



## ALL REPORTS 2007 RESULTS

**Curitiba, Brazil, February 28, 2008** – 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 fourth quarter and year of 2007 (4Q07 and 2007). ALL operates 21,300 km of rail tracks, 1,050 locomotives, 30,000 rail cars, 1,000 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 2006, 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**  
**February 29, 2008**  
Friday  
10:00 a.m. US EST

**Portuguese**  
**February 29, 2008**  
Friday  
8:00 a.m. US EST

#### Meeting with Analysts and Investors:

**March 04, 2008**  
Tuesday  
11:00 a.m. (Brasília)  
Gran Melia Mofarrej  
São Paulo - SP

- ✓ **Consolidated volumes increased 10.1% in 2007, reaching 34.486 million RTK in 2007.** As expected, consolidated volume was pushed up by a 19.4% increase in 4Q07, reflecting significant gains in safety and asset productivity in the northern network. In Brazil, volume increased 11.8% in 2007 and 22.5% in 4Q07, due to a 27.0% growth in agricultural commodities and 13.4% growth in industrial products flows. In Argentina, volume increased a modest 3.6% in 4Q07 and did not grow in 2007, adversely affected by the impact of the energy consumption restrictions on rolling stock productivity.
- ✓ **Consolidated<sup>1</sup> EBITDAR increased 27.2% to R\$1,062.0 million in 2007.** Consolidated<sup>1</sup> EBITDAR margin increased 8.7 percentage points to 50.3%. Year-over-year EBITDAR and EBITDAR margin growth were mainly driven by higher volumes, significant increase in return cargo and cost reductions in Brazil, partially offset by margins reductions in ALL Argentina. EBITDAR increased 29.9% in agricultural commodities, 34.9% in industrial products, 52.1% in highway services and decreased 36.9% in Argentina. In 4Q07, consolidated EBITDAR increased 11.7%, from R\$208.3 million in 4Q06 to R\$232.7 million.
- ✓ **Net income reached R\$216.8 million in 2007 as compared to a loss of R\$134.8 million in 2006.** Net income expansion reflects the strong operational performance of the 2H07 and a R\$91.5 million one-time gain due to abolition of interest expenses on SUDAM (Superintendence for the Development of the Amazon) financing that occurred in September 2007. In 4Q07, consolidated net income reached R\$19.5 million compared to a net loss of R\$34.5 million in 4Q06.
- ✓ **For 2008 we have already signed with clients 70% of expected volumes on take-or-pay agreements.** This leaves 30% of our capacity to be sold in the spot market. First estimates for the 2008 crop indicate a positive scenario. The amount of planted area for this year increased roughly 4% for soybean and corn and 8% for sugar cane compared to 2007. In preparation for that, we are currently refurbishing 50 locomotives and 1,200 railcars from dead fleet and our clients have added 250 new tank cars.

<sup>1</sup> On May, 9<sup>th</sup> 2006, ALL acquired all of the shares of Brasil Ferrovias and Novoeste Brasil. Results for 2007 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)	4Q07	4Q06	% Change*	2007	2006	% Change*
<b>ALL Brazil Operations</b>						
Gross Sales	513.7	489.5	4.9%	2,245.0	2,137.0	5.1%
Net Sales	472.2	416.8	13.3%	1,978.7	1,855.6	6.6%
EBITDAR	230.2	198.7	15.8%	1,038.3	790.7	31.3%
EBITDAR Margin**	48.8%	47.7%	1.1%	52.5%	42.6%	9.9%
EBITDA	186.3	159.9	16.6%	848.7	647.2	31.1%
EBITDA Margin**	39.5%	38.4%	1.1%	42.9%	34.9%	8.0%
Net Income	41.2	(35.0)	na	243.3	(148.4)	na
<b>ALL Consolidated***</b>						
Gross Sales	543.5	528.5	2.8%	2,381.4	2,291.5	3.9%
Net Sales	501.3	454.9	10.2%	2,111.9	2,006.2	5.3%
EBITDAR	232.7	208.3	11.7%	1,062.0	835.1	27.2%
EBITDAR Margin**	46.4%	45.8%	0.6%	50.3%	41.6%	8.7%
EBITDA	188.8	169.5	11.4%	872.4	691.6	26.1%
EBITDA Margin**	37.7%	37.3%	0.4%	41.3%	34.5%	6.8%
Net Income****	19.5	(34.5)	na	216.8	(134.8)	na
EPS (R\$/ Share)	0.03	na	na	0.38	na	na
<b>Consolidated Balance Sheet Indicators</b>						
Total Assets	9,643.4	8,886.2	8.5%	9,643.4	8,886.2	8.5%
Shareholders Equity	2,538.7	2,441.3	4.0%	2,538.7	2,441.3	4.0%
Net Debt	2,715.0	2,615.6	3.8%	2,715.0	2,615.6	3.8%
Net Debt / (Trailing 12 months EBITDA)	3.1	3.8	-18.1%	3.1	3.8	-18.1%
Net Debt/ Equity	1.1	1.1	-0.2%	1.1	1.1	-0.2%

\* Reflects the change in the 4Q07 and 2007 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 December 31st, 2007

Values may not add up due to rounding

## Comments from Bernardo Hees – CEO

We are pleased to announce 2007 consolidated results showing a 10.1% volume increase, and a 27.2% year-over-year EBITDAR growth in a year we have faced the challenge of integrating ALL and Brasil Ferrovias operations. Both companies have been unified since January 2007 and the integration process was successfully concluded with strong operational gains in our northern network. Cost base was reduced and margins improved, as we captured existing synergies. Volume growth increased quarter by quarter in line with productivity gains, peaking at a consolidated 19.4% growth in 4Q07. The gap existing among southern and northern networks reduced significantly in 2007 and should be vanished by 2010. Safety standards in acquired rail lines were enhanced and number of accidents per million.train.km dropped from 105 accidents in 2006 to 33 in 4Q07. Net income increased from a loss of R\$134.8 million in 2006 to a gain of R\$216.8 million in 2007.

In Agricultural Commodities, volume increased 11.6% in 2007, gross revenues grew 3.4% to R\$1,488.3 million and gross yield decreased 7.3% mainly driven by (i) a change in transported freight mix, with less drayage services and more return cargo (fertilizers and wheat) and (ii) the distribution of volume among quarters with a higher concentration of growth in 4Q07, when the average tariff is lower reflecting a off-season period. EBITDAR increased 29.9% to R\$763.4 million in 2007 and EBITDAR margins improved 11 percentage points to 57.2%. In 4Q07, volume increased 27.0% and our market share at the ports went from 53% to 71% in the off-season period, more than doubling our market share in Santos. Gross revenues increased 5.6% and gross yield decreased 16.8% mainly due to (i) less drayage services, (ii) more return cargo, (iii) an inflated yield in 4Q06 due to R\$8 million of take-or-pay revenues.

Industrial volumes increased 12.4% in 2007, with 15.1% growth in intermodal flows. Gross revenues increased 10.9% to R\$619.9 million in 2007, EBITDAR increased 34.9% to R\$262.0 million and EBITDAR margin improved 8.3 percentage points to 50.0%. The transport of industrial products in northern network started in 2007 and should be leveraged in the upcoming years. The agreement we set with VCP in October shows the confidence of our clients in our service capacity. By the agreement, VCP will transport 1.3 million tons per year for a 20-year period starting in 2009 and both companies will invest more than R\$300 million in the Mato Grosso do Sul Region, a rail area which is very underutilized today.

Highway services business unit had a very good year and EBITDAR increased 52.1% to R\$13.0 million and EBITDAR margins improved from 7.1% to 10.8% in the period. The volume of remunerated km decreased slightly, reflecting the termination of some low margin operations and should increase in 2008 reflecting new contracts recently signed at the Mercosur corridor.

In Argentina, we had a very difficult year and the result was much weaker than we expected. Volume did not grow due to pending restrictions on energy consumption 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, increasing inflationary pressures and the artificially controlled diesel price for trucking and retail consumers created an environment which reduced our operational margins.

In preparation for 2008, we are currently recovering nearly 50 locomotives, refurbishing approximately 1,200 railcars from Brasil Ferrovias' dead fleet and our clients have ordered 250 new tank cars. We have already locked in 70% of our capacity in take-or-pay agreements, and we expect consolidated volume growth in the range of 12% to 14%, looking forward for another year of favorable market conditions. These positive results achieved in 2007 proved the commitment of our team and give us confidence for a promising 2008.

## OPERATING PERFORMANCE BY BUSINESS SEGMENT

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

Consolidated EBITDAR increased 27.2% in 2007 from R\$835.1 million in 2006 to R\$1,062.0 million in 2007 and EBITDAR margin increased almost 9 percentage points, from 41.6% in 2006 to 50.3% in 2007. 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.

Table 2 - EBITDAR (R\$ million)	4Q07	4Q06	Growth 4Q07	% Growth 4Q07	2007	2006	Growth 2007	% Growth 2007
ALL Consolidated	232.7	208.3	24.4	11.7%	1,062.0	835.1	226.9	27.2%
ALL Brazil	230.2	198.7	31.5	15.8%	1,038.3	790.7	247.7	31.3%
Agricultural Commodities	162.4	137.8	24.7	17.9%	763.4	587.9	175.5	29.9%
Industrial Products	64.5	57.7	6.8	11.7%	262.0	194.3	67.7	34.9%
Highway-Based Services	3.3	3.3	0.0	1.4%	13.0	8.5	4.4	52.1%
ALL Argentina	2.5	9.6	(7.1)	-74.0%	23.7	44.4	(20.7)	-46.7%

Gross revenues increased 3.9% from R\$2,291.5 million in 2006 to R\$2,381.4 million in 2007, due to a 10.1% volume growth, partially offset by a 5.3% reduction in yield measured in R\$/'000 RTK from R\$68.7 to R\$65.1. The yield decrease was driven by: (i) a change in freight mix in agricultural commodities, with higher return cargo; (ii) a reduction in drayage services; (iii) a change on the distribution of volume among quarters with a higher concentration of growth in 4Q07, when the average tariff is lower reflecting a off-season period; and (iv) impact of a weaker Peso in the conversion of ALL Argentina revenues from Peso to Real. Total volumes increased from 31,320 million RTK in 2006 to 34,486 million RTK in 2007, mainly due to increases of 11.6% in agricultural commodities, 12.4% in industrial products, partially offset by a 0.4% decrease in ALL Argentina.

Table 3 - EBITDAR Margin (%)	Fourth Quarter			Year		
(%)	4Q07	4Q06	Change*	2007	2006	Change*
ALL Consolidated	46.4%	45.8%	0.6%	50.3%	41.6%	8.7%
ALL Brazil	48.8%	47.7%	1.1%	52.5%	42.6%	9.9%
Agricultural Commodities	52.5%	51.8%	0.8%	57.2%	46.3%	10.8%
Industrial Products	50.0%	49.5%	0.5%	50.0%	41.7%	8.3%
Highway Based Services	9.8%	9.6%	0.2%	10.8%	7.1%	3.7%
ALL Argentina	8.6%	25.2%	-16.6%	17.8%	29.5%	-11.7%

\* Indicates percentage points gain / (loss)

After taking into account R\$189.6 million of railcar rental expenses, ALL's consolidated EBITDA increased 26.1% in 2007. 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\$465.0 million in 2006 to R\$589.3 million in 2007, or 26.8%, and industrial products EBITDA increased from R\$173.7 million in 2006 to R\$246.4 million in 2007, or 41.8%. Consolidated EBITDA margin increased 6.8 percentage points in 2007, reaching 41.3%.

