



## ALL REPORTS 3Q07 AND 9M07 RESULTS

**Curitiba, Brazil, November 07, 2007** – América Latina Logística S.A.<sup>1</sup> – ALL (Bovespa: ALLL11)<sup>2</sup>, Latin America's largest independent logistics company, announces its results for the third quarter and nine months of 2007 (3Q07 and 9M07). ALL operates 21,300 km of rail tracks, 1,000 locomotives, 29,700 rail cars, 1,200 highway vehicles, distribution centers and warehousing installations. ALL's rail network serves an area that accounts 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 offer a full range of logistics services, including domestic and international rail transportation, intermodal door-to-door transportation, distribution services and warehousing. The services are provided in Brazil and Argentina 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 for 9M06, 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 1<sup>st</sup>, 2006.

### OPERATING AND FINANCIAL HIGHLIGHTS

#### Conference Calls:

**English**  
**November 12, 2007**  
Monday  
9:00 a.m. US EST

**Portuguese**  
**November 12, 2007**  
Monday  
7:00 a.m. US EST

#### Meeting with Analysts and Investors:

**November 12, 2007**  
Monday  
05:00 p.m. (Brasília)  
Hilton SP Morumbi  
São Paulo - SP

- ✓ **Consolidated<sup>1</sup> EBITDAR increased 15.2% from R\$279.0 million in 3Q06 to R\$321.3 million in 3Q07 and consolidated<sup>1</sup> EBITDAR margin improved 3.0 percentage points from 49.7% to 52.7%.** Year-over-year EBITDAR growth was driven by export volume increase and higher volume of return cargo in Brazil, partially offset by margins and volume reductions in ALL Argentina. EBITDAR increased 18.3% in agricultural commodities, 19.2% in industrial products, and 61.0% in highway services. In 9M07, consolidated<sup>1</sup> EBITDAR increased 32.3%, reaching R\$829.3 million and EBITDAR margin improved 11 percentage points to 51.5%.
- ✓ **ALL Brasil rail volumes increased 13.0% from 8,102 million RTK in 3Q06 to 9,156 million RTK in 3Q07.** As expected, year-over-year volume growth improved compared to the previous quarters, reflecting better safety and asset productivity in the northern network. Volume expansion reached 13.3% in agricultural commodities and 12.3% growth in industrial products flows. Consolidated volume increased 10.9%, negatively affected by a 4.1% reduction in ALL Argentina, as energy shortages in the country restricted client's operating hours on the ports we serve. In 9M07, volume increased 8.7% in Brazil and 7.3% consolidated, indicating expected consolidated volume growth around 10% in 2007.
- ✓ **Net income significantly improved from a loss of R\$9.8 million in 3Q06 to a net income of R\$161.6 million in 3Q07.** The net income expansion reflects the R\$91.5 million one-time gain due to abolition of interest expenses on SUDAM (Superintendence for the Development of the Amazon) financing. The eradication of interests for the period of 2000 to Sep. 2007 was possible as we complied with all obligations in the Ferronorte build-out financing agreement. In 9M07, consolidated net income reached R\$197.3 million compared to a net loss of R\$100.3 million in 9M06.
- ✓ **In preparation for 2008, investments in locomotives, infrastructure and railcars have already begun.** We have purchased 50 locomotives, our clients have placed orders for 250 tank cars and will recuperate 1,200 railcars from dead fleet for next crop season. Client's contract negotiations for the next year have started with indications of increased planted areas for both soybean and corn in 2008.

<sup>1</sup> On May, 9<sup>th</sup> 2006, ALL acquired all of the shares of Brasil Ferrovias and Novoeste Brasil. Results for 3Q07 and 9M07 will be compared with 2006 Pro-forma Results including Brasil Ferrovias and Novoeste Brasil as if the acquisition were in effect since January 1<sup>st</sup> 2006.

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

Table 1 - Financial Highlights (R\$ millions)	3Q07	3Q06	% Change*	9M07	9M06	% Change*
<b>ALL Brazil Operations</b>						
Gross Sales	665.6	597.3	11.4%	1,731.3	1,647.5	5.1%
Net Sales	577.2	519.5	11.1%	1,506.5	1,438.8	4.7%
EBITDAR	313.4	263.6	18.9%	808.1	591.9	36.5%
<i>EBITDAR Margin**</i>	<i>54.3%</i>	<i>50.7%</i>	<i>3.5%</i>	<i>53.6%</i>	<i>41.1%</i>	<i>12.5%</i>
EBITDA	265.0	227.2	16.6%	662.4	487.3	35.9%
<i>EBITDA Margin**</i>	<i>45.9%</i>	<i>43.7%</i>	<i>2.2%</i>	<i>44.0%</i>	<i>33.9%</i>	<i>10.1%</i>
Net Income	162.0	(16.4)	na	202.1	(113.4)	na
<b>ALL Consolidated***</b>						
Gross Sales	699.2	640.3	9.2%	1,837.9	1,762.9	4.3%
Net Sales	610.0	561.5	8.6%	1,610.7	1,551.3	3.8%
EBITDAR	321.3	279.0	15.2%	829.3	626.7	32.3%
<i>EBITDAR Margin**</i>	<i>52.7%</i>	<i>49.7%</i>	<i>3.0%</i>	<i>51.5%</i>	<i>40.4%</i>	<i>11.1%</i>
EBITDA	273.0	242.6	12.5%	683.5	522.1	30.9%
<i>EBITDA Margin**</i>	<i>44.8%</i>	<i>43.2%</i>	<i>1.5%</i>	<i>42.4%</i>	<i>33.7%</i>	<i>8.8%</i>
Net Income****	161.6	(9.8)	na	197.3	(100.3)	na
EPS (R\$/ Share)	0.28	na	na	0.34	na	na
<b>Consolidated Balance Sheet Indicators</b>						
Total Assets	9,527.3	8,764.2	8.7%	9,527.3	8,764.2	8.7%
Shareholders Equity	2,592.3	2,468.9	5.0%	2,592.3	2,468.9	5.0%
Net Debt	2,756.7	2,355.9	17.0%	2,756.7	2,355.9	17.0%
Net Debt / (Trailing 12 months EBITDA)	3.2	3.8	-15.0%	3.2	3.8	-15.0%
Net Debt/ Equity	1.1	1.0	11.4%	1.1	1.0	11.4%

\* Reflects the change in the 3Q07 and 9M07 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 September 30th, 2007

Values may not add up due to rounding

## Comments from Bernardo Hees – CEO

We are pleased to announce 3Q07 consolidated results showing a 10.9% volume increase, a 15.2% year-over-year EBITDAR growth and a significant improvement in net income, from a loss of R\$9.8 million in 3Q06 to an income of R\$161.6 million in 3Q07. These results reflect (i) an acceleration of the volume growth in our northern network, with improvement in safety standards and asset reliability; (ii) higher volumes of return cargo in agricultural commodities, as well as the lower participation of trucking drayage services in our revenue base, pushing up margins; and (iii) lower net financial expenses with the abolition of interest expenses on the SUDAM financing; partially offset by (iv) a poor performance in ALL Argentina marked by lower volumes and narrower margins.

During the quarter we continue to consistently improve operational indicators and safety standards in the northern network. The number of accidents per million train kilometer improved further to 39 in 3Q07 compared to 105 in 2006. Volumes in ALL Brasil increased 13.0%, accelerating as compared to the previous quarters, as a result of the operational enhancements achieved during the period.

In Agricultural Commodities, volume increased 13.3% and gross revenues grew 11.3% to R\$453.3 million in 3Q07. Gross yield decreased marginally, mainly driven by (i) a change in transported freight mix, with less drayage services and an expansion in return cargo (fertilizers and wheat) and (ii) a strong increase in corn volumes. EBITDAR increased 18.3% to R\$234.8 million in 3Q07 and EBITDAR margins improved nearly 4 percentage points to 59.1%. Industrial products volumes increased 12.3% in 3Q07, with 11.0% growth in intermodal flows and 13.0% growth in rail flows. Industrial gross revenues increased 14.0% to R\$178.7 million in 3Q07, EBITDAR increased 19.2% to R\$75.3 million and EBITDAR margin improved 2.5 percentage points to 50.3%. Highway services EBITDAR increased 61.0% to R\$3.3 million and EBITDAR margins improved from 7.0% to 10.9% in the period.

ALL Argentina had another weak quarter due to same pending restrictions on consumption of energy in the country. Energy shortages limited working hours on the terminals in the ports we serve, increasing total transit times in our operation and reducing rolling stock productivity. Moreover, the inflation acceleration and the artificially controlled diesel price for trucking and retail consumers create an environment which pressures costs and reduces operational margins.

In 9M07, consolidated EBITDAR increased 32.3% to R\$829.3 million, revenues increased 4.3% and net income reached R\$197.3 million compared to a net loss of R\$100.3 million in 9M06. Total volume increased 8.7% in Brazil and 7.3% consolidated, indicating a consolidated volume growth in the neighborhood of 10% in 2007.

Preparation for 2008 already started with investments in locomotives, rail cars and technology running as expected. Contract negotiations for next crop started on a positive note with good crop expectations. These positive results achieved in 9M07 and the strong operational gains reached throughout the year reinforce our confidence for this year's target results and a promising 2008.

## OPERATING PERFORMANCE BY BUSINESS SEGMENT

### Consolidated Results<sup>3</sup>

Consolidated EBITDAR increased 15.2% in 3Q07 from R\$279.0 million in 3Q06 to R\$321.3 million in 3Q07 and EBITDAR margin increased 3.0 percentage points, from 49.7% in 3Q06 to 52.7% in 3Q07. The overall increase reflects gain in all business units in Brazil, mainly driven by the increase in volumes and higher return cargo, partially offset by a decrease in Argentina's results. In 9M07, consolidated EBITDAR improved 32.3%, reaching R\$829.3 million and EBITDAR margin reached 51.5% improving 11.1 percentage points from 40.4% in 9M06.

Net income increased from a net loss of R\$100.3 million in 9M06 to a net income of R\$197.3 million in 9M07, reflecting the improvement in operational performance and the R\$138.7 million one-time extraordinary reduction in financial expenses. The Company had filled with SUDAM (Superintendence for the Development of the Amazon) claiming the reduction in interest expenses as a compensation for delays in disbursement of funds for the build-out of Ferronorte in the period of 1995 to 2000. The claim was based on compensation mechanism regulated by the Ferronorte-SUDAM financial agreement and in 3Q07, as the Company became current with all its financial obligations in the Ferronorte build-out financing contract, the interest abolition claim was formally approved reducing interest expenses by R\$138.7 million before taxes and R\$91.5 million after taxes.

Table 2 - EBITDAR (R\$ million)	3Q07	3Q06	Growth 3Q07	% Growth 3Q07	9M07	9M06	Growth 9M07	% Growth 9M07
ALL Consolidated	321.3	279.0	42.4	15.2%	829.3	626.7	202.6	32.3%
ALL Brazil	313.4	263.6	49.8	18.9%	808.1	591.9	216.2	36.5%
Agricultural Commodities	234.8	198.4	36.4	18.3%	600.9	450.1	150.9	33.5%
Industrial Products	75.3	63.2	12.2	19.2%	197.5	136.6	60.9	44.6%
Highway-Based Services	3.3	2.0	1.2	61.0%	9.7	5.3	4.4	83.7%
ALL Argentina	8.0	15.4	(7.4)	-48.1%	21.2	34.8	(13.6)	-39.1%

Gross revenues increased 9.2% from R\$640.3 million in 3Q06 to R\$699.2 million in 3Q07, due to a 10.9% volume growth, partially offset by a 1.1% reduction in yield measured in R\$/000 RTK from R\$65.5 to R\$64.8. The yield decrease was driven by: (i) a change in freight mix in agricultural commodities, with higher return cargo and (ii) a reduction in drayage services. Total volumes increased from 9,261 million RTK in 3Q06 to 10,267 million RTK in 3Q07, mainly due to increases of 13.3% in agricultural commodities, 12.3% in industrial products, partially offset by a 4.1% decrease in ALL Argentina.

