9	71.0%
Equity earnings and gain (loss) on investments	(11.5)	3.2	na	(0.9)	(1.0)	-11.2%	0.0	0.0	na	(12.4)	2.3	na
Operating profit (loss) before net financial expenses	318.4	188.2	69.2%	3.3	10.0	-67.3%	(0.4)	0.4	na	321.3	198.6	61.8%
Net financial expenses	(271.4)	(268.5)	1.1%	(7.6)	(3.6)	111.4%	0.1	0.1	44.9%	(279.0)	(272.0)	2.6%
Operating profit (loss)	47.0	(80.3)	na	(4.3)	6.4	-167.3%	(0.3)	0.5	na	42.3	(73.4)	na
Translation gain (loss) and monetary adjustment gain (loss), net	0.0	0.0	0.0%	0.0	0.0	na	0.0	0.0	0.0%	0.0	0.0	na
Non-operating results	0.5	0.7	-29.2%	0.0	0.0	na	(0.5)	0.0	na	0.0	0.7	-98.8%
Income tax benefit (expense)	(7.4)	(17.4)	-57.5%	0.7	(0.2)	na	0.0	(0.2)	na	(6.7)	(17.8)	-62.5%
Net income (loss)	40.1	(97.0)	na	(3.6)	6.2	na	(0.8)	0.3	na	35.7	(90.5)	na

Table 28 - Financial Highlights per business (R\$ million)	Agricultural Commodities		Industrial Products		Highway Based Services		ALL Argentina		Total*	
	2Q07	2Q06	2Q07	2Q06	2Q07	2Q06	2Q07	2Q06	2Q07	2Q06
Gross Revenues	430.0	423.1	154.3	137.9	31.6	31.6	34.7	38.2	650.6	630.9
Net Revenues	380.6	377.8	130.5	116.8	27.8	27.6	33.9	37.1	572.8	559.4
Cost of Sales	(207.4)	(224.6)	(73.4)	(73.7)	(29.6)	(30.3)	(29.2)	(29.8)	(339.6)	(358.5)
Gross Profit	173.2	153.2	57.1	43.1	(1.8)	(2.7)	4.7	7.3	233.2	200.8
EBIT	156.1	128.1	53.9	38.1	0.1	(3.2)	(0.0)	8.9	210.2	171.8
EBITDA	184.7	132.5	69.7	43.5	3.2	1.8	5.1	13.7	262.7	191.5
EBITDAR	230.3	162.8	74.1	47.9	3.2	1.8	5.1	13.7	312.7	226.4
% Net Revenues										
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	-54%	-59%	-56%	-63%	-107%	-110%	-86%	-80%	-59%	-64%
Gross Profit	46%	41%	44%	37%	-7%	-10%	14%	20%	41%	36%
EBIT	41%	34%	41%	33%	0%	-12%	0%	24%	37%	31%
EBITDA	49%	35%	53%	37%	12%	7%	15%	37%	46%	34%
EBITDAR	60%	43%	57%	41%	12%	7%	15%	37%	55%	40%
Volume										
RTK million	5,391	5,009	2,156	1,920			1,052	1,064	8,599	7,993
RK thousand					10.5	11.2			10.5	11.2
R\$ / Volume unit										
	R\$ / million RTK		R\$ / million RTK		R\$ / RK		R\$ / million RTK		R\$ / million RTK	
Net Revenues	70.6	75.4	60.5	60.9	2.6	2.5	32.2	34.9	66.6	70.0
Cost of Sales	(38.5)	(44.8)	(34.1)	(38.4)	(2.8)	(2.7)	(27.7)	(28.0)	(39.5)	(44.9)
Gross Profit	32.1	30.6	26.5	22.5	(0.2)	(0.2)	4.5	6.9	27.1	25.1
EBIT	29.0	25.6	25.0	19.8	0.0	(0.3)	(0.0)	8.4	24.4	21.5
EBITDA	34.3	26.4	32.3	22.6	0.3	0.2	4.9	12.9	30.5	24.0
EBITDAR	42.7	32.5	34.4	25.0	0.3	0.2	4.9	12.9	36.4	28.3

* Excludes results of Santa Fé Vagões (40% owned by ALL).