<sup>3</sup> Excludes results of Santa Fé Vagões (40% owned by ALL) and for comparison purposes 2007 results will be compared with 2006 Proforma Results including Brasil Ferrovias and Novoeste as if the acquisition were already in effect since January 1st 2006.

Table 4 - EBITDA (R\$ million)	4Q07	4Q06	Growth 4Q07	% Growth 4Q07	2007	2006	Growth 2007	% Growth 2007
ALL Consolidated	188.8	169.5	19.4	11.4%	872.4	691.6	180.8	26.1%
ALL Brazil	186.3	159.9	26.5	16.6%	848.7	647.2	201.5	31.1%
Agricultural Commodities	122.1	104.6	17.4	16.7%	589.3	465.0	124.4	26.8%
Industrial Products	61.0	52.0	9.0	17.3%	246.4	173.7	72.7	41.8%
Highway-Based Services	3.3	3.3	0.0	1.4%	13.0	8.5	4.4	52.1%
ALL Argentina	2.5	9.6	(7.1)	-74.0%	23.7	44.4	(20.7)	-46.7%

In 4Q07, consolidated volumes increased 19.4%, from 7,275 million RTK in 4Q06 to 8,688 million RTK, reflecting strong operational gains in the northern network during 2007. Volumes increased 27.0% in agricultural commodities, 13.4% in industrial products and a modest 3.6% in ALL Argentina, as energy crises impacted our rolling stock productivity. Consolidated Gross revenues increased 2.8% reaching R\$543.5 million while average yield decreased 13.6% to R\$58.1/'000 RTK due to (i) higher return cargo, (ii) a reduction in drayage services, (iii) a pressure in the spot market tariffs as compared to 4Q06 due to the strong additional rail capacity we provide in an off-season quarter. Consolidated EBITDAR improved 11.7% in 4Q07, reaching R\$232.7 million and EBITDAR margin reached 46.4%

### Agricultural Commodities

Agricultural commodities volumes increased 11.6% in 2007, from 19,098 million RTK in 2006 to 21,308 million RTK, accelerating from a 1.5% decrease in 1Q07 to a 27.0% increase in 4Q07. 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 140 hours in 4Q07 as compared to 214 hours in the end of 2006, and the number of accidents per million train km reached 33, compared to 105 in 2006.

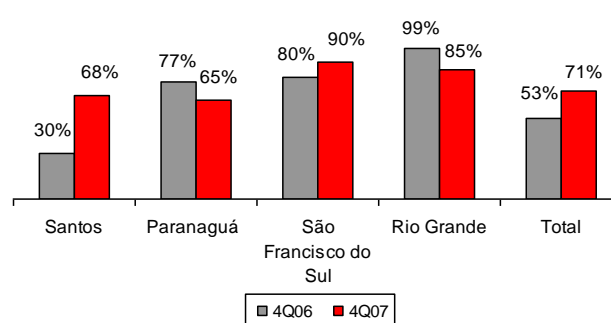
Table 5 - Agricultural Commodities (R\$ million)	Fourth Quarter			Year		
	4Q07	4Q06	Change*	2007	2006	Change*
Volume (million RTK)	5,170	4,071	27.0%	21,308	19,098	11.6%
Gross Revenues	325.8	308.4	5.6%	1,488.3	1,439.2	3.4%
Gross Yield (R\$/'000 RTK)	63.0	75.8	-16.8%	69.8	75.4	-7.3%
Net Revenues	309.3	266.2	16.2%	1,334.7	1,268.4	5.2%
EBITDAR	162.4	137.8	17.9%	763.4	587.9	29.9%
EBITDAR Margin	52.5%	51.8%	0.8%	57.2%	46.3%	10.8%
EBITDA	122.1	104.6	16.7%	589.3	465.0	26.8%
EBITDA Margin	39.5%	39.3%	0.2%	44.2%	36.7%	7.5%

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

In 4Q07, volumes boomed from 4,071 million RTK to 5,170 million RTK, and the mix of transported freight changed significantly with a strong volume growth in corn (223.0%) wheat (294.0%) and fertilizers (5.8%). The change in mix led to (i) a reduction in average yield as the average revenue per RTK in return cargo flows (wheat and fertilizers) are lower than in front haul; and (ii) an increase in margins, as margins in return cargo are better than in front haul flows. Margins also benefited from a lower usage of drayage services made possible due to the higher capability provided by the Brasil Ferrovias network.

Our market share in agricultural exports through the ports we serve increased 18% in 4Q07, reflecting higher transported volumes. 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.

Agricultural Commodities - Market Share by Port





Agricultural commodities' EBITDAR increased 29.9% in 2007, from R\$587.9 million in 2006 to R\$763.4 million, and EBITDAR margin improved 10.8 percentage points to 57.2%. 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 3.4%, from R\$1,439.2 million in 2006 to R\$1,488.3 million in 2007, and gross yield, measured in R\$/'000 RTK, decreased by 7.3% mainly impacted by (i) changes in the freight mix with higher return cargo volumes, (ii) lower usage of drayage services made possible due to the higher capillarity provided by the Brasil Ferrovias network and (iii) the distribution of volumes during the year with a higher percentage of annual volumes in the off-season period in 2007 as compared to 2006, when tariffs are lower.

Table 6 - Agricultural Commodities Products (million RTK)	4Q07	4Q06	% Change	2007	2006	% Change
Soy	1,202.7	1,121.9	7.2%	7,527.6	8,993.4	-16.3%
Soy Meal	728.5	817.6	-10.9%	2,766.7	3,588.4	-22.9%
Fertilizers	614.5	581.0	5.8%	2,806.3	1,987.2	41.2%
Sugar	802.5	833.8	-3.8%	2,397.4	2,298.6	4.3%
Corn	1,511.8	468.0	223.0%	4,677.2	1,016.6	360.1%
Wheat	191.3	48.5	294.0%	402.8	477.3	-15.6%
Rice	93.9	145.0	-35.2%	462.2	509.4	-9.3%
Others	24.6	55.3	-55.5%	268.3	226.6	18.4%
<b>Total</b>	<b>5,169.7</b>	<b>4,071.0</b>	<b>27.0%</b>	<b>21,308.5</b>	<b>19,097.5</b>	<b>11.6%</b>

In 4Q07, Agricultural commodities' EBITDAR increased 17.9%, reaching R\$162.4 million, and EBITDAR margin improved 1 percentage point. Gross revenues increased 5.6% in 4Q07, from R\$308.4 million in 4Q06 to R\$325.8 million, and yield, measured in R\$/'000 RTK, decreased by 16.8% impacted by (i) changes in the freight mix with higher return cargo volumes, (ii) lower usage of drayage services made possible due to the higher capillarity provided by the Brasil Ferrovias network, (iii) an inflated average yield in 4Q06 due to R\$8 million in take-or-pay revenues and (iv) pressure in the spot market tariffs throughout the quarter with a strong increase of rail capacity in the off-season months.

## Industrial Products

Industrial products' gross revenues increased 5.3% in 4Q07, from R\$142.0 million in 4Q06 to R\$149.4 million, due to a 13.4% volume increase, partially offset by a 7.2% yield decrease mainly due to a change in transported mix freight. EBITDAR increased 11.7% reaching R\$64.5 million in 4Q07 and EBITDAR margins slightly improved from 49.5% to 50.0%.

Table 7 - Industrial Products (R\$ million)	Fourth Quarter			Year		
	4Q07	4Q06	Change*	2007	2006	Change*
Volume (million RTK)	2,311	2,038	13.4%	8,845	7,871	12.4%
Gross Revenues	149.4	142.0	5.3%	619.9	558.8	10.9%
Gross Yield (R\$/'000 RTK)	64.6	69.6	-7.2%	70.1	71.0	-1.3%
Net Revenues	129.0	116.5	10.7%	523.8	466.2	12.3%
EBITDAR	64.5	57.7	11.7%	262.0	194.3	34.9%
EBITDAR Margin	50.0%	49.5%	0.5%	50.0%	41.7%	8.3%
EBITDA	61.0	52.0	17.3%	246.4	173.7	41.8%
EBITDA Margin	47.2%	44.6%	2.7%	47.0%	37.3%	9.8%

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

In intermodal flows, volume increased 19.8% in 4Q07 as we gain market share in almost all business segments with strong growth in steel products, containers, wood and food products. 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.

<b>Table 8 - Intermodal Industrial Products</b> (million RTK)	<b>4Q07</b>	<b>4Q06</b>	<b>% Change</b>	<b>2007</b>	<b>2006</b>	<b>% Change</b>
Steel Products	238.1	169.5	40.5%	847.9	757.7	11.9%
Wood Products	151.6	115.8	31.0%	575.4	437.1	31.6%
Food Products	137.0	111.7	22.6%	498.4	440.4	13.2%
Containers	213.1	180.0	18.4%	807.1	687.7	17.4%
Others	181.6	192.1	-5.4%	603.9	573.2	5.4%
<b>Total</b>	<b>921.5</b>	<b>769.0</b>	<b>19.8%</b>	<b>3,332.8</b>	<b>2,896.1</b>	<b>15.1%</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 4Q07, pure rail industrial products volumes increased 9.5%, mainly driven by a 10.5% increase in fuel products reflecting higher activity on the sector and the benefit of some growth already captured in the northern network area.

<b>Table 9 - Pure Rail Industrial Products</b> (million RTK)	<b>4Q07</b>	<b>4Q06</b>	<b>% Change</b>	<b>2007</b>	<b>2006</b>	<b>% Change</b>
Fuel Products	986.8	893.0	10.5%	3,943.6	3,424.5	15.2%
Vegetal Oil	77.4	74.0	4.5%	331.3	354.4	-6.5%
Construction	325.8	302.3	7.8%	1,236.9	1,195.7	3.4%
<b>Total</b>	<b>1,389.9</b>	<b>1,269.4</b>	<b>9.5%</b>	<b>5,511.8</b>	<b>4,974.6</b>	<b>10.8%</b>

In 2007, EBITDAR increased 34.9% reaching R\$262.0 million, and EBITDAR margins improved 8 percentage points, from 41.7% to 50.0%. Gross revenues increased 10.9%, from R\$558.8 million in 2006 to R\$619.9 million in 2007, as volume increased 12.4% reaching 8,845 million RTK and yield reduced 1.3%, from R\$71.0/000 RTK to R\$70.1/000 RTK.

### Highway Services Business Unit

Highway services' EBITDA increased 1.4% in 4Q07, reaching R\$3.3 million, and EBITDA margin slightly expanded to 9.8%. During 2007, EBITDA increased from R\$8.5 million in 2006 to R\$13.0 million in 2007, or 52.1% and EBITDA margins increased from 7.1% to 10.8%. The margin improvement reflects the process of discontinuation of unprofitable operations and the continuous improvements in new operations contracted since 2005.