<sup>3</sup> Excludes results of Santa Fé Vagões (40% owned by ALL) and for comparison purposes 3Q07 and 9M07 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.

Table 3 - EBITDAR Margin (%)	Third Quarter			Nine Months		
	3Q07	3Q06	Change*	9M07	9M06	Change*
ALL Consolidated	52.7%	49.7%	3.0%	51.5%	40.4%	11.1%
ALL Brazil	54.3%	50.7%	3.5%	53.6%	41.1%	12.5%
Agricultural Commodities	59.1%	55.3%	3.7%	58.6%	44.9%	13.7%
Industrial Products	50.3%	47.8%	2.5%	50.0%	39.1%	11.0%
Highway Based Services	10.9%	7.0%	3.9%	11.2%	6.0%	5.1%
ALL Argentina	24.3%	36.6%	-12.3%	20.3%	30.9%	-10.6%

\* Indicates percentage points gain / (loss)

After taking into account railcar rental expenses, ALL's consolidated EBITDA increased 12.5% in 3Q07. Railcar rental expenses are related to the addition of client owned new railcars that we operated under operational lease agreements with our clients in agricultural commodities and industrial products business units. EBITDA in agricultural commodities increased from R\$167.2 million in 3Q06 to R\$190.8 million in 3Q07, or 14.1%, and industrial products EBITDA increased from R\$58.0 million in 3Q06 to R\$70.9 million in 3Q07, or 22.4%. Consolidated EBITDA margin increased 1.5 percentage points in 3Q07, reaching 44.8%.

Table 4 - EBITDA (R\$ million)	3Q07	3Q06	Growth 3Q07	% Growth 3Q07	9M07	9M06	Growth 9M07	% Growth 9M07
ALL Consolidated	273.0	242.6	30.4	12.5%	683.5	522.1	161.4	30.9%
ALL Brazil	265.0	227.2	37.8	16.6%	662.4	487.3	175.0	35.9%
Agricultural Commodities	190.8	167.2	23.6	14.1%	467.3	360.3	107.0	29.7%
Industrial Products	70.9	58.0	13.0	22.4%	185.4	121.8	63.7	52.3%
Highway-Based Services	3.3	2.0	1.2	61.0%	9.7	5.3	4.4	83.7%
ALL Argentina	8.0	15.4	(7.4)	-48.1%	21.2	34.8	(13.6)	-39.1%

In 9M07, consolidated volumes increased 7.3%, from 24,045 million RTK in 9M06 to 25,798 million RTK, mainly due to increases of 12.0% in industrial products and 7.4% in agricultural commodities and partially offset by a reduction of 1.9% in volumes in ALL Argentina. Consolidated Gross revenues increased 4.3% in the nine months of 2007 reaching R\$1,838 million while average yield decreased 2.5% to R\$67.4/'000 RTK.

## Agricultural Commodities

Agricultural commodities volumes increased 13.3% in 3Q07, from 5,961 million RTK in 3Q06 to 6,752 million RTK, accelerating year-over-year growth as compared to the previous quarters. The increase was supported by strong operational improvements in the northern network as the transit time in Alto Araguaia-Santos route – the main route in Brasil Ferrovias – reached 146 hours as compared to 156 hours in 2Q07 and 214 hours in the end of 2006, and the number of accidents per million train km reached 39, compared to 45 in 2Q07 and 105 in 2006.

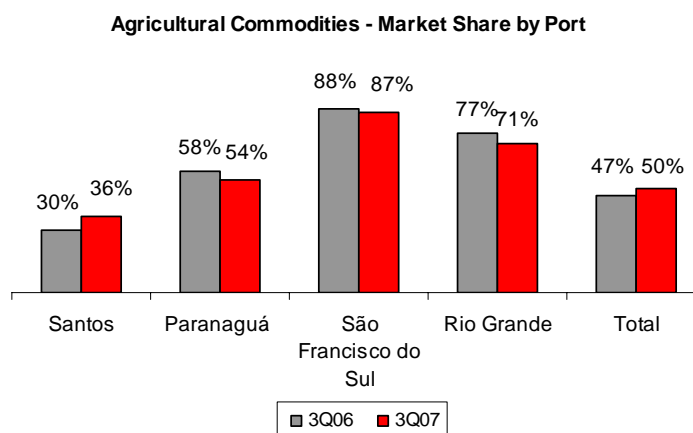
Table 5 - Agricultural Commodities (R\$ million)	Third Quarter			Nine Months		
	3Q07	3Q06	Change*	9M07	9M06	Change*
Volume (million RTK)	6,752	5,961	13.3%	16,139	15,027	7.4%
Gross Revenues	453.3	407.2	11.3%	1,162.5	1,130.7	2.8%
Gross Yield (R\$/'000 RTK)	67.1	68.3	-1.7%	72.0	75.2	-4.3%
Net Revenues	397.5	358.4	10.9%	1,025.4	1,002.2	2.3%
EBITDAR	234.8	198.4	18.3%	600.9	450.1	33.5%
EBITDAR Margin	59.1%	55.3%	3.7%	58.6%	44.9%	13.7%
EBITDA	190.8	167.2	14.1%	467.3	360.3	29.7%
EBITDA Margin	48.0%	46.7%	1.4%	45.6%	36.0%	9.6%

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

During the quarter, we had a significant change in mix of transported cargo with strong growth in corn volumes (772.7%) in detriment of soybean (-47.9%) and soy meal (-23.7%), and increase in return cargo flows, as wheat (28.5%) and fertilizers (16.4%). The change in mix led to (i) a reduction in average yield as the average revenue per RTK in return cargo flows are lower than in front haul; and (ii) an increase in margins, as margins in return cargo are better than in front haul flows. Margin also benefited from lower usage of drayage services made possible due to the higher capillarity provided by the Brasil Ferrovias network.



Our market share in agricultural exports through the ports we serve increased 3% in 3Q07, reflecting the higher transported volumes partially offset by the market increase in our coverage region. The main market share increase was in Port of Santos, on the Brasil Ferrovias region, reflecting the strong operational improvements we had in the period.



In 3Q07, Agricultural commodities' EBITDAR increased 18.3%, from R\$198.4 million in 3Q06 to R\$234.8 million, and EBITDAR margin improved 3.7 percentage points to 59.1%. The margin expansion was mainly driven by (i) higher transported volumes, (ii) a change in transported freight mix, with an increase in return cargo and (iii) a reduction in drayage services. Gross revenues increased 11.3% in 3Q07, from R\$407.2 million in 3Q06 to R\$453.3 million, and yield, measured in R\$/000 RTK, decreased by 1.7% year-over-year mainly driven by: (i) reduction in drayage services and (ii) a change in transported freight mix.

Table 6 - Agricultural Commodities Products (million RTK)	3Q07	3Q06	% Change	9M07	9M06	% Change
Soy	1,409.5	2,705.8	-47.9%	6,325.0	7,871.5	-19.6%
Soy Meal	789.4	1,035.1	-23.7%	2,038.2	2,770.9	-26.4%
Fertilizers	1,060.4	911.2	16.4%	2,191.8	1,406.2	55.9%
Sugar	824.0	753.6	9.3%	1,594.9	1,464.8	8.9%
Corn	2,371.4	271.7	772.7%	3,165.4	548.7	476.9%
Wheat	106.3	82.7	28.5%	211.5	428.7	-50.7%
Rice	136.5	148.4	-8.0%	368.2	364.4	1.0%
Others	54.4	52.4	3.9%	243.7	171.3	42.2%
<b>Total</b>	<b>6,751.9</b>	<b>5,960.9</b>	<b>13.3%</b>	<b>16,138.8</b>	<b>15,026.5</b>	<b>7.4%</b>

In 9M07, volumes increased 7.4%, from 15,027 million RTK in 9M06 to 16,139 million RTK, EBITDAR increased 33.5% to R\$600.9 million, gross revenues increased 2.8% to R\$1,162.5 million, while gross yield decreased 4.3%.

## Industrial Products

Industrial products' gross revenues increased 14.0% in 3Q07, from R\$156.7 million to R\$178.7 million, due to a 12.3% volume increase and a 1.5% yield expansion. EBITDAR increased 19.2% reaching R\$75.3 million in 3Q07 and EBITDAR margins increased 2.5 percentage points, from 47.8% to 50.3%, as volume increase diluted the fixed cost base.

Table 7 - Industrial Products (R\$ million)	Third Quarter			Nine Months		
	3Q07	3Q06	Change*	9M07	9M06	Change*
Volume (million RTK)	2,404	2,141	12.3%	6,533	5,832	12.0%
Gross Revenues	178.7	156.7	14.0%	470.5	416.8	12.9%
Gross Yield (R\$/000 RTK)	74.3	73.2	1.5%	72.0	71.5	0.8%
Net Revenues	149.9	132.3	13.3%	394.8	349.7	12.9%
EBITDAR	75.3	63.2	19.2%	197.5	136.6	44.6%
EBITDAR Margin	50.3%	47.8%	2.5%	50.0%	39.1%	11.0%
EBITDA	70.9	58.0	22.4%	185.4	121.8	52.3%
EBITDA Margin	47.3%	43.8%	3.5%	47.0%	34.8%	12.2%

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

In intermodal flows, volume increased 11.0% in 3Q07 as we gain market share in almost all business segments with strong growth in wood products, food and containers. 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. Recently, we have signed with Votorantim Papel e Celulose (VCP) our first industrial products long-term contract in the Brasil Ferrovias region for the transportation of over 1 million ton of pulp per year until 2029 from Três Lagoas, MS to the Port of Santos beginning in May 2009.

<b>Table 8 - Intermodal Industrial Products</b> (million RTK)	<b>3Q07</b>	<b>3Q06</b>	<b>% Change</b>	<b>9M07</b>	<b>9M06</b>	<b>% Change</b>
Steel Products	215.9	197.6	9.3%	609.8	588.2	3.7%
Wood Products	166.3	134.2	24.0%	423.8	321.4	31.9%
Food Products	163.9	138.5	18.4%	361.4	328.7	10.0%
Containers	219.0	185.9	17.8%	594.0	507.8	17.0%
Others	97.9	121.7	-19.5%	422.3	381.1	10.8%
<b>Total</b>	<b>863.1</b>	<b>777.8</b>	<b>11.0%</b>	<b>2,411.3</b>	<b>2,127.2</b>	<b>13.4%</b>

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 independent of the market growth. In 3Q07, ALL volumes increased 20.3% in fuel products and 1.3% in construction segment reflecting higher activity on these sectors in the south and market share gains on the north. Volumes in vegetal oil decreased 11.2%, in 3Q07 reflecting the overall reduction in soybean crushing activity in Brazil.

<b>Table 9 - Pure Rail Industrial Products</b> (million RTK)	<b>3Q07</b>	<b>3Q06</b>	<b>% Change</b>	<b>9M07</b>	<b>9M06</b>	<b>% Change</b>
Fuel Products	1,102.7	916.6	20.3%	2,956.8	2,531.5	16.8%
Vegetal Oil	101.5	114.3	-11.2%	254.0	280.4	-9.4%
Construction	336.7	332.5	1.3%	911.1	893.4	2.0%
<b>Total</b>	<b>1,540.9</b>	<b>1,363.4</b>	<b>13.0%</b>	<b>4,121.8</b>	<b>3,705.2</b>	<b>11.2%</b>

In 9M07, EBITDAR increased 44.6% reaching R\$197.5 million, and EBITDAR margins improved 11 percentage points, from 39.1% to 50.0%. Gross revenues increased 12.9%, from R\$416.8 million in 9M06 to R\$470.5 million in 9M07, as volume increased 12.0% reaching 6,533 million RTK and yield expanded 0.8%, from R\$71.5/'000 RTK to R\$72.0/'000 RTK.

