



## Notice to the Market

**Curitiba, Brazil, January 13, 2010** – América Latina Logística S.A. – ALL (Bovespa: ALLL11)<sup>1</sup>, Latin America's largest independent logistics company, announces its preview of volume and EBITDA<sup>2</sup> for the fourth quarter and full-year 2009 (4Q09 and 2009). These results are unaudited and still subject to auditors review.

Table 1 (R\$ Million)	ALL Brazil			ALL Argentina			TOTAL		
	4Q09	4Q08	Δ	4Q09	4Q08	Δ	4Q09	4Q08	Δ
Volume (RTK million)	8,038.0	8,655.0	-7.1%	720.0	1,444.0	-50.1%	8,758.0	10,099.0	-13.3%
EBITDA <sup>2</sup>	125.4	250.2	-49.9%	(3.6)	12.6	-128.6%	121.8	262.8	-53.7%

Table 2 (R\$ Million)	ALL Brazil			ALL Argentina			TOTAL		
	2009	2008	Δ	2009	2008	Δ	2009	2008	Δ
Volume (RTK million)	35,630.8	33,675.0	5.8%	3,304.7	4,530.0	-27.0%	38,935.5	38,205.0	1.9%
EBITDA <sup>2</sup>	1,101.0	1,204.6	-8.6%	0.0	30.6	-100.0%	1,101.0	1,235.2	-10.9%

ALL's volumes in Brazil increased 5.8% in 2009, from 33,675 million RTK to 35,631 million RTK, despite the very tough market scenario we faced during the year, with a significant drop in industrial production and 8% reduction in agricultural grain crop, showing once again the strong fundamentals of our business. However, the volume growth was below our guidance for the year due to the weak operational performance in 4Q, severely impacted by unprecedented rainfall volumes in a major portion of our rail network.

Volumes in 4Q09 decreased 7.1% in Brazil as compared to 4Q08, from 8,655 million RTK to 8,038 million RTK, mainly driven by:

- (i) Floods that put under water a 2km rail stretch between the cities of Sumare and Americana in the state of São Paulo. This stretch is part of the corridor that connects the state of Mato Grosso with the Port of Santos/SP and accounts for more than 45% of the Company's total cargo volume in Brazil. Considering the time spent in restoring operations after normalization of traffic in this rail stretch, we had a total impact equivalent to 14 days of operations in the corridor or almost 700 million RTKs.
- (ii) A poor operational performance as a result of very tough weather conditions. Intense rainfalls caused damages in portions of our rail network, as well as partial blockages due to landslides and

<sup>1</sup> Preferred shares (ALLL4) and common shares (ALLL3) are also listed at BOVESPA but with no significant liquidity.

<sup>2</sup> EBITDA calculation reflects the changes in Brazilian Accounting Standards (Law 11,638). Law 11,638 treats a significant portion of our railcar rental contracts as owned assets. Therefore railcar rental costs vanish, being treated as depreciation and financial expenses. These changes have a favorable impact in EBITDA. Under the new Brazilian Accounting Standards, differentiation between EBITDAR (EBITDA prior to rental costs) and EBITDA no longer apply.



several points of restrictions along our network, reducing average speed, increasing transit times and diesel consumption and negatively impacting safety standards.

(iii) A challengeable grain export market, which pressured yields and move the Company towards less efficient routes, further contributing to reduce productivity in the quarter. Grain exports went down approximately 30% in 4Q09 year-over-year, reflecting the weak 2009 crop and the strong comparison base posed in 4Q08, when agricultural exports ramp up, benefited by the unusually high inventories levels at the end of 3Q08.

EBITDA went down from R\$250.2 million in 4Q08 to R\$125.4 million in the 4Q09, affected by very depressed yields and an increase in operational costs in the quarter. In 2009, EBITDA decreased 8.6% in Brazil, from R\$1,204 million in 2008 to R\$ 1,101 million.

In Argentina, we faced very tough market and political conditions in 2009, with a severe recession in the industrial segment, a drop in agricultural crop over 45% and protests which blocked our rail network several times during the year. Volumes went down 50% in 4Q09 and 27% in 2009.

#### **Perspectives for 2010:**

Although heavy rains negatively impacted 4Q09 results, they were great in terms of perspectives for 2010. Crop estimates for 2010 have been reviewed up by all research institutions. According to the most recent CONAB estimates, total soybean crop is expected to increase more than 15% in our coverage area, reaching total 65 million tons in Brazil. In Argentina, agricultural crop is expected to increase more than 40%.

Moreover, the intense rainfalls may anticipate 2010 harvest season, creating a good perspective for 1Q10 volumes and yields. In the industrial segment, production is expected to increase 8% in Brazil in 2010 as compared to a 7% reduction in 2009, reverting the scenario which pressured our yields and margins in 2009. In this positive environment, negotiations with our clients are going very well, indicating a good price recovery as compared to 2009 and we expect to have over 70% of our capacity in take-or-pay contracts.

In preparation for 2010, our CAPEX plan is well under way. We have already ordered ten new AC44 locomotives from GE, which are more powerfull and more efficient in diesel consumption and maintenance costs than our current fleet. We are also concluding the works in permanent way, terminals and technology to have the Company ready to the beginning of the harvest season, aiming at an important improvement in asset productivity in 2010.

Furthermore, our longer term expansion projects are going as planned. In December 2009, the contract of the Rumo Project became effective once Rumo obtained the resources to start investments in 2010 and the construction process in Rondonopolis is sharply on schedule.

We reiterate our confidence in a very strong 2010, with an expressive yield recovery and volume growth as well as good opportunities to increase the value of our business.