Volume measured in remunerated kilometers (RK) decreased 2.2% in the quarter and 5.4% in 2007, 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 decreased 1.6% in 2007 reaching R\$136.8 million while average yield increased 4.0% in the quarter. We have signed an agreement with General Motors to widen the operation started in beginning of the year with flows between Brazil and Argentina and volumes in 2008 should start to increase again.

### Argentina Operations

ALL Argentina's gross revenues increased 7.0% from P\$55.9 million in 4Q06 to P\$59.9 million in 4Q07 as gross yield increased 3.3% and volume increased 3.6% to 1,207 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 42.5% in 4Q07, from 201.4 million RTK in 4Q06 to 286.9 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. In 2007, agricultural commodities volume increased 39.9% reaching 1,114.5 million RTK.

Table 10 - Agricultural Commodities Products (million RTK)	4Q07	4Q06	% Change	2007	2006	% Change
Soy	199.0	109.2	82.2%	700.9	428.2	63.7%
Soy Meal	23.2	5.5	324.1%	54.6	49.4	10.6%
Fertilizers	16.8	43.6	-61.4%	81.3	111.5	-27.1%
Sunflower	6.2	6.4	-4.3%	53.8	52.1	3.3%
Corn	30.6	27.8	10.1%	190.9	115.0	66.0%
Wheat	10.9	8.1	34.3%	30.9	34.2	-9.7%
Rice	0.1	0.7	-88.0%	2.0	6.3	-68.0%
<b>Total</b>	<b>286.9</b>	<b>201.4</b>	<b>42.5%</b>	<b>1,114.5</b>	<b>796.6</b>	<b>39.9%</b>

Industrial products volumes decreased from 963.9 million RTK in 4Q06 to 920.1 million RTK in 4Q07 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 construction (4.3%) with a higher transported volume of rocks, offset by decreases in steel, wood products and containerized cargo. In 2007, industrial products volume decreased 9.5% to 3,217.7 million RTK.

Table 11 - Industrialized Products (million RTK)	4Q07	4Q06	% Change	2007	2006	% Change
Vegetal Oil	8.3	9.7	-14.4%	41.6	37.6	10.8%
Steel Products	75.1	85.8	-12.4%	288.4	381.3	-24.4%
Wood	64.9	89.5	-27.5%	218.0	326.4	-33.2%
Food Products	87.5	104.6	-16.4%	303.2	343.3	-11.7%
Construction	507.7	486.9	4.3%	1,786.2	1,772.2	0.8%
Container	110.7	122.1	-9.3%	377.3	477.9	-21.1%
Others	65.9	65.5	0.7%	203.0	216.3	-6.2%
<b>Total</b>	<b>920.1</b>	<b>963.9</b>	<b>-4.5%</b>	<b>3,217.7</b>	<b>3,554.9</b>	<b>-9.5%</b>

EBITDA decreased from P\$22.0 million in 4Q06 to P\$3.7 million in 4Q07, and EBITDA margins decreased from 40.3% to 6.3%. The EBITDA reduction resulted from significant cost increase driven by mandatory wage increases for unionized employees and increase in diesel costs not passed through in freight rates as truckers continue to enjoy Government subsidized diesel prices. In Reais, gross revenues decreased 23.8% from R\$39.1 million in 4Q06 to R\$29.8 million in 4Q07 as a result of the Peso devaluation. EBITDA in Reais decreased 74.0% from R\$9.6 million in 4Q06 to R\$2.5 million in 4Q07. In 2007, gross revenues increased 9.9% to P\$242.5 million with a 10.3% yield expansion partially offset by a volume decrease of 0.4%. EBITDA decreased 36.9%, from P\$63.5 million in 2006 to P\$40.1 million in 2007.

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

Table 12 - Operational Indicators	Brazil			Argentina		
	4Q07	4Q06	% Change	4Q07	4Q06	% Change
<b>Volumes</b>						
RTK (million)	7,481	6,109	22.5%	1,207	1,165	3.6%
GTK (million)	12,913	9,961	29.6%	2,340	2,389	-2.0%
Total RK (million)	11.9	12.1	-2.2%			
RK of Owned Fleet (million)	5.1	4.4	15.2%			
RK of Owned and Agregated Fleet (million)	9.9	10.5	-5.5%			
Carloads (thousand)	177.8	134.0	32.7%	38.7	40.1	-3.3%
<b>Diesel Consumption</b>						
Rail (liters per 000 GTK)	5.43	5.71	-4.9%	3.21	3.44	-6.6%
Trucking (liters per RK)	0.40	0.40	-2.2%			

**Consolidated Gross Revenue from Services**

Consolidated gross revenue increased from R\$528.5 million in 4Q06 to R\$543.5 million in 4Q07, or 2.8%, due to an 4.9% increase in Brazilian operations' gross revenue, from R\$489.5 million in 4Q06 to R\$513.7 million in 4Q07, partially offset by a 23.8% decrease in Argentine operations' gross revenue, from R\$39.1 million in 4Q06 to R\$29.8 million in 4Q07.

Table 13 - Gross Revenues (R\$ million)	4Q07	4Q06	Change	% Change
ALL Consolidated*	543.5	528.5	14.9	2.8%
ALL Brazil	513.7	489.5	24.2	4.9%
Agricultural Commodities	325.8	308.4	17.4	5.6%
Industrial Products	149.4	142.0	7.5	5.3%
Highway Based Services	38.4	39.1	(0.6)	-1.6%
ALL Argentina	29.8	39.1	(9.3)	-23.8%

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

Brazilian operation's gross revenues increased R\$24.2 million in 4Q07, when compared to the same period last year, reflecting an 22.5% increase in transported volume, partially offset by a 13.8% decrease in gross yield, from R\$73.7 per thousand RTK in 4Q06 to R\$63.5 per thousand RTK in 4Q07. The lower yield reflects (i) changes in the freight mix with higher return cargo volumes, (ii) lower usage of drayage services made possible due to the higher capillarity provided by the Brasil Ferrovias network, (iii) an inflated average yield in 4Q06 due to R\$8 million in take-or-pay revenues and (iv) pressure in the spot market tariffs throughout the quarter with a strong increase of rail capacity in the off-season months.

Agricultural commodities' gross revenues increased by R\$17.4 million, or 5.6%, as transported volume increased 27.0% and as gross yield decreased 16.8%, from R\$75.8 in the 4Q06 to R\$63.0 in the 4Q07. In industrial products, gross revenues increased R\$7.5 million, or 5.3%, with a 13.4% growth in transported volume and a 7.2% decrease in average yield. In highway-based services unit, gross revenues decreased 1.6% reaching R\$38.4 million in 4Q07 while transported volume was reduced by 2.2%, partially offset by a 0.6% expansion in average yield.

In Argentina, gross revenues increased 7.0% in Pesos as a result of an increase in gross yield from P\$48.0 per thousand RTK in 4Q06 to P\$49.6 per thousand RTK in 4Q07, and an increase in transported volume of 3.6% to 1,207 million RTK, negatively impacted by the energy consumption restrictions in the country. In Reais, gross revenues decreased 23.8% in the 4Q07, from R\$39.1 million in 4Q06 to R\$29.8 million in 4Q07, impacted by a 19.6% devaluation of the Peso against the Real in 4Q07 compared to 4Q06.

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



## Taxes on Consolidated Gross Operating Revenue

Taxes on consolidated operating revenue decreased 42.7% from R\$73.7 million in 4Q06 to R\$42.2 million in 4Q07. This tax decrease resulted from a 42.9% decrease in Brazilian operations' taxes - from R\$72.7 million in 4Q06 to R\$41.5 million in 4Q07, and by a 27.3% decrease in Argentine operations' taxes to R\$0.7 million.

## Consolidated Cost of Sales

Consolidated costs of sales increased from R\$324.9 million in 4Q06 to R\$336.3 million in the 4Q07, or 3.5%, due to a 6.7% increase in Brazilian operations' cost of sales from R\$290.5 million in 4Q06 to R\$310.1 million in 4Q07 partially offset by a decrease in Argentine operations' cost of sales from R\$34.4 million in 4Q06 to R\$26.2 million, or 23.8%.

Table 14 - Cost of Sales * (R\$ million)	Brazil			Argentina			Consolidated		
	4Q07	4Q06	% Change	4Q07	4Q06	% Change	4Q07	4Q06	% Change
Fuel Expenses	(99.7)	(82.1)	21.4%	(5.8)	(6.2)	-6.7%	(105.5)	(88.4)	19.4%
Rail portion	(92.0)	(72.1)	27.7%	(5.8)	(6.2)	-6.7%	(97.8)	(78.3)	24.9%
Trucking portion	(7.7)	(10.1)	-23.5%	0.0	0.0	na	(7.7)	(10.1)	-23.5%
Outsourced and Contracted Trucking Expenses	(26.7)	(29.8)	-10.4%	(2.6)	(5.6)	-53.8%	(29.3)	(35.5)	-17.3%
Drayage Services	(2.3)	(4.2)	-44.1%	(2.6)	(5.6)	-53.8%	(5.0)	(9.8)	-49.7%
Other than Drayage Services	(24.4)	(25.6)	-4.8%	0.0	0.0	na	(24.4)	(25.6)	-4.8%
Labor Expenses	(45.0)	(38.8)	16.0%	(9.3)	(10.3)	-9.2%	(54.3)	(49.0)	10.7%
Maintenance Expenses	(20.1)	(18.6)	7.8%	(2.5)	(3.4)	-25.2%	(22.6)	(22.0)	2.7%
Depreciation and Amortization Expenses	(42.7)	(40.8)	4.5%	(2.2)	(2.9)	-24.3%	(44.9)	(43.8)	2.6%
Concession and Lease Expense	(8.3)	(22.1)	-62.6%	(0.8)	(1.1)	-21.4%	(9.1)	(23.1)	-60.7%
Other Expenses	(23.8)	(19.5)	21.7%	(2.9)	(4.9)	-40.7%	(26.7)	(24.4)	9.3%
Railcar Rentals	(43.9)	(38.6)	13.6%	0.0	0.0	na	(43.9)	(38.6)	13.6%
<b>Total Cost of Sales</b>	<b>(310.1)</b>	<b>(290.5)</b>	<b>6.7%</b>	<b>(26.2)</b>	<b>(34.4)</b>	<b>-23.8%</b>	<b>(336.3)</b>	<b>(324.9)</b>	<b>3.5%</b>

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

Brazilian operations' cost of sales increase in 4Q07 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 trucking drayage services as we reduced drayage services in the southern network and switched some flows from trucking to rail in the northern network.

The decrease in Argentine operations' cost of sales in Reais during the same period mainly reflects a stronger Real compared with Peso.

## Gross Profit

Consolidated gross profit increased 26.9%, from R\$130.0 million in 4Q06 to R\$165.0 million in 4Q07. The increase was due to a R\$46.4 million increase in consolidated net revenues, partially offset by an R\$11.4 million increase in consolidated cost of sales.