### Highway Services Business Unit

Highway services' EBITDA increased 61.0% in 3Q07, from R\$2.0 million in 3Q06 to R\$3.3 million, and EBITDA margin expanded from 7.0% to 10.9%. During 9M07, EBITDA increased from R\$5.3 million in 9M06 to R\$9.7 million in 9M07, or 83.7% and EBITDA margins increased from 6.0% to 11.2%. The margin improvement reflects the process of discontinuation of unprofitable operations and establishment of minimum target return levels to the new operations contracted since 2005.

Volume measured in remunerated kilometers (RK) decreased 3.3% in the quarter and 6.6% in 9M07, despite the addition of new clients to our operation. The reduction was mainly caused by the termination of a long-haul operation for Ford in Camaçari, Bahia in 2Q07. Gross revenues increased 0.9% reaching R\$33.6 million as average yield increased 4.3% in the quarter.

During 2007, we should continue to see improved EBITDA margins and strong EBITDA growth.

## Argentina Operations

ALL Argentina's gross revenues increased 6.2% from P\$61.6 million in 3Q06 to P\$65.4 million in 3Q07 as gross yield increased 10.8% partially offset by volume decrease of 4.1% to 1,111 million RTK. The energy shortages in the country continue to negatively impact 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 48.2% in 3Q07, from 224.1 million RTK in 3Q06 to 332.1 million RTK, mainly due to market share gains in soy, corn and wheat. The strong volume growth was achieved by a strategic decision to concentrate 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 average distances compared to steel products shipments. For the nine months of 2007, agricultural commodities volume increased 39.0% reaching 827.6 million RTK.

Table 10 - Agricultural Commodities Products (million RTK)	3Q07	3Q06	% Change	9M07	9M06	% Change
Soy	195.7	122.7	59.5%	501.9	319.0	57.4%
Soy Meal	9.8	18.1	-45.7%	31.4	43.9	-28.5%
Fertilizers	24.9	31.8	-21.4%	64.5	67.9	-5.1%
Sunflower	13.8	12.2	12.4%	47.7	45.7	4.4%
Corn	83.9	35.8	134.3%	160.3	87.1	83.9%
Wheat	2.7	1.6	72.9%	19.9	26.0	-23.4%
Rice	1.2	2.0	-36.9%	1.9	5.6	-65.5%
<b>Total</b>	<b>332.1</b>	<b>224.1</b>	<b>48.2%</b>	<b>827.6</b>	<b>595.2</b>	<b>39.0%</b>

Industrial products volumes decreased from 934.6 million RTK in 3Q06 to 778.7 million RTK in 3Q07 mainly due to our strategy to dedicate more rail cars to agricultural commodities and lower asset productivity due to energy restrictions in the country. We gained market share in vegetal oil (30.9%), partially offset by decreases in steel, wood products and containerized cargo. In 9M07, industrial products volume decreased 11.3% to 2,297.6 million RTK.

Table 11 - Industrialized Products (million RTK)	3Q07	3Q06	% Change	9M07	9M06	% Change
Vegetal Oil	14.5	11.1	30.9%	33.3	27.9	19.6%
Steel Products	81.3	93.2	-12.8%	213.3	295.5	-27.8%
Wood	54.6	83.6	-34.6%	153.1	236.9	-35.4%
Food Products	76.9	104.9	-26.7%	215.7	238.7	-9.6%
Construction	429.8	459.7	-6.5%	1,278.5	1,285.3	-0.5%
Container	87.3	124.4	-29.8%	266.5	355.9	-25.1%
Others	34.3	57.8	-40.6%	137.1	150.8	-9.1%
<b>Total</b>	<b>778.7</b>	<b>934.6</b>	<b>-16.7%</b>	<b>2,297.6</b>	<b>2,591.0</b>	<b>-11.3%</b>

EBITDA decreased from P\$22.0 million in 3Q06 to P\$15.1 million in 3Q07, and EBITDA margins decreased from 36.6% to 23.6%. The EBITDA reduction resulted from significant cost increase driven by mandatory wage increases for unionized employees. In Reais, gross revenues decreased 21.9% from R\$43.0 million in 3Q06 to R\$33.6 million in 3Q07 as a result of the Peso depreciation. EBITDA in Reais decreased 48.1% from R\$15.4 million in 3Q06 to R\$8.0 million in 3Q07. In 9M07, gross revenues increased 10.8% to P\$182.6 million with a 13.0% yield expansion offset by a volume decrease of 1.9%. EBITDA decreased 26.9%, from P\$49.8 million in 9M06 to P\$36.4 million in 9M07.

**CONSOLIDATED RESULTS <sup>4</sup>**  
**For Third Quarter 2007 Compared to Third Quarter 2006**

Table 12 - Operational Indicators	Brazil			Argentina		
	3Q07	3Q06	% Change	3Q07	3Q06	% Change
<b>Volumes</b>						
RTK (million)	9,156	8,102	13.0%	1,111	1,159	-4.1%
GTK (million)	15,693	13,783	13.9%	2,349	2,453	-4.2%
Total RK (million)	11.3	11.7	-3.3%			
RK of Owned Fleet (million)	5.0	4.2	17.1%			
RK of Owned and Agregated Fleet (million)	9.6	10.5	-8.7%			
Carloads (thousand)	226.5	212.2	6.8%	40.1	40.5	-1.0%
<b>Diesel Consumption</b>						
Rail (liters per 000 GTK)	5.23	5.51	-5.0%	3.24	3.56	-9.1%
Trucking (liters per RK)	0.39	0.42	-6.6%			

**Consolidated Gross Revenue from Services**

Consolidated gross revenue increased from R\$640.3 million in 3Q06 to R\$699.2 million in 3Q07, or 9.2%, due to an 11.4% increase in Brazilian operations' gross revenue, from R\$597.3 million in 3Q06 to R\$665.6 million in 3Q07, partially offset by a 21.9% decrease in Argentine operations' gross revenue, from R\$43.0 million in 3Q06 to R\$33.6 million in 3Q07.

Table 13 - Gross Revenues (R\$ million)	3Q07	3Q06	Change	% Change
ALL Consolidated*	699.2	640.3	58.9	9.2%
ALL Brazil	665.6	597.3	68.3	11.4%
Agricultural Commodities	453.3	407.2	46.1	11.3%
Industrial Products	178.7	156.7	21.9	14.0%
Highway Based Services	33.6	33.3	0.3	0.9%
ALL Argentina	33.6	43.0	(9.4)	-21.9%

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

Brazilian operation's gross revenues increased R\$68.3 million in 3Q07, when compared to the same period last year, reflecting an 13.0% increase in transported volume, partially offset by a 0.8% decrease in average yield, from R\$69.6 per thousand RTK in 3Q06 to R\$69.0 per thousand RTK in 3Q07. The lower yield mainly reflects (i) reduction in drayage services, (ii) higher return cargo and (iii) a change in transported freight mix, with an increase on the percentage of corn on the total and a reduction on the percentage of soybean.

Agricultural commodities' gross revenues increased by R\$46.1 million, or 11.3%, as transported volume increased 13.3% and as gross yield decreased 1.7%, from R\$68.3 in the 3Q06 to R\$67.1 in the 3Q07. In industrial products, gross revenues increased R\$22.0 million, or 14.0%, with a 12.3% growth in transported volume and a 1.5% increase in average yield. In highway-based services unit, gross revenues reached R\$33.6 million in 3Q07 in line with the same period last year while transported volume was reduced by 3.3%, partially offset by a 4.3% expansion in average yield.

In Argentina, gross revenues increased 6.2% in Pesos as a result of an increase in average yield from P\$53.2 per thousand RTK in 3Q06 to P\$58.9 per thousand RTK in 3Q07, while transported volume decreased 4.1% to 1,111 million RTK, negatively affected by the energy shortage in the country. In Reais, gross revenues decreased 21.9% in the 3Q07, from R\$43.0 million in 3Q06 to R\$33.6 million in 3Q07, impacted by a 16.6% devaluation of the Peso against the Real in 3Q07 compared to 3Q06.

<sup>4</sup> Excludes results of Santa Fé Vagões (40% owned by ALL).



## Taxes on Consolidated Gross Operating Revenue

Taxes on consolidated operating revenue increased 13.2% from R\$78.8 million in 3Q06 to R\$89.2 million in 3Q07. This tax increase resulted from a 13,7% increase in Brazilian operations' taxes - from R\$77.8 million in 3Q06 to R\$88.4 million in 3Q07 due to higher revenues and a higher average tax rate reflecting a change in mix of transported freight, partially offset by a 25.9% decrease in Argentine operations' taxes.

## Consolidated Cost of Sales

Consolidated costs of sales increased from R\$335.8 million in 3Q06 to R\$345.3 million in the 3Q07, or 2.8%, due to a 5.2% increase in Brazilian operations' cost of sales from R\$303.7 million in 3Q06 to R\$319.4 million in 3Q07 partially offset by a decrease in Argentine operations' cost of sales from R\$32.1 million in 3Q06 to R\$25.9 million, or 19.2%.

Table 14 - Cost of Sales * (R\$ million)	3Q07	Brazil 3Q06	% Change	3Q07	Argentina 3Q06	% Change	3Q07	Consolidated 3Q06	% Change
Fuel Expenses	(119.2)	(106.8)	11.6%	(5.9)	(6.6)	-11.2%	(125.1)	(113.4)	10.3%
Rail portion	(112.2)	(97.6)	14.9%	(5.9)	(6.6)	-11.2%	(118.1)	(104.3)	13.3%
Trucking portion	(7.0)	(9.2)	-23.5%	0.0	0.0	na	(7.0)	(9.2)	-23.5%
Outsourced and Contracted Trucking Expenses	(14.2)	(20.5)	-30.7%	(3.0)	(5.9)	-49.7%	(17.1)	(26.3)	-34.9%
Drayage Services	(8.0)	(14.7)	-45.6%	(3.0)	(5.9)	-49.7%	(11.0)	(20.6)	-46.8%
Other than Drayage Services	(6.2)	(5.7)	7.8%	0.0	0.0	na	(6.2)	(5.7)	7.8%
Labor Expenses	(41.7)	(45.7)	-8.8%	(9.0)	(10.4)	-13.3%	(50.7)	(56.1)	-9.6%
Maintenance Expenses	(18.5)	(20.7)	-10.5%	(2.3)	(2.9)	-20.8%	(20.8)	(23.6)	-11.8%
Depreciation and Amortization Expenses	(45.9)	(44.1)	4.2%	(2.3)	(2.8)	-19.7%	(48.2)	(46.9)	2.7%
Concession and Lease Expense	(8.3)	(9.5)	-13.0%	(0.8)	(1.1)	-21.3%	(9.1)	(10.6)	na
Other Expenses	(23.3)	(21.1)	10.1%	(2.7)	(2.4)	11.3%	(25.9)	(23.5)	10.2%
Railcar Rentals	(48.3)	(35.3)	37.0%	0.0	0.0	na	(48.3)	(35.3)	37.0%
<b>Total Cost of Sales</b>	<b>(319.4)</b>	<b>(303.7)</b>	<b>5.2%</b>	<b>(25.9)</b>	<b>(32.1)</b>	<b>-19.2%</b>	<b>(345.3)</b>	<b>(335.8)</b>	<b>2.8%</b>

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

Brazilian operations' cost of sales increase in 3Q07 compared to the same period of 2006 was mainly driven by increases in (i) overall fuel expenses, reflecting higher volumes in rail business and (ii) railcars rental cost as we pay rental fees related to the railcars added by our clients to our fleet. The cost growth was partially offset by a reduction 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, and (ii) maintenance expenses due to a change in maintenance procedures in Brasil Ferrovias network.

