



ALL – AMÉRICA LATINA LOGÍSTICA S.A.

Corporate Taxpayers' ID (CNPJ/MF) 02.387.241/0001-60
Companies Registry (NIRE) 41.3.00019886

FERRONORTE S.A. – FERROVIAS NORTE BRASIL

Corporate Taxpayers' ID (CNPJ/MF) 24.962.466/0001-36
Companies Registry (NIRE) 51.3.00004453

FERROBAN – FERROVIAS BANDEIRANTES S.A.

Corporate Taxpayers' ID (CNPJ/MF) 02.502.844/0001-66
Companies Registry (NIRE) 35.3.00155181

MATERIAL FACT

Curitiba, Campinas and Cuiabá, Brazil, August 29, 2006 - ALL – América Latina Logística S.A., a publicly held company headquartered at Rua Emílio Bertolini, 100, Bairro Cajuru, in the City of Curitiba, State of Paraná, Corporate Taxpayers ID (CNPJ/MF) 02.387.241/0001-60 (“ALL”); Ferronorte S.A. – Ferrovias Norte Brasil, a publicly held company headquartered at Av. Historiador Rubens de Mendonça, 2000, sala 308, Bairro Bosque da Saúde, in the city of Cuiabá, State of Mato Grosso, Taxpayers ID (CNPJ/MF) 24.962.466/0001-36 (“Ferronorte”); and Ferrobán – Ferrovias Bandeirantes S.A., a publicly held company headquartered at Rua Doutor Salles de Oliveira, 1380, Vila Industrial, in the city of Campinas, State of São Paulo, Taxpayers ID (CNPJ/MF) 02.502.844/0001-66 (“Ferrobán”), informs the market that have submitted to the Brazilian Securities and Exchange Commission (“CVM”) a registration request for a tender offer for common shares of Ferronorte (“OPA Ferronorte”) and for a tender offer for common shares of Ferrobán (“OPA Ferrobán” and, together with OPA Ferronorte, “OPAs”), in compliance with the provisions of article 254-A of Law 6.404, as of December 15, 1976, as amended (“Brazilian Corporate Law”) and CVM Instruction 361, as of March 5, 2002, in consequence of the indirect acquisition of Ferronorte and Ferrobán’s stock control by ALL, resulting from the merger, by ALL, of all shares issued by Brasil Ferrovias S.A. (“Merger of Shares”), the controlling company of Ferronorte and Ferrobán, as informed to the market in the material facts dated as of May 9, 2006, May 31, 2006, June 16, 2006 and June 30, 2006, in the Official Gazette of the State of São Paulo and State of Paraná, in the newspaper Indústria & Comércio (city of Curitiba) and in the newspapers Valor Econômico, Gazeta Mercantil and Jornal da Tarde. The main terms and conditions of the OPAs are the following:

- (i) Shares object of the OPAs: the OPAs will be driven to the holders of outstanding common shares (“Common Shares”) issued by Ferronorte and Ferrobán. The OPAs

include the acquisition of up to the total number of outstanding Common Shares (3,526,840) issued by Ferronorte and (24,204,774) issued by Ferroban, already excluding from this total the Common Shares indirectly held by ALL, by persons related to ALL, by the management of Ferronorte and Ferroban and those shares held in treasury;

(ii) OPAs Prices: the OPAs will be made at at price of R\$ 1.31 per Common Share issued by (“Ferronorte Offering Price”) and R\$ 0.11 per Common Share issued by Ferroban (“Ferroban Offering Price”). These prices are equivalent to 80% of prices per share of R\$ 1.633821 and R\$ 0.133228 implicitly given to Ferronorte and Ferroban, respectively, in the scope of the Merger of Shares. The total amount offered, in case the OPAs result in the acquisition of total common shares issued by Ferronorte and Ferroban, will reach, respectively, an approximate amount of R\$ 4,620,160.40 and R\$ 2,662,525.14, disregarding eventual necessary roundings in light of chosen payment method, in compliance with terms described in items (iii) and (iv) below. ALL has irrevocably and irreversibly waived its right to increase the OPAs Prices;