## Operating Expenses

Consolidated operating expenses decreased from R\$46.4 million in 4Q06 to R\$23.0 million in 4Q07, or 50.3%, mainly driven by (i) a cost reduction in acquired network and (ii) extraordinary expenses related to Brasil Ferrovias restructuring process in 4Q06. Operating expenses decreased 55.5% in Brazil, from R\$41.2 million to R\$18.3 million, and a 9.6% in Argentina, from R\$5.2 million in 4Q06 to R\$4.7 million in 4Q07.

## Net Financial Expense

Consolidated net financial expenses decreased 29.4%, from R\$161.0 million in 4Q06 compared to R\$113.7 million in 4Q07. Brazilian operations' net financial expenses improved from R\$161.7 million in 4Q06 to R\$113.7 million in 4Q07 and Argentine operations' net financial expenses worsened from a revenue of R\$0.7 million in 4Q06 to zero in 4Q07.

## 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\$0.4 million in 4Q06 to an expense of R\$17.1 million in 4Q07 including a one-time R\$17.6 million equity loss in Argentina. The equity loss in ALL Argentina is associated with the capitalization of advances for future capital increases that were made from 1999 to 2001.<sup>5</sup>

Table 15 - Other Costs (R\$ million)	4Q07	Brazil 4Q06	% Change	4Q07	Argentina 4Q06	% Change	4Q07	Consolidated 4Q06	% Change
Equity Earnings and Gain on Investments	(0.2)	(1.7)	-138.2%	(17.6)	(0.5)	3505.9%	(17.9)	(2.2)	702.5%
Non-Operational Results	0.8	1.8	-57.6%	0.0	0.0	na	0.8	1.8	-57.6%
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>0.6</b>	<b>0.1</b>	<b>628.7%</b>	<b>(17.6)</b>	<b>(0.5)</b>	<b>3505.9%</b>	<b>(17.1)</b>	<b>(0.4)</b>	<b>4032.6%</b>

## Income Taxes

Consolidated income tax worsened from a gain of R\$42.6 million in the 4Q06 to a gain of R\$8.2 million in 4Q07, reflecting an increase in earnings before taxes and a reduction in deferred taxes. Brazilian income taxes decreased from a revenue of R\$41.6 million in 4Q06 to a revenue of R\$10.5 million in 4Q07. In Argentina income tax decreased from a revenue of R\$1.0 million in 4Q06 to an expense of R\$2.3 million in 4Q07.

## Net Income

As an effect of the results discussed above, consolidated net income improved from a loss of R\$35.3 million in 4Q06 to an income of R\$19.4 million in 4Q07. Including results coming from our stake in Santa Fe Vagões, net income increased from a loss of R\$34.5 million in 4Q06 to an income of R\$19.5 million in 4Q07.

## Investments

Consolidated investments increased from R\$131,3 million in 4Q06 to R\$197.5 million in 4Q07, or 50.4%. 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 railcars from some of Brasil Ferrovias' clients, due to high rental cost rates.

In Brazil, CAPEX increased in 4Q07 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\$26.7 million, (ii) rail track investments of R\$31.6 million, (iii) acquisition of rail cars from clients which rental expenses were too high (R\$47.1 million) and, (iv) acquisition of additional trucks to new logistics operations and to increase market share in existing ones (R\$11.2 million).

Investments in Argentina decreased 37.4%, from R\$10.7 million in 4Q06 to R\$6.7 million in 4Q07, due to lower maintenance and expansion CAPEX.

Table 16 - Investments (R\$ million)	4Q07	Brazil 4Q06	% Change	4Q07	Argentina 4Q06	% Change	4Q07	Consolidated 4Q06	% Change
Maintenance	62.5	57.4	8.9%	2.2	4.8	-54.2%	64.7	62.2	4.0%
Expansion	128.4	63.3	102.9%	4.5	5.9	-23.7%	132.9	69.2	92.1%
<b>Total Investments</b>	<b>190.8</b>	<b>120.6</b>	<b>58.2%</b>	<b>6.7</b>	<b>10.7</b>	<b>-37.4%</b>	<b>197.5</b>	<b>131.3</b>	<b>50.4%</b>

## Cash Flow

Consolidated cash flow from operational activities increased from a surplus of R\$151.5 million in 4Q06 to a surplus of R\$254.7 million in 4Q07, reflecting the EBITDA and working capital gains during the period. Cash outflow from investments decreased from an outflow of R\$88.2 million in 4Q06 to an outflow of R\$199.5 million in 4Q07, mainly due to an increase in expansion CAPEX. Cash flow from financing activities decreased from an outflow of R\$396.7 million in 4Q06, to an outflow of R\$12.0 million in 4Q07. The overall cash variation in 4Q07 was positive in R\$67.2 million compared to a cash outflow of R\$333.3 million in 4Q06.

<sup>5</sup> Further detailed on note 4c of the 2007 Financial Statements

Table 17 - Cash Flow (R\$ million)	4Q07	Brazil 4Q06*	% Change	4Q07	Argentina 4Q06	% Change	4Q07	Consolidated 4Q06*	% Change
Operating Activities	245.9	133.1	84.7%	8.8	18.4	-52.2%	254.7	151.5	68.1%
Investing Activities	(192.8)	(77.5)	148.8%	(6.7)	(10.7)	-37.7%	(199.5)	(88.2)	126.2%
Financing Activities	17.2	(392.7)	na	(5.2)	(4.0)	31.7%	12.0	(396.7)	na
<b>Increase in Cash</b>	<b>70.3</b>	<b>(337.1)</b>	<b>na</b>	<b>(3.1)</b>	<b>3.8</b>	<b>na</b>	<b>67.2</b>	<b>(333.3)</b>	<b>na</b>

\* In 4Q06, does not include Brasil Ferrovias

## Balance Sheet and Capital Structure

Consolidated net debt decreased to R\$2,538.7 million in 4Q07 compared to R\$2,758.7 million at the 3Q07. Net Debt to EBITDA ratio decreased from 3.2X in 3Q07 to 3.1X in 4Q07, and net debt to equity ratio remained at 1.1X.

## CONSOLIDATED RESULTS <sup>5</sup> For the Year of 2007 Compared to the Year of 2006

Table 18 - Operational Indicators	Brazil			Argentina		
	2007	2006	% Change	2007	2006	% Change
<b>Volumes</b>						
RTK (million)	30,153	26,968	11.8%	4,333	4,352	-0.4%
GTK (million)	52,278	46,416	12.6%	8,801	9,054	-2.8%
Total RK (million)	44.4	47.0	-5.4%			
RK of Owned Fleet (million)	19.6	17.1	14.8%			
RK of Owned and Agregated Fleet (million)	38.3	40.0	-4.2%			
Carloads (thousand)	771.0	712.1	8.3%	150.8	149.5	0.9%
<b>Diesel Consumption</b>						
Rail (liters per 000 GTK)	5.38	5.59	-3.8%	3.27	3.50	-6.5%
Trucking (liters per RK)	0.39	0.42	-6.0%			

## Consolidated Gross Revenue from Services

Consolidated gross revenue increased by 3.9% from R\$2,291.5 million in 2006 to R\$2,381.4 million in 2007 mainly due to 5.1% increase in Brazilian operations' gross revenues, from R\$2,137.0 million in 2006 to R\$2,245.0 million in 2007 partially offset by a 11.7% decrease in Argentine operations' gross revenues, from R\$154.5 million in 2006 to R\$136.4 million in 2007.

Table 19 - Gross Revenues (R\$ million)	2007	2006	Change	% Change
ALL Consolidated*	2,381.4	2,291.5	89.9	3.9%
ALL Brazil	2,245.0	2,137.0	108.0	5.1%
Agricultural Commodities	1,488.3	1,439.2	49.2	3.4%
Industrial Products	619.9	558.8	61.1	10.9%
Highway Based Services	136.8	139.0	(2.3)	-1.6%
ALL Argentina	136.4	154.5	(18.1)	-11.7%

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

Brazilian operations' gross revenues increased 5.1% as volume increased 11.8%, from 26,968 million RTK in 2006 to 30,153 million RTK in 2007, partially offset by a decrease in average yield measured in R\$/thousand RTK of 5.6%, to R\$69.9 due to (i) a change in transported freight mix, with less drayage services and more return cargo (fertilizers and wheat) and (ii) the distribution of volume among quarters with a higher concentration of growth in 4Q07, when the average tariff is lower reflecting a off-season period.

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

Agricultural commodities' gross revenues increased 3.4% in 2007, with a 11.6% increase in transported volume and a yield decrease of 7.3%. In industrial products, gross revenues increased 10.9%, with a 1.3% decrease in gross yield and 12.4% increase in transported volume. Gross revenues in highway based services business unit decreased 1.6% in 2007 due to a 5.4% decrease in volume offset by average yield increase of 4.0%, from R\$2.96 per Km to R\$3.08 per Km.

In Argentina, gross revenues increased 9.9% in Pesos, reaching P\$242.5 million in 2007, as volume decreased 0.4% from 4,352 million RTK in 2006 to 4,333 million RTK and gross yield increased 10.3%, from P\$50.7 per thousand RTK in 2006 to P\$56.0 per thousand RTK in 2007. In Reais, ALL Argentina gross revenues decreased 11.7% in 2007 to R\$136.4 million reflecting a 19.6% devaluation of the Peso year-over-year.

### Taxes on Consolidated Gross Operating Revenue

Taxes on consolidated operating revenue decreased 5.5% from R\$285.3 million in 2006 to R\$269.5 million in 2007. This tax decrease resulted from a 5.4% decrease in Brazilian operations' taxes - from R\$281.4 million in 2006 to R\$266.3 million in 2007, and by a 17.4% decrease in Argentine operations' taxes.

### Consolidated Cost of Sales

Consolidated costs of sales decreased from R\$1,387.6 million in 2006 to R\$1,323.4 million in 2007, or 4.6%, compounded by a reduction of 4.0% in Brazilian operations' cost of sales from R\$1,262.6 million to R\$1,212.7 million and a decrease of 11.4% in Argentine operations' cost of sales to R\$110.7 million.

Table 20 - Cost of Sales * (R\$ million)	Brazil			Argentina			Consolidated		
	2007	2006	% Change	2007	2006	% Change	2007	2006	% Change
Fuel Expenses	(400.7)	(372.9)	7.5%	(23.2)	(25.2)	-8.0%	(423.9)	(398.1)	6.5%
Rail portion	(374.7)	(216.1)	73.4%	(23.2)	(25.2)	-8.0%	(397.9)	(241.3)	64.9%
Trucking portion	(26.0)	(156.8)	-83.4%	0.0	0.0	na	(26.0)	(156.8)	-83.4%
Outsourced and Contracted Trucking Expenses	(61.4)	(100.1)	-38.6%	(14.4)	(21.9)	-34.0%	(75.9)	(122.0)	-37.8%
Drayage Services	(23.5)	(33.3)	-29.6%	(14.4)	(21.9)	-34.0%	(37.9)	(55.2)	-31.4%
Other than Drayage Services	(38.0)	(66.8)	-43.1%	0.0	0.0	na	(38.0)	(66.8)	-43.1%
Labor Expenses	(171.6)	(184.6)	-7.0%	(38.9)	(38.5)	1.0%	(210.4)	(223.0)	-5.7%
Maintenance Expenses	(77.7)	(108.4)	-28.3%	(10.0)	(12.2)	-17.9%	(87.7)	(120.6)	-27.3%
Depreciation and Amortization Expenses	(184.2)	(162.9)	13.1%	(9.9)	(11.1)	-10.8%	(194.2)	(174.0)	11.6%
Concession and Lease Expense	(33.2)	(48.5)	-31.5%	(3.7)	(4.3)	-13.0%	(36.9)	(52.8)	-30.0%
Other Expenses	(94.2)	(143.1)	-34.2%	(10.5)	(11.8)	-10.8%	(104.7)	(154.9)	-32.4%
Railcar Rentals	(189.6)	(142.1)	33.5%	0.0	0.0	na	(189.6)	(142.1)	33.5%
<b>Total Cost of Sales</b>	<b>(1,212.7)</b>	<b>(1,262.6)</b>	<b>-4.0%</b>	<b>(110.7)</b>	<b>(125.0)</b>	<b>-11.4%</b>	<b>(1,323.4)</b>	<b>(1,387.6)</b>	<b>-4.6%</b>

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

Brazilian operations' cost of sales reduction in 2007 as compared with 2006 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 27.5% or R\$169.9 million, from R\$618.6 million in 2006 to R\$788.5 million in 2007, resulting from a R\$105.7 million increase in net revenues and a R\$64.2 million reduction in cost of sales.