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.

## Gross Profit

Consolidated gross profit increased 17.3%, from R\$225.7 million in 3Q06 to R\$264.7 million in 3Q07. The increase was due to a R\$48.6 million increase in consolidated net revenues, partially offset by a R\$9.5 million increase in consolidated cost of sales.

## Operating Expenses

Consolidated operating expenses decreased from R\$32.0 million in 3Q06 to R\$20.1 million in 3Q07, or 37.2%, driven by a decrease of 48.1% in Brazil, from R\$32.1 million to R\$16.7 million, and a expense increase in Argentina, from a revenue of R\$0.1 million in 3Q06 to an expense of R\$3.4 million in 3Q07.

Brazilian operations' SG&A expenses decreased from R\$30.6 million in 3Q06 to R\$21.5 million in 3Q07, reflecting the cost reductions in Brasil Ferrovias' concessions. Other operating revenues and expenses increased from an expense of R\$1.5 million to an revenue of R\$4.9 million in Brazil in the same period. Argentina's SG&A decreased 31.5%, from R\$3.8 million in 3Q06 to R\$2.6 million in 3Q07, while other operating revenues decreased from a revenue of R\$3.9 million in 3Q06 to an expense of R\$0.8 million in 3Q07.

## Net Financial Expense

Consolidated net financial expenses improved 79.1% from R\$108.1 million in 3Q06 compared to R\$22.6 million in 3Q07 impacted by a R\$138.7 million extraordinary gain related to the reversion of the interest rate expenses on the Debenture of SUDAM (Superintendencia for the Development of the Amazon). Brazilian operations' net financial expenses improved from R\$106.8 million in 3Q06 to R\$19.6 million in 3Q07 and Argentine operations' net financial expenses worsened from R\$1.3 million in 3Q06 to R\$3.0 million in 3Q07.

## 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 an expense of R\$63.0 million in 3Q06 to an expense of R\$9.2 million in 3Q07, mainly due to an extraordinary provision of R\$55 million in 3Q06 related to losses in the sale of our minority stake in Geodex.

Table 15 - Other Costs (R\$ million)	Brazil			Argentina			Consolidated		
	3Q07	3Q06	% Change	3Q07	3Q06	% Change	3Q07	3Q06	% Change
Equity Earnings and Gain on Investments	(6.4)	(56.3)	-88.6%	(0.4)	(0.5)	-27.6%	(6.8)	(56.8)	-88.1%
Non-Operational Results	(2.5)	(6.2)	-60.3%	0.0	0.0	na	(2.5)	(6.2)	-60.3%
Translation Gain (loss) and Monetary Adjustment	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
<b>Other Costs</b>	<b>(8.9)</b>	<b>(62.5)</b>	<b>-85.8%</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>-27.6%</b>	<b>(9.2)</b>	<b>(63.0)</b>	<b>-85.4%</b>

## Income Taxes

Consolidated income tax expenses increased from R\$34.2 million in the 3Q06 to R\$51.0 million in 3Q07, mainly reflecting the earnings before taxes' growth. Brazilian income taxes increased from an expense of R\$30.7 million in 3Q06 to an expense of R\$50.6 million in 3Q07. In Argentina income tax improved from an expense of R\$3.5 million in 3Q06 to R\$0.4 million in 3Q07.

## Net Income

As an effect of the results discussed above, consolidated net income improved from a loss of R\$11.6 million in 3Q06 to an income of R\$161.7 million in 3Q07. Including results coming from our stake in Santa Fe Vagoes, net income increased from a loss of R\$9.8 million in 3Q06 to an income of R\$161.6 million in 3Q07.

## Investments

Consolidated investments increased from R\$92,3 million in 3Q06 to R\$262.3 million in 3Q07, or 182%. The increase mainly reflects (i) the anticipation of expansion CAPEX for 2008, as we are starting earlier the preparation for the crop season this year, and (ii) the acquisition of rail cars from some Brasil Ferrovias costumers, due to high rental cost rates.

In Brazil, CAPEX increased in 3Q07 compared to the same period of 2006, mainly due to an increase in expansion CAPEX. Among ALL Brazil expansion investments it is worth mentioning: (i) refurbishment of rail cars and locomotives in the amount of R\$69.2 million, (ii) rail track investments of R\$54.3 million, (iii) acquisition of rail cars from clients which rental expenses were too high (R\$49.8 million) (iv) acquisition of additional trucks to new logistics operations and to increase market share in existing ones (R\$5.1 million).

Investments in Argentina decreased 52.6%, from R\$7.6 million in 3Q06 to R\$3.6 million in 3Q07, due to lower maintenance and expansion CAPEX.

Table 16 - Investments (R\$ million)	Brazil			Argentina			Consolidated		
	3Q07	3Q06	% Change	3Q07	3Q06	% Change	3Q07	3Q06	% Change
Maintenance	80.3	50.6	58.9%	2.0	4.1	-51.2%	82.3	54.7	50.6%
Expansion	178.4	34.1	423.0%	1.6	3.5	-54.3%	180.0	37.6	378.6%
<b>Total Investments</b>	<b>258.7</b>	<b>84.7</b>	<b>205.6%</b>	<b>3.6</b>	<b>7.6</b>	<b>-52.6%</b>	<b>262.3</b>	<b>92.3</b>	<b>184.3%</b>

## Cash Flow

Consolidated cash flow from operational activities increased from an outflow of R\$192.6 million in 3Q06 to a surplus of R\$267.0 million in 3Q07, reflecting the EBITDA and working capital increase during the period. Cash outflow from investments decreased from an outflow of R\$92.3 million in 3Q06 to an outflow of R\$262.3 million in 3Q07, mainly due to an increase in expansion CAPEX. Cash flow from financing activities decreased from an inflow of R\$734.1 million in 3Q06, to an inflow of R\$367.7 million in 3Q07. The overall cash variation in 3Q07 was positive in R\$372.4 million compared to a cash inflow of R\$449.2 million in 3Q06.

	Brazil			Argentina			Consolidated		
	3Q07	3Q06	% Change	3Q07	3Q06	% Change	3Q07	3Q06	% Change
Operating Activities	270.4	(202.2)	na	(3.4)	9.6	na	267.0	(192.6)	na
Investing Activities	(258.7)	(84.7)	205.6%	(3.6)	(7.6)	-52.8%	(262.3)	(92.3)	184.2%
Financing Activities	357.3	735.0	-51.4%	10.4	(0.9)	na	367.7	734.1	-49.9%
<b>Increase in Cash</b>	<b>369.0</b>	<b>448.2</b>	<b>-17.7%</b>	<b>3.4</b>	<b>1.0</b>	<b>230.5%</b>	<b>372.4</b>	<b>449.2</b>	<b>-17.1%</b>

## Balance Sheet and Capital Structure

Consolidated net debt decreased from R\$2,756.7 million in 3Q07 compared to R\$2,853.6 million at the 2Q07. Net Debt to EBITDA ratio decreased from 3.5X in 2Q07 to 3.2X in 3Q07, and net debt to equity ratio decreased from 1.2X to 1.1X.

### CONSOLIDATED RESULTS <sup>5</sup>

For the Nine Months of 2007 Compared to the Nine Months of 2006

	Brazil			Argentina		
	9M07	9M06	% Change	9M07	9M06	% Change
<b>Volumes</b>						
RTK (million)	22,672	20,859	8.7%	3,126	3,186	-1.9%
GTK (million)	39,365	36,455	8.0%	6,461	6,665	-3.1%
Total RK (million)	32.6	34.9	-6.6%			
RK of Owned Fleet (million)	14.5	12.7	14.7%			
RK of Owned and Agregated Fleet (million)	28.4	29.5	-3.7%			
Carloads (thousand)	593.2	578.1	2.6%	112.1	109.4	2.5%
<b>Diesel Consumption</b>						
Rail (liters per 000 GTK)	5.36	5.56	-3.6%	3.30	3.52	-6.4%
Trucking (liters per RK)	0.39	0.42	-7.2%			

## Consolidated Gross Revenue from Services

Consolidated gross revenue increased by 4.3% from R\$1,762.9 million in 9M06 to R\$1,837.9 million in 9M07 mainly due to 5.1% increase in Brazilian operations' gross revenues, from R\$1,647.5 million in 9M06 to R\$1,731.3 million in 9M07 partially offset by a 7.6% decrease in Argentine operations' gross revenues, from R\$115.4 million in 9M06 to R\$106.6 million in 9M07.

	9M07	9M06	Change	% Change
ALL Consolidated*	1,837.9	1,762.9	75.0	4.3%
ALL Brazil	1,731.3	1,647.5	83.8	5.1%
Agricultural Commodities	1,162.5	1,130.7	31.8	2.8%
Industrial Products	470.5	416.8	53.6	12.9%
Highway Based Services	98.3	100.0	(1.6)	-1.6%
ALL Argentina	106.6	115.4	(8.8)	-7.6%

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

<sup>5</sup> Excludes results of Santa Fé Vagões (40% owned by ALL)

Brazilian operations' gross revenues increased 5.1% as volume increased 8.7%, from 20,859 million RTK in 9M06 to 22,672 million RTK in 9M07, partially offset by a decrease in average yield measured in R\$/thousand RTK of 2.9%, to R\$72.0 due to higher volume of return cargo flows and less drayage services.

Agricultural commodities' gross revenues increased 2.8% in 9M07, with a 7.4% increase in transported volume and a yield decrease of 4.3%. In industrial products, gross revenues increased 12.9%, with a 0.8% increase in gross yield and 12.0% increase in transported volume. Gross revenues in highway based services business unit decreased 1.6% in 9M07 due to a 6.6% decrease in volume offset by average yield increase of 5.3%, from R\$2.87 per Km to R\$3.02 per Km.

In Argentina, gross revenues increased 10.8% in Pesos, reaching P\$182.6 million in 9M07, as volume decreased 1.9% from 3,186 million RTK in 9M06 to 3,126 million RTK and gross yield increased 13.0%, from P\$51.7 per thousand RTK in 9M06 to P\$58.4 per thousand RTK in 9M07. In Reais, ALL Argentina gross revenues decreased 7.6% in 9M07 to R\$106.6 million reflecting a 16.6% devaluation of the Peso year-over-year.

### Taxes on Consolidated Gross Operating Revenue

Taxes on consolidated operating revenue increased 7.4% from R\$211.6 million in 9M06 to R\$227.3 million in 9M07. This tax increase resulted from a 7.7% increase in Brazilian operations' taxes - from R\$208.7 million in 9M06 to R\$224.8 million in 9M07, partially offset by a 14.3% decrease in Argentine operations' taxes.

### Consolidated Cost of Sales

Consolidated costs of sales decreased from R\$1,062.7 million in 9M06 to R\$987.1 million in the 9M07, or 7.1%, compounded by a reduction of 7.1% in Brazilian operations' cost of sales from R\$972.1 million to R\$902.6 million and a decrease of 6.8% in Argentine operations' cost of sales to R\$84.5 million.