Table 29 - Financial Highlights per business (R\$ million)	Agricultural Commodities		Industrial Products		Highway Based Services		ALL Argentina		Total*	
	1H07	1H06	1H07	1H06	1H07	1H06	1H07	1H06	1H07	1H06
Gross Revenues	709.2	723.5	291.8	260.1	64.7	66.6	73.0	72.4	1,138.7	1,122.6
Net Revenues	627.9	643.8	244.9	217.4	56.6	58.2	71.2	70.5	1,000.6	989.8
Cost of Sales	(371.4)	(443.5)	(153.8)	(161.7)	(58.0)	(63.0)	(58.6)	(58.5)	(641.8)	(726.8)
Gross Profit	256.6	197.7	91.1	58.3	(1.6)	(4.9)	12.7	11.9	358.8	263.0
EBIT	234.1	148.9	84.3	44.3	0.0	(5.0)	3.3	10.1	321.7	198.3
EBITDA	276.4	193.1	114.5	63.8	6.4	3.2	13.2	19.4	410.5	279.5
EBITDAR	366.2	251.7	122.2	73.4	6.4	3.2	13.2	19.4	508.0	347.7
% Net Revenues										
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	-59%	-69%	-63%	-74%	-103%	-108%	-82%	-83%	-64%	-73%
Gross Profit	41%	31%	37%	27%	-3%	-8%	18%	17%	36%	27%
EBIT	37%	23%	34%	20%	0%	-9%	5%	14%	32%	20%
EBITDA	44%	30%	47%	29%	11%	6%	19%	28%	41%	28%
EBITDAR	58%	39%	50%	34%	11%	6%	19%	28%	51%	35%
Volume										
RTK million	9,387	9,066	4,129	3,691			2,015	2,028	15,531	14,784
RK thousand					21.3	23.2			21.3	23.2
R\$ / Volume unit										
	R\$ / million RTK		R\$ / million RTK		R\$ / RK		R\$ / million RTK		R\$ / million RTK	
Net Revenues	66.9	71.0	59.3	58.9	2.7	2.5	35.4	34.7	64.4	67.0
Cost of Sales	(39.6)	(48.9)	(37.2)	(43.8)	(2.7)	(2.7)	(29.1)	(28.9)	(41.3)	(49.2)
Gross Profit	27.3	21.8	22.1	15.8	(0.1)	(0.2)	6.3	5.9	23.1	17.8
EBIT	24.9	16.4	20.4	12.0	0.0	(0.2)	1.6	5.0	20.7	13.4
EBITDA	29.4	21.3	27.7	17.3	0.3	0.1	6.5	9.6	26.4	18.9
EBITDAR	39.0	27.8	29.6	19.9	0.3	0.1	6.5	9.6	32.7	23.5

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

Table 30 - EBITDA Reconciliation (R\$ million)	2Q07			2Q06		
	Brazil	Argentina	Consolidated	Brazil	Argentina	Consolidated
Operating Profit before net financial expenses	210.2	(0.0)	210.2	163.1	8.6	171.7
Depreciation and amortization.....	54.1	3.0	57.1	43.2	3.2	46.4
Lease and concession.....	8.3	0.0	8.3	0.2	0.0	0.2
Payment of lease and concession.....	(28.1)	0.0	(28.1)	(26.9)	0.0	(26.9)
Tax gains (1).....	2.1	0.0	2.1	0.0	0.0	0.0
Accidents / compensations (2)	1.9	0.8	2.7	0.0	0.5	0.5
Non-cash items (3).....	9.1	0.0	9.1	(1.2)	1.1	(0.1)
Non-recurring items (4).....	0.0	1.3	1.3	(0.4)	0.3	(0.1)
EBITDA	257.6	5.1	262.7	177.9	13.7	191.6

Table 31 - EBITDA Reconciliation (R\$ million)	1H07			1H06		
	Brazil	Argentina	Consolidated	Brazil	Argentina	Consolidated
Operating Profit before net financial expenses	318.4	3.3	321.7	141.0	7.3	148.4
Depreciation and amortization.....	102.4	6.3	108.7	28.9	7.3	36.2
Lease and concession.....	16.6	0.0	16.6	17.6	0.0	17.6
Payment of lease and concession.....	(56.2)	0.0	(56.2)	(25.8)	0.0	(25.8)
Tax gains (1).....	2.1	0.0	2.1	11.4	0.0	11.4
Accidents / compensations (2)	2.1	1.3	3.4	2.6	1.4	4.0
Non-cash items (3).....	11.9	0.5	12.4	4.6	0.0	4.6
Non-recurring items (4).....	0.0	1.7	1.7	10.7	3.0	13.7
EBITDA	397.3	13.2	410.5	191.0	19.0	210.0

(1)Tax gains in Brazil: R\$2.1 million in 1H07, R\$11.4 million in 1H06, 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 2Q07, R\$9.1 million, representing the sum of R\$4.4 million of labor provisions and R\$1.6 million related to the goodwill of Logispar, R\$1.9 million of equity loss in Geodex acquisition and R\$1.2 million related to the goodwill of Brasil Ferrovias. In 1H07, R\$11.9 million representing the sum of R\$3.2 million related to the goodwill of logispar acquisition, R\$2.4 million related to the goodwill of Brasil Ferrovias, R\$5.6 million of labor provisions and R\$0.5 million of equity loss in Geodex. 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.