### Operating Income and Expenses

Consolidated operating expenses decreased from R\$145.4 million in 2006 to R\$67.8 million in 2007, or 53.3%, mainly reflecting the cost reduction in Brasil Ferrovias' concessions. Brazilian operating expenses decreased 63.3%, from R\$139.4 million in 2006 to R\$51.2 million in 2007, and Argentina's operating expenses increased from R\$6.0 million in 2006 to R\$16.7 million in 2007.

## Net Financial Expenses

Consolidated net financial expenses decreased by 23.3% from R\$541.2 million in 2006 to R\$415.4 million in 2007, mainly reflecting a reduction in interest rates in Brazil and a R\$138.7 million extraordinary gain related to the reversion of the interest rate expenses on the Debenture of SUDAM. Brazilian operations' net financial expenses decreased 24.6%, from R\$537.0 million in 2006 to R\$404.7 million in 2007 and Argentine operations' net financial expenses increased from R\$4.1 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\$60.4 million in 2006 to R\$38.2 million in 2007, mainly due to equity earnings and loss on investments which decreased from an expense of R\$56.7 million in 2006 to an expense of R\$37.0 million in 2007, as (i) in 3Q06 we had an extraordinary provision of R\$55 million related to losses in the sale of our minority stake in Geodex and (ii) in 4Q07 we had a one-time R\$17.3 million equity loss in Argentina. The equity loss in ALL Argentina is associated with the capitalization of advances for future capital increases that were made from 1999 to 2001.<sup>6</sup>

Table 21 - Other Costs (R\$ million)	Brazil			Argentina			Consolidated		
	2007	2006	% Change	2007	2006	% Change	2007	2006	% Change
Equity Earnings and Gain on Investments	(18.1)	(54.8)	-66.9%	(18.9)	(2.0)	861.2%	(37.0)	(56.7)	-34.8%
Non-Operational Results	(1.2)	(3.7)	-67.4%	0.0	0.0	na	(1.2)	(3.7)	-67.4%
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>(19.3)</b>	<b>(58.5)</b>	<b>-66.9%</b>	<b>(18.9)</b>	<b>(2.0)</b>	<b>861.2%</b>	<b>(38.2)</b>	<b>(60.4)</b>	<b>-36.8%</b>

## Income Taxes

Consolidated income taxes increased from R\$9.3 million in 2006 to R\$49.5 million in 2007, reflecting the increase in EBT. In Brazil, income tax expenses increased from R\$6.5 million in 2006 compared with expenses of R\$47.5 million in 2007, while in Argentina tax expenses improved from R\$2.8 million in 2006 to R\$2.0 million in 2007.

## Net Income

As a result of the above facts, our net income reached R\$217.6 million in 2007, compared with a net loss of R\$137.6 million in 2006. Including the result coming from our stake in Santa Fe Vagões, net income increased from a loss of R\$134.8 million in 2006 to an income of R\$216.8 million in 2007.

## Investments

Consolidated investments increased from R\$568.1 million in 2006 to R\$789.7 million in 2007, or 39.0%. 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\$544.6 million in 2006 to R\$755.9 million in 2007, 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\$174.5 million); (ii) investments in rail track infrastructure (R\$180.1 million) (iii) acquisition of rail cars from clients which rental expenses were too high (R\$96.9 million) and (iv) acquisition of additional trucks to new logistics operations and to increase market share in existing ones (R\$25.8 million).

Investments in Argentina increased 43.8%, from R\$23.5 million in 2006 to R\$33.8 million in 2007, mainly due to higher expansion CAPEX from R\$8.7 million to R\$22.6 million.

<sup>6</sup> Further detailed on Note 4c of the 2007 Financial Statements



Table 22 - Investments (R\$ million)	Brazil			Argentina			Consolidated		
	2007	2006	% Change	2007	2006	% Change	2007	2006	% Change
Maintenance	251.7	304.4	-17.3%	11.2	14.8	-24.3%	262.9	319.2	-17.6%
Expansion	504.3	240.3	109.9%	22.6	8.7	159.8%	526.9	249.0	111.6%
<b>Total Investments</b>	<b>755.9</b>	<b>544.6</b>	<b>38.8%</b>	<b>33.8</b>	<b>23.5</b>	<b>43.8%</b>	<b>789.7</b>	<b>568.1</b>	<b>39.0%</b>

## Cash Flow

Consolidated cash flow from operational activities increased from a surplus of R\$484.9 million in 2006 to a surplus of R\$707.6 million in 2007, reflecting EBITDA and working capital gains in the period. Cash flow from investments increased from an outflow of R\$312.0 million in 2006 to an outflow of R\$791.7 million in 2007, mainly reflecting the increase in expansion CAPEX, while cash flow from financing activities decreased from an inflow of R\$521.7 million in 2006 to an outflow of R\$160.9 million in 2007. The overall cash variation in 2007 was positive in R\$76.8 million, compared to a cash inflow of R\$694.6 million in 2006.

Table 23 - Cash Flow (R\$ million)	Brazil			Argentina			Consolidated		
	2007	2006	% Change	2007	2006	% Change	2007	2006	% Change
Operating Activities	688.2	447.2	53.9%	19.4	37.7	-48.5%	707.6	484.9	45.9%
Investing Activities	(757.9)	(282.7)	168.1%	(33.8)	(29.3)	15.3%	(791.7)	(312.0)	153.7%
Financing Activities	153.5	521.8	-70.6%	7.4	(0.1)	na	160.9	521.7	-69.2%
<b>Increase in Cash</b>	<b>83.8</b>	<b>686.3</b>	<b>-87.8%</b>	<b>(7.0)</b>	<b>8.3</b>	<b>na</b>	<b>76.8</b>	<b>694.6</b>	<b>-88.9%</b>

\* In 2006, does not include Brasil Ferrovias

## Balance Sheet and Capital Structure

Consolidated net debt reached R\$2,538.7 million in 2007 compared to R\$2,441.3 million in the end of 2006. Net Debt to EBITDA ratio decreased from 3.8X in 2006 to 3.1X in 2007, and net debt to equity ratio remained in line at 1.1X.

## EVENTS TO DISCUSS 2007 RESULTS

### 2007 Results Conference Calls:

[ENGLISH]

**February 29, 2008 – Friday**  
**10:00 a.m. US EST / 12h00 Brazil**  
Tel.: +1 (973) 935-8893  
Code: ALL or 34630206

Replay: +1 (706) 645-9291  
Code: 34630206

[PORTUGUESE]