Table 20 - Cost of Sales *	Brazil			Argentina			Consolidated		
(R\$ million)	9M07	9M06	% Change	9M07	9M06	% Change	9M07	9M06	% Change
Fuel Expenses	(301.0)	(290.7)	3.5%	(17.4)	(19.0)	-8.5%	(318.4)	(309.7)	2.8%
Rail portion	(282.8)	(268.3)	5.4%	(17.4)	(19.0)	-8.5%	(300.1)	(287.3)	4.5%
Trucking portion	(18.2)	(22.3)	-18.3%	0.0	0.0	na	(18.2)	(22.3)	-18.3%
Outsourced and Contracted Trucking Expenses	(34.7)	(70.3)	-50.6%	(11.8)	(16.2)	-27.1%	(46.5)	(86.5)	-46.2%
Drayage Services	(21.1)	(43.6)	-51.6%	(11.8)	(16.2)	-27.1%	(32.9)	(59.9)	-45.0%
Other than Drayage Services	(13.7)	(26.6)	-48.7%	0.0	0.0	na	(13.7)	(26.6)	-48.7%
Labor Expenses	(126.6)	(145.8)	-13.2%	(29.5)	(28.2)	4.8%	(156.1)	(174.0)	-10.3%
Maintenance Expenses	(57.6)	(89.8)	-35.8%	(7.5)	(8.8)	-15.1%	(65.1)	(98.6)	-34.0%
Depreciation and Amortization Expenses	(141.6)	(122.0)	16.0%	(7.7)	(8.2)	-6.0%	(149.3)	(130.2)	14.6%
Concession and Lease Expense	(24.9)	(26.4)	-5.5%	(2.9)	(3.2)	-10.2%	(27.8)	(29.6)	-6.1%
Other Expenses	(70.5)	(123.6)	-43.0%	(7.6)	(6.9)	10.2%	(78.1)	(130.5)	-40.2%
Railcar Rentals	(145.8)	(103.5)	40.9%	0.0	0.0	na	(145.8)	(103.5)	40.9%
<b>Total Cost of Sales</b>	<b>(902.6)</b>	<b>(972.1)</b>	<b>-7.1%</b>	<b>(84.5)</b>	<b>(90.6)</b>	<b>-6.8%</b>	<b>(987.1)</b>	<b>(1,062.7)</b>	<b>-7.1%</b>

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

Brazilian operations' cost of sales reduction in 9M07 as compared with 9M06 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.

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 by 27.6% or R\$134.9 million, from R\$488,6 million in 9M06 to R\$623.5 million in 9M07, resulting from a R\$59.3 million increase in net revenues and a R\$75.6 million reduction in cost of sales.

## Operating Income and Expenses

Consolidated operating expenses decreased from R\$99.0 million in 9M06 to R\$44.8 million in 9M07, or 54.7%. Brazilian operations' SG&A expenses decreased from R\$106.3 million in 9M06 to R\$64.8 million in 9M07, or 39.0%, reflecting the cost reduction in Brasil Ferrovias' concessions, and other operating revenues and expenses improved from an income of R\$8.1 million to an income of R\$32.0 million in the same period, leading to a 66.5% reduction in operating expenses in Brazil, from R\$98.2 million in 9M06 to R\$32.9 million in 9M07.

Argentina's SG&A expenses decreased 3.2% from R\$9.8 million in 9M06 to R\$9.5 million in 9M07 and other operating income and expenses worsened from a revenue of R\$9.1 million to an expense of R\$2.4 million in the same period, resulting in an overall increase in Argentine operating expenses from R\$0.8 million in 9M06 to R\$11.9 million in 9M07.

## Net Financial Expenses

Consolidated net financial expenses decreased by 20.6% from R\$380.2 million in 9M06 to R\$301.7 million in 9M07. Brazilian operations' net financial expenses decreased 22.4%, from R\$375.3 million in 9M06 to R\$291.1 million in 9M07 and Argentine operations' net financial expenses increased from R\$4.9 million to R\$10.6 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, improved from an expense of R\$60.0 million in 9M06 to R\$21.1 million in 9M07, mainly due to equity earnings and loss on investments which decreased from an expense of R\$54.5 million in 9M06 to R\$19.1 million in 9M07, as in 3Q06 we had an extraordinary provision of R\$55 million in 3Q06 related to losses in the sale of our minority stake in Geodex.

Table 21 - Other Costs (R\$ million)	Brazil			Argentina			Consolidated		
	9M07	9M06	% Change	9M07	9M06	% Change	9M07	9M06	% Change
Equity Earnings and Gain on Investments	(17.9)	(53.0)	-66.2%	(1.2)	(1.5)	-16.7%	(19.1)	(54.5)	-64.9%
Non-Operational Results	(2.0)	(5.5)	-64.2%	0.0	0.0	na	(2.0)	(5.5)	-64.2%
Translation Gain (loss) and Monetary Adjustment Gain	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
<b>Other Costs</b>	<b>(19.9)</b>	<b>(58.5)</b>	<b>-278.2%</b>	<b>(1.2)</b>	<b>(1.5)</b>	<b>-66.0%</b>	<b>(21.1)</b>	<b>(60.0)</b>	<b>-16.7%</b>

## Income Taxes

Consolidated tax expenses increased from R\$51.9 million in 9M06 to R\$57.7 million in 9M07, reflecting the increase in EBT, partially offset by a lower average tax rate. In Brazil, income tax expenses increased from R\$48.1 million in 9M06 compared with expenses of R\$58.0 million in 9M07, while in Argentina tax expenses improved from an expense of R\$3.8 million in 9M06 to a gain of R\$0.3 million in 9M07.

## Net Income

As a result of the above facts, our net income reached R\$198.2 million in 9M07, compared with a net loss of R\$102.4 million in 9M06. Including the result coming from our stake in Santa Fe Vagões, net income increased from a loss of R\$100.3 million in 9M06 to an income of R\$197.3 million in 9M07.

## Investments

Consolidated investments increased from R\$443.5 million in 9M06 to R\$592.2 million in 9M07, or 33.5%. The increase mainly reflects (i) the anticipation of expansion CAPEX for 2008, as we are starting earlier the preparation for the crop season this year, and (ii) the acquisition of rail cars from some Brasil Ferrovias costumers, due to high rental cost rates.



In Brazil, CAPEX increased from R\$424.0 million in 9M06 to R\$565.1 million in 9M07, mainly due to an increase in expansion CAPEX. Among ALL Brazil expansion investments it is worth mentioning: (i) refurbishing of additional locomotives and railcars (R\$147.8 million); (ii) investments in rail track infrastructure (R\$148.4 million) (iii) acquisition of rail cars from clients which rental expenses were too high (R\$49.8 million) and (iv) acquisition of additional trucks to new logistics operations and to increase market share in existing ones (R\$14.6 million).

Investments in Argentina increased 39.0%, from R\$19.5 million in 9M06 to R\$27.1 million in 9M07, mainly due to higher expansion CAPEX from R\$8.5 million to R\$18.1 million.

Table 22 - Investments (R\$ million)	Brazil			Argentina			Consolidated		
	9M07	9M06	% Change	9M07	9M06	% Change	9M07	9M06	% Change
Maintenance	189.2	247.0	-23.4%	9.0	11.0	-18.2%	198.2	258.0	-23.2%
Expansion	375.9	177.0	112.4%	18.1	8.5	112.9%	394.0	185.5	112.4%
<b>Total Investments</b>	<b>565.1</b>	<b>424.0</b>	<b>33.3%</b>	<b>27.1</b>	<b>19.5</b>	<b>39.0%</b>	<b>592.2</b>	<b>443.5</b>	<b>33.5%</b>

## Cash Flow

Consolidated cash flow from operational activities increased from an outflow of R\$35.0 million in 9M06 to a surplus of R\$452.9 million in 9M07, reflecting EBITDA and working capital increase in the period. Cash flow from investments increased from an outflow of R\$245.2 million in 9M06 to an outflow of R\$592.2 million in 9M07, mainly reflecting the increase in expansion CAPEX in Brasil Ferrovias, while cash flow from financing activities decreased from an inflow of R\$1,332.4 million in 9M06 to an inflow of R\$148.9 million in 9M07. The overall cash variation in 9M07 was positive in R\$9.5 million, compared to a cash inflow of R\$1,052.2 million in 9M06.

Table 23 - Cash Flow (R\$ million)	Brazil			Argentina			Consolidated		
	9M07	9M06*	% Change	9M07	9M06	% Change	9M07	9M06*	% Change
Operating Activities	442.3	(54.3)	na	10.6	19.3	-45.0%	452.9	(35.0)	na
Investing Activities	(565.1)	(225.7)	150.4%	(27.1)	(19.5)	39.2%	(592.2)	(245.2)	141.5%
Financing Activities	136.3	1,328.5	-89.7%	12.6	3.9	223.2%	148.9	1,332.4	-88.8%
<b>Increase in Cash</b>	<b>13.5</b>	<b>1,048.5</b>	<b>-98.7%</b>	<b>(3.9)</b>	<b>3.7</b>	<b>na</b>	<b>9.5</b>	<b>1,052.2</b>	<b>-99.1%</b>

\* In 9M06, does not include Brasil Ferrovias

## Balance Sheet and Capital Structure

Consolidated net debt reached R\$2,756.7 million in 3Q07 compared to R\$2,615.6 million in the end of 2006. Net Debt to EBITDA ratio decreased from 3.8X in 2006 to 3.2X in 3Q07, and net debt to equity ratio remained in line at 1.1X.