(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.

Table 32 - ALL Consolidated Balance Sheet*

(R\$ million)	2Q07	1Q07	(R\$ million)	2Q07	1Q07
Current Assets	1,897.6	1,973.5	Current Liabilities	1,920.2	1,553.5
Cash and banks	106.5	67.6	Loans and financing	630.9	612.2
Financial Investments	1,269.7	1,415.6	Debentures	250.9	192.8
Trade accounts receivable	200.4	157.1	Suppliers	431.6	343.1
Inventories	66.6	63.0	Taxes, charges and contributions	208.7	171.8
Lease and concession	6.4	6.2	Lease and concession payable	114.7	17.9
Taxes Recoverable	194.2	194.4	Dividends and Interest on own capital	0.8	3.4
Advances and Other receivables	45.9	60.5	Salaries and payroll charges	82.2	77.1
Prepaid expenses	7.9	9.1	Advances from customers	14.4	18.7
			Other payables	186.2	116.4
Long-Term Assets	998.3	924.0	Long-Term Liabilities	4,582.8	4,814.6
Related Parties	5.6	5.8	Loans and financing	1,910.0	1,929.4
Lease and Concession	122.6	121.0	Debentures	1,438.0	1,582.1
Judicial deposits	407.7	389.2	Provision for contingencies	434.0	442.9
Taxes recoverable	168.3	131.4	Lease and concession payable	701.6	678.6
Other receivable	52.2	43.0	Other payables	99.2	181.6
Long term investments	225.7	214.9			
Prepaid expenses	16.2	18.6	Deferred Income	17.5	25.2
Permanent Assets	6,058.6	5,930.5	Shareholders' equity	2,434.0	2,434.7
Investments	2,550.4	2,533.7	Capital stock	2,140.7	2,140.0
Property, plant and equipment	3,101.2	2,970.5	Surplus reserves	316.0	316.0
Deferred charges	407.0	426.2	Net Income in the period	(22.7)	(21.3)
Total Assets	8,954.6	8,828.0	Total Liabilities and shareholders' equity	8,954.6	8,828.0

* Includes Brasil Ferrovias (wholly owned) and our 40% stake in Santa Fé Vagões.

Table 33 - Free Cash Flow (R\$ million)	2Q07	2Q06*	Change	1H07	1H06*	Change
Net Income (in cash basis)	267.5	147.7	119.7	284.8	224.2	60.6
Net Income	51.8	72.5	(20.7)	35.7	81.9	(46.2)
Depreciation and amortization	54.3	12.9	41.4	108.0	28.9	79.1
Lease and Concession	64.2	4.0	60.2	81.5	8.2	73.3
Interest Expenses (IS)	97.1	58.3	38.8	59.7	105.2	(45.5)
Working Capital	5.7	36.3	(30.5)	(49.0)	(36.5)	(12.5)
Clients	(61.6)	(0.6)	(61.0)	(89.1)	(11.5)	(77.6)
Inventory	(3.6)	(4.2)	0.6	4.4	(14.4)	18.8
Suppliers	102.7	48.6	54.1	98.1	7.7	90.4
Taxes	(36.8)	(13.4)	(23.4)	(48.9)	(11.9)	(36.9)
Labor	5.1	5.9	(0.8)	(13.5)	(6.3)	(7.1)
Other Accounts Variation	(20.4)	(36.2)	15.7	(50.0)	(50.4)	0.4
Operating Activities	252.8	147.8	105.0	185.9	157.3	48.6
Capex	(156.3)	(64.5)	(91.8)	(329.9)	(152.9)	(177.0)
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	(156.3)	(64.5)	(91.8)	(329.9)	(152.9)	(177.0)
Free Cash Flow*	96.4	83.3	13.1	(144.0)	4.4	(128.5)
Capital increase	0.7	10.0	(9.3)	10.2	17.9	(7.7)
Dividends and Interest on paid in capital	0.0	0.0	0.0	(15.0)	(20.0)	5.0
New loans	(32.0)	726.8	(758.8)	0.0	948.4	(948.4)
Repayments	(172.2)	(97.6)	(74.6)	(214.0)	(158.5)	(55.5)
Acquisiton of BF	0.0	(189.2)	189.2	0.0	(189.2)	189.2
Financing Activities	(203.4)	450.0	(653.4)	(218.8)	598.6	(817.4)
Change in Cash	(107.0)	533.3	(640.3)	(362.8)	603.0	(965.8)
Opening Balance of Cash	1,483.2	1,076.0	407.2	1,739.0	1,006.3	732.8
Closing Balance of Cash	1,376.2	1,609.3	(233.1)	1,376.2	1,609.3	(233.1)

* In 2Q06 and 1H06, does not include Brasil Ferrovias