**February 29, 2008 – Friday**  
**8:00 a.m. US EST / 10h00 Brazil**  
Tel.: +55 (11) 2101-4848  
Code: ALL

Replay: +55 (11) 2188-0188  
Code: ALL

### 2007 Results Investors Meeting:

**March 4, 2008 – Tuesday**  
**11:00 a.m.** (followed by lunch)

**Hotel Gran Meliá Mofarrej**  
Alameda Santos, 1.437  
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*		
	4Q07	4Q06	% Change	4Q07	4Q06	% Change	4Q07	4Q06	% Change
<b>Gross revenues</b>	<b>513.7</b>	<b>489.5</b>	<b>4.9%</b>	<b>29.8</b>	<b>39.1</b>	<b>-23.8%</b>	<b>543.5</b>	<b>528.5</b>	<b>2.8%</b>
Deduction from gross revenues	(41.5)	(72.7)	-42.9%	(0.7)	(0.9)	-27.3%	(42.2)	(73.7)	-42.7%
<b>Net revenues</b>	<b>472.2</b>	<b>416.8</b>	<b>13.3%</b>	<b>29.1</b>	<b>38.1</b>	<b>-23.7%</b>	<b>501.3</b>	<b>454.9</b>	<b>10.2%</b>
Cost of sales	(310.1)	(290.5)	6.7%	(26.2)	(34.4)	-23.8%	(336.3)	(324.9)	3.5%
Fuel	(99.7)	(82.1)	21.4%	(5.8)	(6.2)	-6.7%	(105.5)	(88.4)	19.4%
Outsourced and contracted fleet	(26.7)	(29.8)	-10.4%	(2.6)	(5.6)	-53.8%	(29.3)	(35.5)	-17.3%
Labor	(45.0)	(38.8)	16.0%	(9.3)	(10.3)	-9.2%	(54.3)	(49.0)	10.7%
Maintenance	(20.1)	(18.6)	7.8%	(2.5)	(3.4)	-25.2%	(22.6)	(22.0)	2.7%
Depreciation and Amortization	(42.7)	(40.8)	4.5%	(2.2)	(2.9)	-24.3%	(44.9)	(43.8)	2.6%
Lease and Concession	(8.3)	(22.1)	-62.6%	(0.8)	(1.1)	-21.4%	(9.1)	(23.1)	-60.7%
Other	(23.8)	(19.5)	21.7%	(2.9)	(4.9)	-40.7%	(26.7)	(24.4)	9.3%
Railcar Rental	(43.9)	(38.6)	13.6%	0.0	0.0	na	(43.9)	(38.6)	13.6%
<b>Gross profit</b>	<b>162.1</b>	<b>126.2</b>	<b>28.4%</b>	<b>2.9</b>	<b>3.7</b>	<b>-23.2%</b>	<b>165.0</b>	<b>130.0</b>	<b>26.9%</b>
Operating income (expenses)	(18.3)	(41.2)	-55.5%	(4.7)	(5.2)	-9.6%	(23.0)	(46.4)	-50.3%
Selling, General and Administrative	(11.3)	(43.1)	-73.9%	(4.1)	(3.9)	4.5%	(15.4)	(47.0)	-67.3%
Other	(7.1)	1.9	na	(0.6)	(1.3)	-51.2%	(7.7)	0.6	na
Equity earnings and gain (loss) on investments	(0.2)	(1.7)	-87.5%	(17.6)	(0.5)	3505.9%	(17.9)	(2.2)	702.5%
<b>Operating profit (loss) before net financial expenses</b>	<b>143.6</b>	<b>83.3</b>	<b>72.3%</b>	<b>(19.5)</b>	<b>(2.0)</b>	<b>880.1%</b>	<b>124.1</b>	<b>81.3</b>	<b>52.6%</b>
Net financial expenses	(113.7)	(161.7)	-29.7%	(0.0)	0.7	na	(113.7)	(161.0)	-29.4%
<b>Operating profit (loss)</b>	<b>29.9</b>	<b>(78.4)</b>	<b>na</b>	<b>(19.5)</b>	<b>(1.3)</b>	<b>1457.0%</b>	<b>10.4</b>	<b>(79.7)</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	0.8	1.8	-57.6%	0.0	0.0	na	0.8	1.8	-57.6%
Income tax benefit (expense)	10.5	41.6	-74.7%	(2.3)	1.0	na	8.2	42.6	-80.7%
<b>Net income (loss)</b>	<b>41.2</b>	<b>(35.0)</b>	<b>na</b>	<b>(21.8)</b>	<b>(0.3)</b>	<b>na</b>	<b>19.4</b>	<b>(35.3)</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		
	4Q07	4Q06	% Change	4Q07	4Q06	% Change	4Q07	4Q06	% Change	4Q07	4Q06	% Change
<b>Gross revenues</b>	<b>513.7</b>	<b>489.5</b>	<b>4.9%</b>	<b>29.8</b>	<b>39.1</b>	<b>-23.8%</b>	<b>2.2</b>	<b>10.2</b>	<b>-78.8%</b>	<b>545.6</b>	<b>538.7</b>	<b>1.3%</b>
Deduction from gross revenues	(41.5)	(72.7)	-42.9%	(0.7)	(0.9)	-27.3%	(0.4)	(1.7)	-75.2%	(42.6)	(75.4)	-43.4%
<b>Net revenues</b>	<b>472.2</b>	<b>416.8</b>	<b>13.3%</b>	<b>29.1</b>	<b>38.1</b>	<b>-23.7%</b>	<b>1.7</b>	<b>8.4</b>	<b>-79.5%</b>	<b>503.0</b>	<b>463.3</b>	<b>8.6%</b>
Cost of sales	(310.1)	(290.5)	6.7%	(26.2)	(34.4)	-23.8%	(1.5)	(6.9)	-77.4%	(337.8)	(331.8)	1.8%
Fuel	(99.7)	(82.1)	21.4%	(5.8)	(6.2)	-6.7%	0.0	0.0	na	(105.5)	(88.4)	19.4%
Outsourced and contracted fleet	(26.7)	(29.8)	-10.4%	(2.6)	(5.6)	-53.8%	0.0	0.0	na	(29.3)	(35.5)	-17.3%
Labor	(45.0)	(38.8)	16.0%	(9.3)	(10.3)	-9.2%	0.0	0.0	na	(54.3)	(49.0)	10.7%
Maintenance	(20.1)	(18.6)	7.8%	(2.5)	(3.4)	-25.2%	0.0	0.0	na	(22.6)	(22.0)	2.7%
Depreciation and Amortization	(42.7)	(40.8)	4.5%	(2.2)	(2.9)	-24.3%	0.0	0.0	na	(44.9)	(43.8)	2.6%
Lease and Concession	(8.3)	(22.1)	-62.6%	(0.8)	(1.1)	-21.4%	0.0	0.0	na	(9.1)	(23.1)	-60.7%
Other	(23.8)	(19.5)	21.7%	(2.9)	(4.9)	-40.7%	(1.5)	(6.9)	-77.4%	(28.2)	(31.3)	-9.7%
Railcar Rental	(43.9)	(38.6)	13.6%	0.0	0.0	na	0.0	0.0	na	(43.9)	(38.6)	13.6%
<b>Gross profit</b>	<b>162.1</b>	<b>126.2</b>	<b>28.4%</b>	<b>2.9</b>	<b>3.7</b>	<b>-23.2%</b>	<b>0.2</b>	<b>1.6</b>	<b>-88.3%</b>	<b>165.2</b>	<b>131.6</b>	<b>25.6%</b>
Operating income (expenses)	(18.3)	(41.2)	-55.5%	(4.7)	(5.2)	-9.6%	(0.3)	(0.2)	1.6%	(23.3)	(46.7)	-50.1%
Selling, General and Administrative	(11.3)	(43.1)	-73.9%	(4.1)	(3.9)	4.5%	(0.2)	(0.3)	-32.7%	(15.5)	(47.2)	-67.1%
Other	(7.1)	1.9	na	(0.6)	(1.3)	-51.2%	(0.1)	0.0	na	(7.8)	0.6	na
Equity earnings and gain (loss) on investments	(0.2)	(1.7)	-87.5%	(17.6)	(0.5)	3505.9%	0.0	0.0	na	(17.9)	(2.2)	702.5%
<b>Operating profit (loss) before net financial expenses</b>	<b>143.6</b>	<b>83.3</b>	<b>72.3%</b>	<b>(19.5)</b>	<b>(2.0)</b>	<b>880.1%</b>	<b>(0.1)</b>	<b>1.3</b>	<b>na</b>	<b>124.0</b>	<b>82.7</b>	<b>50.0%</b>
Net financial expenses	(113.7)	(161.7)	-29.7%	(0.0)	0.7	na	0.0	(0.1)	na	(113.6)	(161.1)	-29.5%
<b>Operating profit (loss)</b>	<b>29.9</b>	<b>(78.4)</b>	<b>na</b>	<b>(19.5)</b>	<b>(1.3)</b>	<b>1457.0%</b>	<b>(0.0)</b>	<b>1.3</b>	<b>na</b>	<b>10.4</b>	<b>(78.4)</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	0.8	1.8	-57.6%	0.0	0.0	na	(0.3)	0.0	na	0.5	1.8	-73.6%
Income tax benefit (expense)	10.5	41.6	-74.7%	(2.3)	1.0	na	0.4	(0.5)	na	8.6	42.1	-79.5%
<b>Net income (loss)</b>	<b>41.2</b>	<b>(35.0)</b>	<b>na</b>	<b>(21.8)</b>	<b>(0.3)</b>	<b>8348.8%</b>	<b>0.1</b>	<b>0.8</b>	<b>-87.0%</b>	<b>19.5</b>	<b>(34.5)</b>	<b>na</b>

Table 26 - Financial Results (R\$ million)	Brazil			Argentina			Consolidated*		
	2007	2006	% Change	2007	2006	% Change	2007	2007	2006
<b>Gross revenues</b>	<b>2,245.0</b>	<b>2,137.0</b>	<b>5.1%</b>	<b>136.4</b>	<b>154.5</b>	<b>-11.7%</b>	<b>2,381.4</b>	<b>2,291.5</b>	<b>3.9%</b>
Deduction from gross revenues	(266.3)	(281.4)	-5.4%	(3.2)	(3.9)	-17.4%	(269.5)	(285.3)	-5.5%
<b>Net revenues</b>	<b>1,978.7</b>	<b>1,855.6</b>	<b>6.6%</b>	<b>133.2</b>	<b>150.6</b>	<b>-11.6%</b>	<b>2,111.9</b>	<b>2,006.2</b>	<b>5.3%</b>
Cost of sales	(1,212.7)	(1,262.6)	-4.0%	(110.7)	(125.0)	-11.4%	(1,323.4)	(1,387.6)	-4.6%
Fuel	(400.7)	(372.9)	7.5%	(23.2)	(25.2)	-8.0%	(423.9)	(398.1)	6.5%
Outsourced and contracted fleet	(61.4)	(100.1)	-38.6%	(14.4)	(21.9)	-34.0%	(75.9)	(122.0)	-37.8%
Labor	(171.6)	(184.6)	-7.0%	(38.9)	(38.5)	1.0%	(210.4)	(223.0)	-5.7%
Maintenance	(77.7)	(108.4)	-28.3%	(10.0)	(12.2)	-17.9%	(87.7)	(120.6)	-27.3%
Depreciation and Amortization	(184.2)	(162.9)	13.1%	(9.9)	(11.1)	-10.8%	(194.2)	(174.0)	11.6%
Lease and Concession	(33.2)	(48.5)	-31.5%	(3.7)	(4.3)	-13.0%	(36.9)	(52.8)	-30.0%
Other	(94.2)	(143.1)	-34.2%	(10.5)	(11.8)	-10.8%	(104.7)	(154.9)	-32.4%
Railcar Rental	(189.6)	(142.1)	33.5%	0.0	0.0	na	(189.6)	(142.1)	33.5%
<b>Gross profit</b>	<b>766.0</b>	<b>593.0</b>	<b>29.2%</b>	<b>22.5</b>	<b>25.6</b>	<b>-12.1%</b>	<b>788.5</b>	<b>618.6</b>	<b>27.5%</b>
Operating income (expenses)	(51.2)	(139.4)	-63.3%	(16.7)	(6.0)	177.9%	(67.8)	(145.4)	-53.3%
Selling, General and Administrative	(76.1)	(149.4)	-49.1%	(13.6)	(13.8)	-1.0%	(89.7)	(163.1)	-45.0%
Other	24.9	10.0	148.8%	(3.1)	7.8	na	21.8	17.8	23.0%
Equity earnings and gain (loss) on investments	(18.1)	(54.8)	-66.9%	(18.9)	(2.0)	861.2%	(37.0)	(56.7)	na
<b>Operating profit (loss) before net financial expenses</b>	<b>696.7</b>	<b>398.9</b>	<b>74.7%</b>	<b>(13.0)</b>	<b>17.7</b>	<b>na</b>	<b>683.7</b>	<b>416.5</b>	<b>64.1%</b>
Net financial expenses	(404.7)	(537.0)	-24.6%	(10.6)	(4.1)	156.3%	(415.4)	(541.2)	-23.3%
<b>Operating profit (loss)</b>	<b>292.0</b>	<b>(138.2)</b>	<b>na</b>	<b>(23.6)</b>	<b>13.5</b>	<b>na</b>	<b>268.3</b>	<b>(124.7)</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	(1.2)	(3.7)	-67.4%	0.0	0.0	na	(1.2)	(3.7)	-67.4%
Income tax benefit (expense)	(47.5)	(6.5)	630.3%	(2.0)	(2.8)	-27.0%	(49.5)	(9.3)	433.0%
<b>Net income (loss)</b>	<b>243.3</b>	<b>(148.4)</b>	<b>na</b>	<b>(25.7)</b>	<b>10.7</b>	<b>na</b>	<b>217.6</b>	<b>(137.6)</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		
	2007	2006	% Change	2007	2006	% Change	2007	2006	% Change	2007	2006	% Change
<b>Gross revenues</b>	<b>2,245.0</b>	<b>2,137.0</b>	<b>5.1%</b>	<b>136.4</b>	<b>154.5</b>	<b>-11.7%</b>	<b>9.0</b>	<b>39.4</b>	<b>-77.1%</b>	<b>2,390.4</b>	<b>2,330.9</b>	<b>2.6%</b>
Deduction from gross revenues	(266.3)	(281.4)	-5.4%	(3.2)	(3.9)	-17.4%	(1.8)	(7.0)	-74.5%	(271.3)	(292.3)	-7.2%
<b>Net revenues</b>	<b>1,978.7</b>	<b>1,855.6</b>	<b>6.6%</b>	<b>133.2</b>	<b>150.6</b>	<b>-11.6%</b>	<b>7.2</b>	<b>32.4</b>	<b>-77.7%</b>	<b>2,119.1</b>	<b>2,038.6</b>	<b>4.0%</b>
Cost of sales	(1,212.7)	(1,262.6)	-4.0%	(110.7)	(125.0)	-11.4%	(7.0)	(27.3)	-74.3%	(1,330.4)	(1,414.9)	-6.0%
Fuel	(400.7)	(372.9)	7.5%	(23.2)	(25.2)	-8.0%	0.0	0.0	na	(423.9)	(398.1)	6.5%
Outsourced and contracted fleet	(61.4)	(100.1)	-38.6%	(14.4)	(21.9)	-34.0%	0.0	0.0	na	(75.9)	(122.0)	-37.8%
Labor	(171.6)	(184.6)	-7.0%	(38.9)	(38.5)	1.0%	0.0	0.0	na	(210.4)	(223.0)	-5.7%
Maintenance	(77.7)	(108.4)	-28.3%	(10.0)	(12.2)	-17.9%	0.0	0.0	na	(87.7)	(120.6)	-27.3%
Depreciation and Amortization	(184.2)	(162.9)	13.1%	(9.9)	(11.1)	-10.8%	0.0	0.0	na	(194.2)	(174.0)	11.6%
Lease and Concession	(33.2)	(48.5)	-31.5%	(3.7)	(4.3)	-13.0%	0.0	0.0	na	(36.9)	(52.8)	-30.0%
Other	(94.2)	(143.1)	-34.2%	(10.5)	(11.8)	-10.8%	(7.0)	(27.3)	-74.3%	(111.7)	(182.2)	-38.7%
Railcar Rental	(189.6)	(142.1)	33.5%	0.0	0.0	na	0.0	0.0	na	(189.6)	(142.1)	33.5%
<b>Gross profit</b>	<b>766.0</b>	<b>593.0</b>	<b>29.2%</b>	<b>22.5</b>	<b>25.6</b>	<b>-12.1%</b>	<b>0.2</b>	<b>5.1</b>	<b>-95.6%</b>	<b>788.8</b>	<b>623.7</b>	<b>26.5%</b>
Operating income (expenses)	(51.2)	(139.4)	-63.3%	(16.7)	(6.0)	177.9%	(0.7)	(0.6)	19.0%	(68.6)	(146.0)	-53.0%
Selling, General and Administrative	(76.1)	(149.4)	-49.1%	(13.6)	(13.8)	-1.0%	(0.7)	(0.7)	-8.8%	(90.4)	(163.9)	-44.9%
Other	24.9	10.0	148.8%	(3.1)	7.8	na	(0.1)	0.1	na	21.8	17.9	21.8%
Equity earnings and gain (loss) on investments	(18.1)	(54.8)	-66.9%	(18.9)	(2.0)	861.2%	0.0	0.0	na	(37.0)	(56.7)	-34.8%
<b>Operating profit (loss) before net financial expenses</b>	<b>696.7</b>	<b>398.9</b>	<b>74.7%</b>	<b>(13.0)</b>	<b>17.7</b>	<b>na</b>	<b>(0.5)</b>	<b>4.5</b>	<b>na</b>	<b>683.2</b>	<b>421.0</b>	<b>62.3%</b>
Net financial expenses	(404.7)	(537.0)	-24.6%	(10.6)	(4.1)	156.3%	0.2	(0.0)	na	(415.2)	(541.2)	-23.3%
<b>Operating profit (loss)</b>	<b>292.0</b>	<b>(138.2)</b>	<b>na</b>	<b>(23.6)</b>	<b>13.5</b>	<b>na</b>	<b>(0.4)</b>	<b>4.4</b>	<b>na</b>	<b>268.0</b>	<b>(120.2)</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	(1.2)	(3.7)	-67.4%	0.0	0.0	na	(0.9)	0.0	na	(2.1)	(3.7)	-43.3%
Income tax benefit (expense)	(47.5)	(6.5)	630.3%	(2.0)	(2.8)	-27.0%	0.4	(1.6)	na	(49.1)	(10.9)	352.3%
<b>Net income (loss)</b>	<b>243.3</b>	<b>(148.4)</b>	<b>na</b>	<b>(25.7)</b>	<b>10.7</b>	<b>na</b>	<b>(0.8)</b>	<b>2.9</b>	<b>na</b>	<b>216.8</b>	<b>(134.8)</b>	<b>na</b>