## EVENTS TO DISCUSS 3Q07 RESULTS

### 3Q07 Results Conference Calls:

|ENGLISH|

**November 12, 2007 – Monday**  
**9:00 a.m. US EST / 12h00 Brazil**  
Tel.: +1 (973) 935-8893  
Code: ALL or 9271928

Replay: +1 (973) 341-3080  
Code: 9271928

|PORTUGUESE|

**November 12, 2007 – Monday**  
**7:00 a.m. US EST / 10h00 Brazil**  
Tel.: +55 (11) 2101-4848  
Code: ALL

Replay: +55 (11) 2101-4848  
Code: ALL

### 3Q07 Results Investors Meeting:

**November 12, 2007 – Monday**  
**05:00 p.m.** (followed by cocktail party)

**Hilton São Paulo Morumbi**  
Av. das Nações Unidas, 12.901  
São Paulo

**RSVP:** [www.all-logistica.com/ir](http://www.all-logistica.com/ir) or (11) 3529-3777

For additional information, please access the Company's website – [www.all-logistica.com/ir](http://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*		
	3Q07	3Q06	% Change	3Q07	3Q06	% Change	3Q07	3Q06	% Change
<b>Gross revenues</b>	<b>665.6</b>	<b>597.3</b>	<b>11.4%</b>	<b>33.6</b>	<b>43.0</b>	<b>-21.9%</b>	<b>699.2</b>	<b>640.3</b>	<b>9.2%</b>
Deduction from gross revenues	(88.4)	(77.8)	13.7%	(0.8)	(1.0)	-25.9%	(89.2)	(78.8)	13.2%
<b>Net revenues</b>	<b>577.2</b>	<b>519.5</b>	<b>11.1%</b>	<b>32.9</b>	<b>42.0</b>	<b>-21.8%</b>	<b>610.0</b>	<b>561.5</b>	<b>8.6%</b>
Cost of sales	(319.4)	(303.7)	5.2%	(25.9)	(32.1)	-19.2%	(345.3)	(335.8)	2.8%
Fuel	(119.2)	(106.8)	11.6%	(5.9)	(6.6)	-11.2%	(125.1)	(113.4)	10.3%
Outsourced and contracted fleet	(14.2)	(20.5)	-30.7%	(3.0)	(5.9)	-49.7%	(17.1)	(26.3)	-34.9%
Labor	(41.7)	(45.7)	-8.8%	(9.0)	(10.4)	-13.3%	(50.7)	(56.1)	-9.6%
Maintenance	(18.5)	(20.7)	-10.5%	(2.3)	(2.9)	-20.8%	(20.8)	(23.6)	-11.8%
Depreciation and Amortization	(45.9)	(44.1)	4.2%	(2.3)	(2.8)	-19.7%	(48.2)	(46.9)	2.7%
Lease and Concession	(8.3)	(9.5)	-13.0%	(0.8)	(1.1)	-21.3%	(9.1)	(10.6)	-13.9%
Other	(23.3)	(21.1)	10.1%	(2.7)	(2.4)	11.3%	(25.9)	(23.5)	10.2%
Railcar Rental	(48.3)	(35.3)	37.0%	0.0	0.0	na	(48.3)	(35.3)	37.0%
<b>Gross profit</b>	<b>257.7</b>	<b>215.7</b>	<b>19.5%</b>	<b>7.0</b>	<b>10.0</b>	<b>-30.0%</b>	<b>264.7</b>	<b>225.7</b>	<b>17.3%</b>
Operating income (expenses)	(16.7)	(32.1)	-48.1%	(3.4)	0.1	na	(20.1)	(32.0)	-37.2%
Selling, General and Administrative	(21.5)	(30.6)	-29.5%	(2.6)	(3.8)	-31.5%	(24.1)	(34.3)	-29.8%
Other	4.9	(1.5)	na	(0.8)	3.9	na	4.0	2.4	71.9%
Equity earnings and gain (loss) on investments	(6.4)	(56.3)	-88.6%	(0.4)	(0.5)	-27.6%	(6.8)	(56.8)	-88.1%
<b>Operating profit (loss) before net financial expenses</b>	<b>234.7</b>	<b>127.4</b>	<b>84.3%</b>	<b>3.2</b>	<b>9.6</b>	<b>-66.6%</b>	<b>237.9</b>	<b>137.0</b>	<b>73.7%</b>
Net financial expenses	(19.6)	(106.8)	-81.6%	(3.0)	(1.3)	134.7%	(22.6)	(108.1)	-79.1%
<b>Operating profit (loss)</b>	<b>215.0</b>	<b>20.5</b>	<b>947.1%</b>	<b>0.2</b>	<b>8.3</b>	<b>-97.6%</b>	<b>215.3</b>	<b>28.9</b>	<b>645.8%</b>
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	(2.5)	(6.2)	-60.3%	0.0	0.0	na	(2.5)	(6.2)	-60.3%
Income tax benefit (expense)	(50.6)	(30.7)	64.9%	(0.4)	(3.5)	-87.9%	(51.0)	(34.2)	49.1%
<b>Net income (loss)</b>	<b>162.0</b>	<b>(16.4)</b>	<b>na</b>	<b>(0.2)</b>	<b>4.8</b>	<b>na</b>	<b>161.7</b>	<b>(11.6)</b>	<b>na</b>

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

Table 25 - Financial Results* (R\$ million)	Brazil			Argentina			Santa Fé			Consolidated		
	3Q07	3Q06	% Change	3Q07	3Q06	% Change	3Q07	3Q06	% Change	3Q07	3Q06	% Change
<b>Gross revenues</b>	<b>665.6</b>	<b>597.3</b>	<b>11.4%</b>	<b>33.6</b>	<b>43.0</b>	<b>-21.9%</b>	<b>3.9</b>	<b>17.9</b>	<b>-78.3%</b>	<b>703.1</b>	<b>658.2</b>	<b>6.8%</b>
Deduction from gross revenues	(88.4)	(77.8)	13.7%	(0.8)	(1.0)	-25.9%	(0.8)	(2.9)	-73.6%	(90.0)	(81.7)	10.1%
<b>Net revenues</b>	<b>577.2</b>	<b>519.5</b>	<b>11.1%</b>	<b>32.9</b>	<b>42.0</b>	<b>-21.8%</b>	<b>3.1</b>	<b>15.0</b>	<b>-79.2%</b>	<b>613.2</b>	<b>576.5</b>	<b>6.4%</b>
Cost of sales	(319.4)	(303.7)	5.2%	(25.9)	(32.1)	-19.2%	(3.0)	(12.1)	-75.4%	(348.3)	(347.9)	0.1%
Fuel	(119.2)	(106.8)	11.6%	(5.9)	(6.6)	-11.2%	0.0	0.0	na	(125.1)	(113.4)	10.3%
Outsourced and contracted fleet	(14.2)	(20.5)	-30.7%	(3.0)	(5.9)	-49.7%	0.0	0.0	na	(17.1)	(26.3)	-34.9%
Labor	(41.7)	(45.7)	-8.8%	(9.0)	(10.4)	-13.3%	0.0	0.0	na	(50.7)	(56.1)	-9.6%
Maintenance	(18.5)	(20.7)	-10.5%	(2.3)	(2.9)	-20.8%	0.0	0.0	na	(20.8)	(23.6)	-11.8%
Depreciation and Amortization	(45.9)	(44.1)	4.2%	(2.3)	(2.8)	-19.7%	0.0	0.0	na	(48.2)	(46.9)	2.7%
Lease and Concession	(8.3)	(9.5)	-13.0%	(0.8)	(1.1)	-21.3%	0.0	0.0	na	(9.1)	(10.6)	-13.9%
Other	(23.3)	(21.1)	10.1%	(2.7)	(2.4)	11.3%	(3.0)	(12.1)	-75.4%	(28.9)	(35.7)	-18.9%
Railcar Rental	(48.3)	(35.3)	37.0%	0.0	0.0	na	0.0	0.0	na	(48.3)	(35.3)	37.0%
<b>Gross profit</b>	<b>257.7</b>	<b>215.7</b>	<b>19.5%</b>	<b>7.0</b>	<b>10.0</b>	<b>-30.0%</b>	<b>0.1</b>	<b>2.9</b>	<b>-95.2%</b>	<b>264.8</b>	<b>228.6</b>	<b>15.9%</b>
Operating income (expenses)	(16.7)	(32.1)	-48.1%	(3.4)	0.1	na	(0.2)	(0.2)	-3.1%	(20.2)	(32.1)	-37.1%
Selling, General and Administrative	(21.5)	(30.6)	-29.5%	(2.6)	(3.8)	-31.5%	(0.2)	(0.2)	-19.7%	(24.3)	(34.5)	-29.7%
Other	4.9	(1.5)	na	(0.8)	3.9	na	0.0	0.0	na	4.1	2.4	69.4%
Equity earnings and gain (loss) on investments	(6.4)	(56.3)	-88.6%	(0.4)	(0.5)	-27.6%	0.0	0.0	na	(6.8)	(56.8)	-88.1%
<b>Operating profit (loss) before net financial expenses</b>	<b>234.7</b>	<b>127.4</b>	<b>84.3%</b>	<b>3.2</b>	<b>9.6</b>	<b>-66.6%</b>	<b>(0.0)</b>	<b>2.7</b>	<b>na</b>	<b>237.9</b>	<b>139.7</b>	<b>70.3%</b>
Net financial expenses	(19.6)	(106.8)	-81.6%	(3.0)	(1.3)	134.7%	0.0	(0.0)	na	(22.6)	(108.1)	-79.1%
<b>Operating profit (loss)</b>	<b>215.0</b>	<b>20.5</b>	<b>947.1%</b>	<b>0.2</b>	<b>8.3</b>	<b>-97.6%</b>	<b>0.0</b>	<b>2.7</b>	<b>-99.6%</b>	<b>215.3</b>	<b>31.6</b>	<b>581.9%</b>
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	(2.5)	(6.2)	-60.3%	0.0	0.0	na	(0.1)	0.0	na	(2.6)	(6.2)	-58.4%
Income tax benefit (expense)	(50.6)	(30.7)	64.9%	(0.4)	(3.5)	-87.9%	0.0	(0.9)	na	(51.0)	(35.2)	45.2%
<b>Net income (loss)</b>	<b>162.0</b>	<b>(16.4)</b>	<b>na</b>	<b>(0.2)</b>	<b>4.8</b>	<b>na</b>	<b>(0.1)</b>	<b>1.8</b>	<b>na</b>	<b>161.6</b>	<b>(9.8)</b>	<b>na</b>

Table 26 - Financial Results (R\$ million)	Brazil			Argentina			Consolidated*		
	9M07	9M06	% Change	9M07	9M06	% Change	9M07	9M06	% Change
<b>Gross revenues</b>	<b>1,731.3</b>	<b>1,647.5</b>	<b>5.1%</b>	<b>106.6</b>	<b>115.4</b>	<b>-7.6%</b>	<b>1,837.9</b>	<b>1,762.9</b>	<b>4.3%</b>
Deduction from gross revenues	(224.8)	(208.7)	7.7%	(2.5)	(2.9)	-14.3%	(227.3)	(211.6)	7.4%
<b>Net revenues</b>	<b>1,506.5</b>	<b>1,438.8</b>	<b>4.7%</b>	<b>104.1</b>	<b>112.5</b>	<b>-7.4%</b>	<b>1,610.6</b>	<b>1,551.3</b>	<b>3.8%</b>
Cost of sales	(902.6)	(972.1)	-7.1%	(84.5)	(90.6)	-6.8%	(987.1)	(1,062.7)	-7.1%
Fuel	(301.0)	(290.7)	3.5%	(17.4)	(19.0)	-8.5%	(318.4)	(309.7)	2.8%
Outsourced and contracted fleet	(34.7)	(70.3)	-50.6%	(11.8)	(16.2)	-27.1%	(46.5)	(86.5)	-46.2%
Labor	(126.6)	(145.8)	-13.2%	(29.5)	(28.2)	4.8%	(156.1)	(174.0)	-10.3%
Maintenance	(57.6)	(89.8)	-35.8%	(7.5)	(8.8)	-15.1%	(65.1)	(98.6)	-34.0%
Depreciation and Amortization	(141.6)	(122.0)	16.0%	(7.7)	(8.2)	-6.0%	(149.3)	(130.2)	14.6%
Lease and Concession	(24.9)	(26.4)	-5.5%	(2.9)	(3.2)	-10.2%	(27.8)	(29.6)	-6.1%
Other	(70.5)	(123.6)	-43.0%	(7.6)	(6.9)	10.2%	(78.1)	(130.5)	-40.2%
Railcar Rental	(145.8)	(103.5)	40.9%	0.0	0.0	na	(145.8)	(103.5)	40.9%
<b>Gross profit</b>	<b>603.9</b>	<b>466.8</b>	<b>29.4%</b>	<b>19.6</b>	<b>21.9</b>	<b>-10.2%</b>	<b>623.5</b>	<b>488.6</b>	<b>27.6%</b>
Operating income (expenses)	(32.9)	(98.2)	-66.5%	(11.9)	(0.8)	1481.9%	(44.8)	(99.0)	-54.7%
Selling, General and Administrative	(64.8)	(106.3)	-39.0%	(9.5)	(9.8)	-3.2%	(74.3)	(116.2)	-36.0%
Other	32.0	8.1	293.8%	(2.4)	9.1	na	29.5	17.2	71.8%
Equity earnings and gain (loss) on investments	(17.9)	(53.0)	-66.2%	(1.2)	(1.5)	-16.7%	(19.1)	(54.5)	-64.9%
<b>Operating profit (loss) before net financial expenses</b>	<b>553.1</b>	<b>315.5</b>	<b>75.3%</b>	<b>6.5</b>	<b>19.7</b>	<b>-67.0%</b>	<b>559.6</b>	<b>335.2</b>	<b>67.0%</b>
Net financial expenses	(291.1)	(375.3)	-22.4%	(10.6)	(4.9)	117.5%	(301.7)	(380.2)	-20.6%
<b>Operating profit (loss)</b>	<b>262.0</b>	<b>(59.8)</b>	<b>na</b>	<b>(4.1)</b>	<b>14.8</b>	<b>na</b>	<b>257.9</b>	<b>(45.0)</b>	<b>na</b>
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	(2.0)	(5.5)	-64.2%	0.0	0.0	na	(2.0)	(5.5)	-64.2%
Income tax benefit (expense)	(58.0)	(48.1)	20.6%	0.3	(3.8)	na	(57.7)	(51.9)	11.2%
<b>Net income (loss)</b>	<b>202.1</b>	<b>(113.4)</b>	<b>na</b>	<b>(3.8)</b>	<b>11.0</b>	<b>na</b>	<b>198.2</b>	<b>(102.4)</b>	<b>na</b>