(iii) Method of Payment: the shareholder may choose among the following methods of payment: (a) payment in deposit certificates representing 1 common share and 4 preferred shares issued by ALL (“Units”), corresponding to each lot of one thousand Common Shares of Ferronorte, 52.635808 shares issued by ALL, equivalent to 10.527162 Units and to each lot of one thousand Common Shares of Ferroban, 4.419801 shares issued by ALL, equivalent to 0.883960 Units (“Payment in Units”); or (ii) payment in cash (Brazilian reais), when the shareholder shall receive, in one single installment, with no deduction, the price per share equivalent to the Ferronorte and Ferroban Offering Price, as the case may be (“Payment in Cash”). In both cases, the payment to shareholders who accept the OPAs will be made upon the liquidation of the transaction by the Brazilian Clearing and Depository Corporation (CBLIC), on the third business day after the completion of OPAs auctions. When accepting the OPAs, the shareholder shall agree in selling the holdings of its Common Shares issued by Ferronorte and Ferroban, as the case may be, under the terms and conditions included in the respective OPAs Bidding Rules, including all rights implied to said shares;

(iv) Roundings of Share Fractions: the shareholder who chooses the Payment in Units will not receive, under any circumstances, fraction of Unit issued by ALL or shares issued by ALL in number insufficient for the formation of Units. In the event that the shareholder who choose the Payment in Units is entitled to receive shares or fraction of shares in number insufficient for the formation of Units, said shareholder will have, on the date of the settlement of the OPAs auctions, the share interest entitled to him rounded to the whole number of shares multiple of 5 immediately superior, maintained the proportion of one common share to each four preferred shares, in order to allow the grouping of all shares issued by ALL received by this shareholders in a whole number of Units;

(v) OPAs Effective Period: the OPAs will be effective for a thirty-day (30) period from the publication date of OPAs Bidding Rules;

(vi) Valuation Reports: in order to have an adequate parameter for valuating ALL, Ferronorte and Ferroban, the following companies were hired: (i) the specialized company Apsis Consultoria Empresarial Ltda., headquartered at Rua São José, 90, grupo 1.802, in

the City of Rio de Janeiro, State of Rio de Janeiro, Corporate Taxpayers' ID (CNPJ/MF) 27.281.922/0001-70, and (b) the financial institution Banco de Investimentos Credit Suisse (Brasil) S.A., headquartered at Avenida Brigadeiro Faria Lima, 3064, 13º andar, in the City of São Paulo, State of São Paulo, Corporate Taxpayers' ID (CNPJ/MF) 33.987.793/0001-33, which prepared the valuation reports of ALL, Ferronorte and Ferroban, according to the economic value of said companies, based method of discounted cash flow at present value, on the same reference date considered in the Merger of Shares, which was March 31, 2006;

(vii) ALL's Capital Stock Increase: in the event that all holder of outstanding Common Shares issued by Ferronorte and Ferroban choose the Payment in Units, the capital stock of ALL shall be increased from R\$ 2,126,841,441.61 (two billion, one hundred twenty-six million, eight hundred forty-one thousand, four hundred forty-one reais and sixty-one cents) to R\$ 2,134,128,150.25 (two billion, one hundred thirty-four million, one hundred twenty-eight thousand one hundred fifty reais and twenty-five cents, with an effective increase of R\$ 7,286,708.64 (seven million, two hundred eight-six million, seven hundred eight reais and sixty-four cents), represented by 292,780 (two hundred ninety-two thousand, seven hundred eighty) shares, of which 58,556 (fifty-eight thousand, five hundred fifty-six) are common shares and 234,224 (two hundred thirty-four, two hundred twenty-four) are preferred shares, considering as issuing price of the shares to be issued by ALL the price given to each share issued by ALL in the Merger of Shares; and

(viii) Publication of OPAs Bidding Rules: as soon as the OPAs registration request is approved by CVM, ALL will publish the Bidding Rules of Ferronorte and Ferroban OPAs in the advertising means, announcing to the market all terms and conditions applicable to the OPAs.

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Sergio Messias Pedreiro – CFO and Investor Relations Officer

FERRONORTE S.A. - FERROVIAS NORTE BRASIL

Paulo Luiz Araújo Basílio – Investor Relations Officer

FERROBAN - FERROVIAS BANDEIRANTES S.A.

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