Table 28 - Financial Highlights per business (R\$ million)	Agricultural Commodities		Industrial Products		Highway Based Services		ALL Argentina		Total*	
	4Q07	4Q06	4Q07	4Q06	4Q07	4Q06	4Q07	4Q06	4Q07	4Q06
Gross Revenues	325.8	308.4	149.4	142.0	38.4	39.1	29.8	39.1	543.5	528.5
Net Revenues	309.3	266.2	129.0	116.5	33.8	34.1	29.1	38.1	501.3	454.9
Cost of Sales	(197.8)	(183.0)	(79.8)	(74.8)	(32.4)	(32.7)	(26.2)	(34.4)	(336.3)	(324.9)
Gross Profit	111.5	83.2	49.2	41.7	1.4	1.3	2.9	3.7	165.0	130.0
EBIT	99.1	54.8	44.0	28.0	0.6	0.5	(19.5)	(2.0)	124.1	81.3
<b>EBITDA</b>	<b>122.1</b>	<b>104.6</b>	<b>61.0</b>	<b>52.0</b>	<b>3.3</b>	<b>3.3</b>	<b>2.5</b>	<b>9.6</b>	<b>188.8</b>	<b>169.5</b>
<b>EBITDAR</b>	<b>162.4</b>	<b>137.8</b>	<b>64.5</b>	<b>57.7</b>	<b>3.3</b>	<b>3.3</b>	<b>2.5</b>	<b>9.6</b>	<b>232.7</b>	<b>208.3</b>
<b>% Net Revenues</b>										
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	-64%	-69%	-62%	-64%	-96%	-96%	-90%	-90%	-67%	-71%
Gross Profit	36%	31%	38%	36%	4%	4%	10%	10%	33%	29%
EBIT	32%	21%	34%	24%	2%	2%	-67%	-5%	25%	18%
<b>EBITDA</b>	<b>39%</b>	<b>39%</b>	<b>47%</b>	<b>45%</b>	<b>10%</b>	<b>10%</b>	<b>9%</b>	<b>25%</b>	<b>38%</b>	<b>37%</b>
<b>EBITDAR</b>	<b>53%</b>	<b>52%</b>	<b>50%</b>	<b>50%</b>	<b>10%</b>	<b>10%</b>	<b>9%</b>	<b>25%</b>	<b>46%</b>	<b>46%</b>
<b>Volume</b>										
RTK million	5,170	4,071	2,311	2,038			1,207	1,165	8,688	7,275
RK thousand					11.9	12.1			11.9	12.1
<b>R\$ / Volume unit</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / RK</b>	<b>R\$ / RK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>
Net Revenues	59.8	65.4	55.8	57.2	2.9	2.8	24.1	32.7	57.7	62.5
Cost of Sales	(38.3)	(44.9)	(34.5)	(36.7)	(2.7)	(2.7)	(21.7)	(29.5)	(38.7)	(44.7)
Gross Profit	21.6	20.4	21.3	20.5	0.1	0.1	2.4	3.2	19.0	17.9
EBIT	19.2	13.5	19.0	13.7	0.0	0.0	(16.2)	(1.7)	14.3	11.2
<b>EBITDA</b>	<b>23.6</b>	<b>25.7</b>	<b>26.4</b>	<b>25.5</b>	<b>0.3</b>	<b>0.3</b>	<b>2.1</b>	<b>8.3</b>	<b>21.7</b>	<b>23.3</b>
<b>EBITDAR</b>	<b>31.4</b>	<b>33.8</b>	<b>27.9</b>	<b>28.3</b>	<b>0.3</b>	<b>0.3</b>	<b>2.1</b>	<b>8.3</b>	<b>26.8</b>	<b>28.6</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*	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Gross Revenues	1,488.3	1,439.2	619.9	558.8	136.8	139.0	136.4	154.5	2,381.4	2,291.5
Net Revenues	1,334.7	1,268.4	523.8	466.2	120.2	121.0	133.2	150.6	2,111.9	2,006.2
Cost of Sales	(779.9)	(825.7)	(314.4)	(312.0)	(118.3)	(125.0)	(110.7)	(125.0)	(1,323.4)	(1,387.6)
Gross Profit	554.9	439.4	209.4	157.6	1.7	(4.0)	22.5	25.6	788.5	618.6
EBIT	515.2	300.4	179.6	103.3	2.0	(4.8)	(13.0)	17.7	683.7	416.5
<b>EBITDA</b>	<b>589.3</b>	<b>465.0</b>	<b>246.4</b>	<b>173.7</b>	<b>13.0</b>	<b>8.5</b>	<b>23.7</b>	<b>44.4</b>	<b>872.4</b>	<b>691.6</b>
<b>EBITDAR</b>	<b>763.4</b>	<b>587.9</b>	<b>262.0</b>	<b>194.3</b>	<b>13.0</b>	<b>8.5</b>	<b>23.7</b>	<b>44.4</b>	<b>1,062.0</b>	<b>835.1</b>
<b>% Net Revenues</b>										
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of Sales	-58%	-65%	-60%	-67%	-98%	-103%	-83%	-83%	-63%	-69%
Gross Profit	42%	35%	40%	34%	1%	-3%	17%	17%	37%	31%
EBIT	39%	24%	34%	22%	2%	-4%	-10%	12%	32%	21%
<b>EBITDA</b>	<b>44%</b>	<b>37%</b>	<b>47%</b>	<b>37%</b>	<b>11%</b>	<b>7%</b>	<b>18%</b>	<b>29%</b>	<b>41%</b>	<b>34%</b>
<b>EBITDAR</b>	<b>57%</b>	<b>46%</b>	<b>50%</b>	<b>42%</b>	<b>11%</b>	<b>7%</b>	<b>18%</b>	<b>29%</b>	<b>50%</b>	<b>42%</b>
<b>Volume</b>										
RTK million	21,308	19,098	8,845	7,871			4,333	4,352	34,486	31,320
RK thousand					44.4	47.0			44.4	47.0
<b>R\$ / Volume unit</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / RK</b>	<b>R\$ / RK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>	<b>R\$ / million RTK</b>
Net Revenues	62.6	66.4	59.2	59.2	2.7	2.6	30.7	34.6	61.2	64.1
Cost of Sales	(36.6)	(43.2)	(35.6)	(39.6)	(2.7)	(2.7)	(25.5)	(28.7)	(38.4)	(44.3)
Gross Profit	26.0	23.0	23.7	20.0	0.0	(0.1)	5.2	5.9	22.9	19.8
EBIT	24.2	15.7	20.3	13.1	0.0	(0.1)	(3.0)	4.1	19.8	13.3
<b>EBITDA</b>	<b>27.7</b>	<b>24.3</b>	<b>27.9</b>	<b>22.1</b>	<b>0.3</b>	<b>0.2</b>	<b>5.5</b>	<b>10.2</b>	<b>25.3</b>	<b>22.1</b>
<b>EBITDAR</b>	<b>35.8</b>	<b>30.8</b>	<b>29.6</b>	<b>24.7</b>	<b>0.3</b>	<b>0.2</b>	<b>5.5</b>	<b>10.2</b>	<b>30.8</b>	<b>26.7</b>