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



Table 27 - Financial Results (R\$ million)	Brazil			Argentina			Santa Fé			Consolidated		
	9M07	9M06	% Change	9M07	9M06	% Change	9M07	9M06	% Change	9M07	9M06	% Change
<b>Gross revenues</b>	<b>1,731.3</b>	<b>1,647.5</b>	<b>5.1%</b>	<b>106.6</b>	<b>115.4</b>	<b>-7.6%</b>	<b>6.9</b>	<b>29.3</b>	<b>-76.5%</b>	<b>1,844.8</b>	<b>1,792.2</b>	<b>2.9%</b>
Deduction from gross revenues	(224.8)	(208.7)	7.7%	(2.5)	(2.9)	-14.3%	(1.4)	(5.3)	-74.2%	(228.7)	(217.0)	5.4%
<b>Net revenues</b>	<b>1,506.5</b>	<b>1,438.8</b>	<b>4.7%</b>	<b>104.1</b>	<b>112.5</b>	<b>-7.4%</b>	<b>5.5</b>	<b>23.9</b>	<b>-77.0%</b>	<b>1,616.1</b>	<b>1,575.2</b>	<b>2.6%</b>
Cost of sales	(902.6)	(972.1)	-7.1%	(84.5)	(90.6)	-6.8%	(5.5)	(20.4)	-73.3%	(992.6)	(1,083.1)	-8.4%
Fuel	(301.0)	(290.7)	3.5%	(17.4)	(19.0)	-8.5%	0.0	0.0	na	(318.4)	(309.7)	2.8%
Outsourced and contracted fleet	(34.7)	(70.3)	-50.6%	(11.8)	(16.2)	-27.1%	0.0	0.0	na	(46.5)	(86.5)	-46.2%
Labor	(126.6)	(145.8)	-13.2%	(29.5)	(28.2)	4.8%	0.0	0.0	na	(156.1)	(174.0)	-10.3%
Maintenance	(57.6)	(89.8)	-35.8%	(7.5)	(8.8)	-15.1%	0.0	0.0	na	(65.1)	(98.6)	-34.0%
Depreciation and Amortization	(141.6)	(122.0)	16.0%	(7.7)	(8.2)	-6.0%	0.0	0.0	na	(149.3)	(130.2)	14.6%
Lease and Concession	(24.9)	(26.4)	-5.5%	(2.9)	(3.2)	-10.2%	0.0	0.0	na	(27.8)	(29.6)	-6.1%
Other	(70.5)	(123.6)	-43.0%	(7.6)	(6.9)	10.2%	(5.5)	(20.4)	-73.3%	(83.5)	(150.9)	-44.7%
Railcar Rental	(145.8)	(103.5)	40.9%	0.0	0.0	na	0.0	0.0	na	(145.8)	(103.5)	40.9%
<b>Gross profit</b>	<b>603.9</b>	<b>466.8</b>	<b>29.4%</b>	<b>19.6</b>	<b>21.9</b>	<b>-10.2%</b>	<b>0.0</b>	<b>3.5</b>	<b>-98.9%</b>	<b>623.6</b>	<b>492.1</b>	<b>26.7%</b>
Operating income (expenses)	(32.9)	(98.2)	-66.5%	(11.9)	(0.8)	1481.9%	(0.5)	(0.4)	30.3%	(45.3)	(99.3)	-54.4%
Selling, General and Administrative	(64.8)	(106.3)	-39.0%	(9.5)	(9.8)	-3.2%	(0.5)	(0.5)	4.0%	(74.8)	(116.6)	-35.8%
Other	32.0	8.1	293.8%	(2.4)	9.1	na	0.0	0.1	-88.8%	29.6	17.3	70.8%
Equity earnings and gain (loss) on investments	(17.9)	(53.0)	-66.2%	(1.2)	(1.5)	-16.7%	0.0	0.0	na	(19.1)	(54.5)	-64.9%
<b>Operating profit (loss) before net financial expenses</b>	<b>553.1</b>	<b>315.5</b>	<b>75.3%</b>	<b>6.5</b>	<b>19.7</b>	<b>-67.0%</b>	<b>(0.5)</b>	<b>3.1</b>	<b>na</b>	<b>559.2</b>	<b>338.3</b>	<b>65.3%</b>
Net financial expenses	(291.1)	(375.3)	-22.4%	(10.6)	(4.9)	117.5%	0.1	0.0	162.0%	(301.6)	(380.1)	-20.7%
<b>Operating profit (loss)</b>	<b>262.0</b>	<b>(59.8)</b>	<b>na</b>	<b>(4.1)</b>	<b>14.8</b>	<b>na</b>	<b>(0.3)</b>	<b>3.2</b>	<b>na</b>	<b>257.6</b>	<b>(41.8)</b>	<b>na</b>
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	(2.0)	(5.5)	-64.2%	0.0	0.0	na	(0.6)	0.0	na	(2.6)	(5.5)	-53.3%
Income tax benefit (expense)	(58.0)	(48.1)	20.6%	0.3	(3.8)	na	0.0	(1.1)	na	(57.7)	(53.0)	8.9%
<b>Net income (loss)</b>	<b>202.1</b>	<b>(113.4)</b>	<b>na</b>	<b>(3.8)</b>	<b>11.0</b>	<b>na</b>	<b>(0.9)</b>	<b>2.1</b>	<b>na</b>	<b>197.3</b>	<b>(100.3)</b>	<b>na</b>

Table 28 - Financial Highlights per business (R\$ million)	Agricultural Commodities		Industrial Products		Highway Based Services		ALL Argentina		Total*	
	3Q07	3Q06	3Q07	3Q06	3Q07	3Q06	3Q07	3Q06	3Q07	3Q06
Gross Revenues	453.3	407.2	178.7	156.7	33.6	33.3	33.6	43.0	699.2	640.3
Net Revenues	397.5	358.4	149.9	132.3	29.8	28.8	32.9	42.0	610.0	561.5
Cost of Sales	(210.6)	(199.2)	(80.9)	(75.3)	(27.9)	(29.2)	(25.9)	(32.1)	(345.3)	(335.8)
Gross Profit	186.8	158.6	69.0	57.6	1.9	(0.5)	7.0	10.0	264.7	225.7
EBIT	182.0	96.7	51.3	31.0	1.4	(0.4)	3.2	9.6	237.9	137.0
<b>EBITDA</b>	<b>190.8</b>	<b>167.2</b>	<b>70.9</b>	<b>58.0</b>	<b>3.3</b>	<b>2.0</b>	<b>8.0</b>	<b>15.4</b>	<b>273.0</b>	<b>242.6</b>
<b>EBITDAR</b>	<b>234.8</b>	<b>198.4</b>	<b>75.3</b>	<b>63.2</b>	<b>3.3</b>	<b>2.0</b>	<b>8.0</b>	<b>15.4</b>	<b>321.3</b>	<b>279.0</b>
<b>% Net Revenues</b>										
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	-53%	-56%	-54%	-57%	-94%	-102%	-79%	-76%	-57%	-60%
Gross Profit	47%	44%	46%	44%	6%	-2%	21%	24%	43%	40%
EBIT	46%	27%	34%	23%	5%	-1%	10%	23%	39%	24%
<b>EBITDA</b>	<b>48%</b>	<b>47%</b>	<b>47%</b>	<b>44%</b>	<b>11%</b>	<b>7%</b>	<b>24%</b>	<b>37%</b>	<b>45%</b>	<b>43%</b>
<b>EBITDAR</b>	<b>59%</b>	<b>55%</b>	<b>50%</b>	<b>48%</b>	<b>11%</b>	<b>7%</b>	<b>24%</b>	<b>37%</b>	<b>53%</b>	<b>50%</b>
<b>Volume</b>										
RTK million	6,752	5,961	2,404	2,141			1,111	1,159	10,267	9,261
RK thousand					11.3	11.7			11.3	11.7
<b>R\$ / Volume unit</b>										
	R\$ / million RTK		R\$ / million RTK		R\$ / RK		R\$ / million RTK		R\$ / million RTK	
Net Revenues	58.9	60.1	62.4	61.8	2.6	2.5	29.6	36.3	59.4	60.6
Cost of Sales	(31.2)	(33.4)	(33.6)	(35.2)	(2.5)	(2.5)	(23.3)	(27.7)	(33.6)	(36.3)
Gross Profit	27.7	26.6	28.7	26.9	0.2	(0.0)	6.3	8.6	25.8	24.4
EBIT	27.0	16.2	21.3	14.5	0.1	(0.0)	2.9	8.3	23.2	14.8
<b>EBITDA</b>	<b>28.3</b>	<b>28.1</b>	<b>29.5</b>	<b>27.1</b>	<b>0.3</b>	<b>0.2</b>	<b>7.2</b>	<b>13.3</b>	<b>26.6</b>	<b>26.2</b>
<b>EBITDAR</b>	<b>34.8</b>	<b>33.3</b>	<b>31.3</b>	<b>29.5</b>	<b>0.3</b>	<b>0.2</b>	<b>7.2</b>	<b>13.3</b>	<b>31.3</b>	<b>30.1</b>

\* 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*	
	9M07	9M06	9M07	9M06	9M07	9M06	9M07	9M06	9M07	9M06
Gross Revenues	1,162.5	1,130.7	470.5	416.8	98.3	100.0	106.6	115.4	1,837.9	1,762.9
Net Revenues	1,025.4	1,002.2	394.8	349.7	86.4	86.9	104.1	112.5	1,610.7	1,551.3
Cost of Sales	(582.1)	(642.7)	(234.6)	(237.0)	(85.9)	(92.2)	(84.5)	(90.6)	(987.1)	(1,062.6)
Gross Profit	443.4	356.3	160.1	115.9	0.3	(5.3)	19.6	21.9	623.5	488.7
EBIT	416.1	245.6	135.6	75.3	1.5	(5.4)	6.5	19.7	559.6	335.2
<b>EBITDA</b>	<b>467.3</b>	<b>360.3</b>	<b>185.4</b>	<b>121.8</b>	<b>9.7</b>	<b>5.3</b>	<b>21.2</b>	<b>34.8</b>	<b>683.5</b>	<b>522.1</b>
<b>EBITDAR</b>	<b>600.9</b>	<b>450.1</b>	<b>197.5</b>	<b>136.6</b>	<b>9.7</b>	<b>5.3</b>	<b>21.2</b>	<b>34.8</b>	<b>829.3</b>	<b>626.7</b>
<b>% Net Revenues</b>										
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	-57%	-64%	-59%	-68%	-99%	-106%	-81%	-81%	-61%	-68%
Gross Profit	43%	36%	41%	33%	0%	-6%	19%	19%	39%	32%
EBIT	41%	25%	34%	22%	2%	-6%	6%	17%	35%	22%
<b>EBITDA</b>	<b>46%</b>	<b>36%</b>	<b>47%</b>	<b>35%</b>	<b>11%</b>	<b>6%</b>	<b>20%</b>	<b>31%</b>	<b>42%</b>	<b>34%</b>
<b>EBITDAR</b>	<b>59%</b>	<b>45%</b>	<b>50%</b>	<b>39%</b>	<b>11%</b>	<b>6%</b>	<b>20%</b>	<b>31%</b>	<b>51%</b>	<b>40%</b>
<b>Volume</b>										
RTK million	16,139	15,027	6,533	5,832			3,126	3,186	25,798	24,045
RK thousand					32.6	34.9			32.6	34.9
<b>R\$ / Volume unit</b>	<b>R\$ / million RTK</b>		<b>R\$ / million RTK</b>		<b>R\$ / RK</b>		<b>R\$ / million RTK</b>		<b>R\$ / million RTK</b>	
Net Revenues	63.5	66.7	60.4	60.0	2.7	2.5	33.3	35.3	62.4	64.5
Cost of Sales	(36.1)	(42.8)	(35.9)	(40.6)	(2.6)	(2.6)	(27.0)	(28.4)	(38.3)	(44.2)
Gross Profit	27.5	23.7	24.5	19.9	0.0	(0.2)	6.3	6.9	24.2	20.3
EBIT	25.8	16.3	20.8	12.9	0.0	(0.2)	2.1	6.2	21.7	13.9
<b>EBITDA</b>	<b>29.0</b>	<b>24.0</b>	<b>28.4</b>	<b>20.9</b>	<b>0.3</b>	<b>0.2</b>	<b>6.8</b>	<b>10.9</b>	<b>26.5</b>	<b>21.7</b>
<b>EBITDAR</b>	<b>37.2</b>	<b>30.0</b>	<b>30.2</b>	<b>23.4</b>	<b>0.3</b>	<b>0.2</b>	<b>6.8</b>	<b>10.9</b>	<b>32.1</b>	<b>26.1</b>

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

Table 30 - EBITDA Reconciliation (R\$ million)	3Q07			3Q06		
	Brazil	Argentina	Consolidated	Brazil	Argentina	Consolidated
<b>Operating Profit before net financial expenses</b>	<b>234.7</b>	<b>3.2</b>	<b>237.9</b>	<b>127.4</b>	<b>10.1</b>	<b>137.5</b>
Depreciation e amortization.....	46.6	2.6	49.3	46.1	3.3	49.4
Lease and concession.....	8.3	0.0	8.3	11.9	0.0	11.9
Payment of lease and concession.....	(28.6)	0.0	(28.6)	(27.0)	0.0	(27.0)
Tax gains (1).....	1.0	0.0	1.0	1.8	0.0	1.8
Accidents / compensations (2)	0.2	1.2	1.3	0.9	0.8	1.6
Non-cash items (3).....	2.7	0.2	2.9	61.2	0.3	61.5
Non-recurring items (4).....	0.0	0.9	0.9	5.0	0.9	6.0
<b>EBITDA .....</b>	<b>265.0</b>	<b>8.0</b>	<b>272.9</b>	<b>227.2</b>	<b>15.4</b>	<b>242.6</b>

Table 31 - EBITDA Reconciliation (R\$ million)	9M07			9M06		
	Brazil	Argentina	Consolidated	Brazil	Argentina	Consolidated
<b>Operating Profit before net financial expenses</b>	<b>553.1</b>	<b>6.5</b>	<b>559.6</b>	<b>315.7</b>	<b>19.9</b>	<b>335.6</b>
Depreciation e amortization.....	149.0	8.9	158.0	128.7	9.7	138.4
Lease and concession.....	24.9	0.0	24.9	33.3	0.0	33.3
Payment of lease and concession.....	(84.8)	0.0	(84.8)	(80.7)	0.0	(80.7)
Tax gains (1).....	3.1	0.0	3.1	7.7	0.0	7.7
Accidents / compensations (2)	2.3	2.5	4.8	1.8	1.7	3.5
Non-cash items (3).....	14.6	0.7	15.3	63.4	1.8	65.2
Non-recurring items (4).....	0.0	2.6	2.6	17.6	1.6	19.2
<b>EBITDA .....</b>	<b>662.4</b>	<b>21.2</b>	<b>683.5</b>	<b>487.3</b>	<b>34.8</b>	<b>522.2</b>

(1)Tax gains in Brazil: R\$7.7 million in 9M06, R\$1.0 million in 3Q07 and R\$1.8 million in 9M07, 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 3Q06, R\$61.2 million representing the sum of R\$4.3 million in labor provisions, R\$1.8 million of goodwill of logispar and R\$55.1million as a provision for probable losses related to the sale of Geodex. In 9M06, Brazil:R\$63.4 million representing the sum of R\$8.0 million in labor provisions, R\$56.2 million equity loss in Geodex as we provisioned R\$55.1 million for probable losses related to the sale of Geodex, R\$5.4 million of goodwill of logispar acquisition and (R\$6.2) million equity loss in Brasil Ferrovias. In 3Q07, R\$2.7 million, representing the sum of R\$2.1 million related to the goodwill of logispar acquisition, R\$0.8 million related to the goodwill of Brasil Ferrovias and R\$0.2 million of equity loss in Geodex. In 9M07, R\$14.6 million representing the sum of R\$5.3 million related to the goodwill of logispar acquisition, R\$3.2 million related to the goodwill of Brasil Ferrovias, R\$4.5 million labor provisions and R\$1.7 million of equity loss in Geodex.

(4) Non-recurring items: Brazil: In 3Q06, R\$5.0 million representing the sum of R\$1.7 million related to fixed asset sales, R\$0.3 million as inventory adjustment losses, R\$4.7 million in provisions related to receivables from FCA, (R\$5.7) million related to the classification of CPMF expenses from other expenses to financial expenses (reverting 1H06) and R\$4.0 million of extraordinary costs related to restructuring process. In 9M06, R\$17.6 million representing the sum of R\$2.5 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, R\$0.3 million as inventory adjustment losses, R\$4.7 million of locomotive's leasing payments (reclassified as investment in opening balance sheet) and R\$7.1 million of of extraordinary costs related to restructuring process.

Table 32 - ALL Consolidated Balance Sheet\*

(R\$ million)	3Q07	2Q07	(R\$ million)	3Q07	2Q07
<b>Current Assets</b>	<b>2,211.4</b>	<b>1,897.6</b>	<b>Current Liabilities</b>	<b>2,324.3</b>	<b>1,920.2</b>
Cash and banks	50.3	106.5	Loans and financing	1,011.5	630.9
Financial Investments	1,698.3	1,269.7	Debentures	168.1	250.9
Trade accounts receivable	159.4	200.4	Suppliers	530.7	431.6
Inventories	72.4	66.6	Taxes, charges and contributions	248.5	208.7
Lease and concession	6.4	6.4	Lease and concession payable	114.3	114.7
Taxes Recoverable	161.1	194.2	Dividends and Interest on own capital	0.8	0.8
Advances and Other receivables	53.2	45.9	Salaries and payroll charges	79.1	82.2
Prepaid expenses	10.2	7.9	Advances from customers	37.5	14.4
			Other payables	133.8	186.2
<b>Long-Term Assets</b>	<b>1,042.0</b>	<b>998.3</b>	<b>Long-Term Liabilities</b>	<b>4,593.5</b>	<b>4,582.8</b>
Related Parties	3.7	5.6	Loans and financing	1,965.7	1,910.0
Lease and Concession	121.0	122.6	Debentures	1,360.0	1,438.0
Judicial deposits	423.6	407.7	Provision for contingencies	439.2	434.0
Taxes recoverable	206.5	168.3	Lease and concession payable	718.9	701.6
Other receivable	32.3	52.2	Other payables	109.7	99.2
Long term investments	236.5	225.7			
Prepaid expenses	18.4	16.2	<b>Deferred Income</b>	<b>17.2</b>	<b>17.5</b>
<b>Permanent Assets</b>	<b>6,274.0</b>	<b>6,058.6</b>	<b>Shareholders' equity</b>	<b>2,592.3</b>	<b>2,434.0</b>
Investments	2,546.3	2,550.4	Capital stock	2,141.2	2,140.7
Property, plant and equipment	3,341.7	3,101.2	Surplus reserves	316.0	316.0
Deferred charges	386.0	407.0	Net Income in the period	135.1	(22.7)
<b>Total Assets</b>	<b>9,527.3</b>	<b>8,954.6</b>	<b>Total Liabilities and shareholders' equity</b>	<b>9,527.3</b>	<b>8,954.6</b>

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



Table 33 - Free Cash Flow (R\$ million)	3Q07	3Q06	Change	9M07	9M06*	Change
<b>Net Income (in cash basis)</b>	<b>121.1</b>	<b>90.2</b>	<b>30.8</b>	<b>408.8</b>	<b>313.1</b>	<b>95.7</b>
Net Income	161.6	(9.8)	171.4	197.3	80.5	116.7
Depreciation and amortization	49.6	53.0	(3.3)	160.6	81.9	78.7
Lease and Concession	18.6	34.8	(16.2)	100.1	43.0	57.0
Interest Expenses (IS)	(108.8)	12.2	(121.0)	(49.1)	107.6	(156.8)
<b>Working Capital</b>	<b>126.3</b>	<b>(198.5)</b>	<b>324.8</b>	<b>77.3</b>	<b>(229.0)</b>	<b>306.3</b>
Clients	41.0	(38.9)	79.9	(48.1)	(50.4)	2.3
Inventory	(5.8)	(5.8)	0.0	(1.4)	(20.2)	18.8
Suppliers	99.2	(74.5)	173.7	197.2	(66.8)	264.1
Taxes	(4.9)	46.5	(51.4)	(53.8)	40.5	(94.3)
Labor	(3.1)	(125.7)	122.6	(16.6)	(132.0)	115.5
<b>Other Accounts Variation</b>	<b>19.6</b>	<b>(84.4)</b>	<b>104.0</b>	<b>(33.2)</b>	<b>(119.1)</b>	<b>85.9</b>
<b>Operating Activities</b>	<b>267.0</b>	<b>(192.6)</b>	<b>459.6</b>	<b>452.9</b>	<b>(35.0)</b>	<b>487.8</b>
<b>Capex</b>	<b>(262.3)</b>	<b>(92.3)</b>	<b>(170.0)</b>	<b>(592.2)</b>	<b>(245.2)</b>	<b>(347.1)</b>
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
<b>Investing Activities</b>	<b>(262.3)</b>	<b>(92.3)</b>	<b>(170.0)</b>	<b>(592.2)</b>	<b>(245.2)</b>	<b>(347.1)</b>
<b>Free Cash Flow*</b>	<b>4.7</b>	<b>(284.9)</b>	<b>289.6</b>	<b>(139.4)</b>	<b>(280.1)</b>	<b>140.8</b>
<b>Capital increase</b>	<b>(3.4)</b>	220.6	(224.0)	6.9	23.0	(16.1)
Dividends and Interest on paid in capital	0.0	(0.0)	0.0	(15.0)	(20.3)	5.3
<b>New loans</b>	469.0	554.2	(85.2)	469.0	1,502.5	(1,033.5)
Repayments	(97.9)	(40.7)	(57.3)	(312.0)	(199.2)	(112.8)
Acquisiton of BF	0.0	0.0	0.0	0.0	26.3	(26.3)
<b>Financing Activities</b>	<b>367.7</b>	<b>734.1</b>	<b>(366.4)</b>	<b>148.9</b>	<b>1,332.3</b>	<b>(1,183.5)</b>
<b>Change in Cash</b>	<b>372.4</b>	<b>449.2</b>	<b>(76.8)</b>	<b>9.5</b>	<b>1,052.2</b>	<b>(1,042.7)</b>
Opening Balance of Cash	1,376.2	1,609.3	(233.1)	1,739.0	1,006.3	732.8
Closing Balance of Cash	1,748.6	2,058.5	(309.9)	1,748.6	2,058.5	(309.9)

\* In 9M06, does not include Brasil Ferrovias