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

Table 30 - EBITDA Reconciliation (R\$ million)	4Q07			4Q06		
	Brazil	Argentina	Consolidated	Brazil	Argentina	Consolidated
<b>Operating Profit before net financial expenses</b>	<b>143.6</b>	<b>(19.5)</b>	<b>124.1</b>	<b>83.3</b>	<b>(2.0)</b>	<b>81.3</b>
Depreciation e amortization.....	52.9	2.6	55.5	42.8	3.4	46.2
Lease and concession.....	8.3	0.0	8.3	24.4	0.0	24.4
Payment of lease and concession.....	(29.5)	0.0	(29.5)	(27.4)	0.0	(27.4)
Tax gains (1).....	4.3	0.0	4.3	1.6	0.0	1.6
Accidents / compensations (2)	4.7	(0.3)	4.4	4.9	4.3	9.2
Non-cash items (3).....	0.2	18.5	18.7	18.8	0.6	19.4
Non-recurring items (4).....	1.8	1.2	3.0	11.4	3.3	14.7
<b>EBITDA .....</b>	<b>186.3</b>	<b>2.5</b>	<b>188.8</b>	<b>159.9</b>	<b>9.6</b>	<b>169.5</b>

Table 31 - EBITDA Reconciliation (R\$ million)	2007			2006		
	Brazil	Argentina	Consolidated	Brazil	Argentina	Consolidated
<b>Operating Profit before net financial expenses</b>	<b>696.7</b>	<b>(13.0)</b>	<b>683.7</b>	<b>399.0</b>	<b>17.9</b>	<b>417.0</b>
Depreciation e amortization.....	201.9	11.5	213.4	171.5	13.1	184.6
Lease and concession.....	33.2	0.0	33.2	57.7	0.0	57.7
Payment of lease and concession.....	(114.3)	0.0	(114.3)	(108.1)	0.0	(108.1)
Tax gains (1).....	7.4	0.0	7.4	9.3	0.0	9.3
Accidents / compensations (2)	7.0	2.2	9.2	6.7	6.1	12.7
Non-cash items (3).....	14.8	19.2	34.1	82.2	1.9	84.1
Non-recurring items (4).....	1.8	3.8	5.6	29.0	5.4	34.4
<b>EBITDA .....</b>	<b>848.6</b>	<b>23.7</b>	<b>872.3</b>	<b>647.2</b>	<b>44.4</b>	<b>691.6</b>

(1)Tax gains in Brazil: R\$1.6 million in 4Q06, R\$9.3 million in 2006, R\$4.3 million in 4Q07 and R\$7.4 million in 2007.

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

(3)Non-cash items: Brazil: In 4Q06, R\$18.8 million representing the sum of R\$3.7 million in labor provisions, R\$1.7 million of goodwill of Logispar and R\$13.4 million as a provision related to receivables from Ferropar. In 2006, Brazil: R\$82.2 million representing the sum of R\$11.7 million in labor provisions, R\$13.4 million as a provision related to receivables from Ferropar, 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\$7.1 million of goodwill of Logispar acquisition and (R\$6.2) million equity loss in Brasil Ferrovias. In 4Q07, R\$ 0.7 million of equity losses. In 2007, R\$14.8 million representing the sum of R\$5.3 related to the goodwill of Logispar acquisition, R\$3.2 million related to the goodwill of Brasil Ferrovias, R\$4.5 million in labor provisions, R\$1.7 million of equity loss in Geodex, and R\$0.2 million of equity losses.

(4) Non-recurring items: Brazil: In 4Q06, R\$11.4 million representing the sum of R\$3.1 million as inventory adjustment losses, R\$1.8 million in severance payments and R\$6.5 million representing extraordinary costs related to restructuring process of Brasil Ferrovias. In 2006, R\$29.0 million representing the sum of R\$4.7 million of locomotive's leasing payments (reclassified as investment in Brasil Ferrovias' opening balance sheet), R\$13.6 million of extraordinary costs related to restructuring process of Brasil Ferrovias, R\$2.5 million related to fixed asset sales and expenses, R\$2.9 million related to processes of due diligence, evaluation and acquisition, including Brasil Ferrovias, R\$3.5 million as inventory adjustment losses and R\$1.8 million in severance payments. In 4Q07 and 2007, R\$1.3 million representing the sum of (R\$3.6 million) related to extraordinary gains and R\$5.4 million in severance payments.

Table 32 - ALL Consolidated Balance Sheet\*

(R\$ million)	4Q07	3Q07	(R\$ million)	4Q07	4Q07
<b>Current Assets</b>	<b>2,272.5</b>	<b>2,211.4</b>	<b>Current Liabilities</b>	<b>2,019.9</b>	<b>2,324.3</b>
Cash and banks	49.3	50.3	Loans and financing	664.6	1,011.5
Financial Investments	1,766.5	1,698.3	Debentures	87.5	168.1
Trade accounts receivable	155.3	159.4	Suppliers	683.9	530.7
Inventories	62.9	72.4	Taxes, charges and contributions	217.7	248.5
Lease and concession	6.4	6.4	Lease and concession payable	104.6	114.3
Taxes Recoverable	180.3	161.1	Dividends and Interest on own capital	52.0	0.8
Differed Income Taxes	24.0	0.0	Salaries and payroll charges	68.3	79.1
Advances and Other receivables	19.0	53.2	Advances from customers	63.1	37.5
Prepaid expenses	8.7	10.2	Other payables	78.2	133.8
<b>Long-Term Assets</b>	<b>886.7</b>	<b>1,042.0</b>	<b>Long-Term Liabilities</b>	<b>5,067.8</b>	<b>4,593.5</b>
Related Parties	8.1	3.7	Loans and financing	2,336.4	1,965.7
Lease and Concession	119.4	121.0	Debentures	1,442.3	1,360.0
Judicial deposits	242.7	423.6	Provision for contingencies	404.4	439.2
Taxes recoverable	222.2	206.5	Lease and concession payable	749.9	718.9
Other receivable	16.5	32.3	Other payables	134.8	109.7
Long term investments	251.2	236.5	<b>Deferred Income</b>	<b>17.0</b>	<b>17.2</b>
Prepaid expenses	26.5	18.4	<b>Shareholders' equity</b>	<b>2,538.7</b>	<b>2,592.3</b>
<b>Permanent Assets</b>	<b>6,484.3</b>	<b>6,274.0</b>	Capital stock	2,142.7	2,141.2
Investments	2,606.0	2,546.3	Surplus reserves	399.8	316.0
Property, plant and equipment	3,511.9	3,341.7	Net Income in the period	(3.8)	135.1
Deferred charges	366.4	386.0			
<b>Total Assets</b>	<b>9,643.4</b>	<b>9,527.3</b>	<b>Total Liabilities and shareholders' equity</b>	<b>9,643.4</b>	<b>9,527.3</b>

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



Table 33 - Free Cash Flow (R\$ million)	4Q07	4Q06*	Change	2007	2006*	Change
<b>Net Income (in cash basis)</b>	<b>42.5</b>	<b>90.2</b>	<b>(47.8)</b>	<b>451.3</b>	<b>313.1</b>	<b>138.2</b>
Net Income	19.5	(9.8)	29.3	216.8	80.5	136.3
Depreciation and amortization	52.8	53.0	(0.2)	213.4	81.9	131.5
Lease and Concession	22.8	34.8	(12.0)	122.9	43.0	79.8
Interest Expenses (IS-CASH)	(52.7)	12.2	(64.9)	(101.8)	107.6	(209.4)
<b>Working Capital</b>	<b>95.8</b>	<b>(198.5)</b>	<b>294.3</b>	<b>173.1</b>	<b>(229.0)</b>	<b>402.1</b>
Clients	21.1	(38.9)	60.0	(27.0)	(50.4)	23.4
Inventory	0.8	(5.8)	6.6	(0.6)	(20.2)	19.6
Suppliers	153.1	(74.5)	227.6	350.4	(66.8)	417.2
Taxes	(68.4)	46.5	(114.9)	(122.3)	40.5	(162.8)
Labor	(10.7)	(125.7)	115.0	(27.3)	(132.0)	104.7
<b>Other Accounts Variation</b>	<b>116.5</b>	<b>(84.4)</b>	<b>200.8</b>	<b>83.2</b>	<b>(119.1)</b>	<b>202.3</b>
<b>Operating Activities</b>	<b>254.7</b>	<b>(192.6)</b>	<b>447.3</b>	<b>707.6</b>	<b>(35.0)</b>	<b>742.6</b>
<b>Capex</b>	<b>(199.4)</b>	<b>(92.3)</b>	<b>(107.1)</b>	<b>(791.7)</b>	<b>(245.2)</b>	<b>(546.5)</b>
<b>Sale of Investments</b>	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0
<b>Others</b>	(0.0)	0.0	(0.0)	(0.0)	(0.0)	1,422.5
<b>Investing Activities</b>	<b>(199.5)</b>	<b>(92.3)</b>	<b>(107.2)</b>	<b>(791.7)</b>	<b>(245.2)</b>	<b>(546.5)</b>
<b>Free Cash Flow*</b>	<b>55.3</b>	<b>(284.9)</b>	<b>340.2</b>	<b>(84.1)</b>	<b>(280.1)</b>	<b>196.1</b>
<b>Capital increase</b>	5.4	220.6	(215.2)	12.3	23.0	(10.7)
<b>Dividends and Interest on paid in capital</b>	0.0	(0.0)	0.1	(15.0)	(20.3)	5.4
<b>New loans</b>	418.4	554.2	(135.8)	887.4	80.0	807.3
<b>Share buyback</b>	(27.3)	0.0	(27.3)	(27.3)	0.0	(27.3)
<b>Repayments</b>	(384.5)	(40.7)	(343.8)	(696.5)	(199.2)	(497.3)
<b>Acquisiton of BF</b>	0.0	0.0	0.0	0.0	26.3	(26.3)
<b>Financing Activities</b>	<b>12.0</b>	<b>734.1</b>	<b>(722.1)</b>	<b>160.9</b>	<b>(90.2)</b>	<b>251.0</b>
<b>Change in Cash</b>	<b>67.2</b>	<b>449.2</b>	<b>(381.9)</b>	<b>76.8</b>	<b>(370.3)</b>	<b>447.1</b>
<b>Opening Balance of Cash</b>	<b>1,748.6</b>	<b>2,032.2</b>	<b>(283.6)</b>	<b>1,739.0</b>	<b>1,006.3</b>	<b>732.8</b>
<b>Closing Balance of Cash</b>	<b>1,815.8</b>	<b>2,481.4</b>	<b>(665.6)</b>	<b>1,815.8</b>	<b>636.0</b>	<b>1,179.9</b>

\* In 4Q06 and 2006, does not include Brasil Ferrovias