ALL - América Latina Logística S.A.
and subsidiaries

Quarterly Information Form (ITR)

At June 30, 2011 and 2010 and December 31, 2010
with independent auditor’s report on special review
Prepared in accordance with the International Financial Standards Board (IFRS)

Independent auditor’s report on special review

The Shareholders, Board of Directors and Officers
ALL - América Latina Logística S.A.
Curitiba - PR

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of ALL – América Latina Logística S.A. for the quarter ended June 30, 2011, comprising the balance sheet on June 30, 2011 and the related statements of income, comprehensive income for the period of three and six months then ended and changes in equity and cash flows for the period of six months then ended, including a summary of significant accounting practices and other explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with Technical Statement CPC 21 – Interim Financial Reporting and of the consolidated interim financial information in accordance with CPC 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission

Emphasis of a matter

As mentioned in Note 5 (a), on October 20, 2006, indirect subsidiaries of América Latina Logística Central S.A. (“ALL Central”) and América Latina Logística – Mesopotámica S.A. (“ALL Mesopotámica”) signed “Letters of Understanding” with the Argentine National State, as part of their concession agreement renegotiation process.

Independent auditor’s report on special review

On the issue date of this Report, the Management of the subsidiaries and its counsels understand that the renegotiation process of the agreements has not been concluded yet, due to absence of approval by the Executive Branch of such country. The main effects of the new contractual system which is being negotiated are also described in Note 5 (a). At June 30, 2011, the subsidiaries estimated recoverable value of its permanent assets and certain taxes recoverable, based on cash flow studies which take into consideration those changes proposed in the abovementioned “Letters of Understanding”, which management of subsidiaries deem as necessary to comply with its business plans. Recoverability of permanent assets and taxes recoverable currently depends on the Argentine National Executive Branch’s approving concession agreement renegotiation (previously approved by the “Comisión Bicameral de Seguimiento de Privatizaciones” of Argentina), and on successful implementation of the business plan designed by management. These matters are still pending resolution on the date of this Report and, as a result, this financial information does not comprise any adjustment and/or reclassification arising from the effects that could derive from said uncertainties.

As described in Note 7, indirect subsidiary ALL Central has interrupted the recognition of revenues linked to “Unidad Ejecutora del Programa Ferroviário Provincial (U.E.P.F.P.)” tolls as from January 2002. This decision is basically grounded on the lack of recognition of services rendered by said Unit. In 2004, ALL Central filed a claim with the Federal Contentious Administrative Court in Buenos Aires province, requesting for payment of toll values for the period between 1993 and 1996. Supported by its legal advisors’ opinion, that the likelihood of a favorable outcome for collection suit of the amounts filed against U.E.P.F.P. is relatively high, management recorded no provision for losses of the amount receivable recorded in ALL Argentina, amounting approximately R$1,810 thousand (P$4,762 thousand). On the other hand, and due to the agreements executed with former shareholders, ALL Argentina records a similar amount liability, due to the obligation of reimbursing 50% of recovered value, regarding tolls incurred for periods prior to ALL Central and ALL Mesopotámica acquisition date. The financial information described in paragraph 1 does not include any adjustments or reclassifications that could arise as a result of these discussions.

Other Issues

Interim statements of value added

We have also reviewed the individual and consolidated interim statement of value added (SVA) related to the period of six months ended June 30, 2011, prepared under responsibility of management, whose presentation in the interim financial information is required by rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information (ITR), and as supplementary information by IFRS, which do not require SVA presentation. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not fairly presented fairly, in all material respects, in relation to the overall accompanying individual and consolidated interim financial information.

Curitiba, August 3, 2011

Ernst & Young Terco Auditores Independentes S.S.
CRC-2-SP 15199/O-6 “F” PR

Luiz Carlos Passetti

Accountant CRC-1-SP-144.343/O-3 “S” PR

Roque Hülse

Accountant CRC-SC-021283/O-3 T-PR

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

BALANCE SHEETS FOR PERIODS ENDED JUNE 30, 2011 AND DECEMBER 31, 2010
(In thousands of reais)

		Company		Consolidated	
	Note	06/30/2011	12/31/2010	06/30/2011	12/31/2010
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	1,078,395	591,702	2,430,419	1,974,560
Trade accounts receivable	7	42,298	7,905	327,775	231,383
Inventories		-	-	96,953	105,077
Intercompany loan receivable		-	-	2,114	1,344
Prepayment of lease agreements	8	-	-	6,186	6,186
Taxes recoverable	9	53,341	50,825	302,033	276,968
Dividends and interest on equity capital		315	1,110	-	-
Advances and other accounts receivable		5,416	5,420	96,113	95,200
Prepaid expenses		1,260	4,190	6,972	12,695
Total current assets		1,181,025	661,152	3,268,565	2,703,413
NON-CURRENT ASSETS					
LONG-TERM RECEIVABLES					
Related-company loan receivable	20	69,841	46,326	-	-
Prepayment of lease agreements	8	-	-	91,448	94,724
Debentures	11	280,337	265,397	-	-
Taxes recoverable	9	12,100	9,859	336,143	313,592
Deferred income and social contribution taxes	10	-	-	478,063	457,392
Deposit-refund and restricted amounts	19	15,117	15,302	357,202	348,015
Temporary long-term investments		-	-	77	-
Other receivables		12,289	-	65,532	40,250
Prepaid expenses		-	-	7,188	7,912
		389,684	336,884	1,335,653	1,261,885
PERMANENT ASSETS					
Investments	12	4,499,795	3,987,705	9,503	7,483
Intangible assets	13	974	1,168	2,545,290	2,535,100
Property and equipment	14	127,295	127,034	6,756,006	6,011,955
		4,628,064	4,115,907	9,310,799	8,554,538
Total non-current assets		5,017,748	4,452,791	10,646,452	9,816,423
TOTAL ASSETS		6,198,773	5,113,943	13,915,017	12,519,836

See accompanying notes.

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

BALANCE SHEETS FOR PERIODS ENDED JUNE 30, 2011 AND DECEMBER 31, 2010
(In thousands of reais)

	Note	Company 06/30/2011	Company 12/31/2010	Consolidated 06/30/2011	Consolidated 12/31/2010
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payable		15,461	20,508	382,428	345,352
Loans and financing	15	78,002	13,142	497,891	385,523
Debentures	16	188,955	178,478	269,777	261,195
Tax liabilities		7,527	4,332	66,364	43,344
Intercompany loan payable		-	-	3,398	3,304
Lease and concession agreements	18	-	-	27,844	35,282
Labor and social security liabilities		6,386	333	70,191	78,698
Advances from customers		16,643	16,741	39,432	69,452
Lease agreements	17	-	-	239,253	239,354
Taxes and social security contributions in installments	24	441	420	34,365	17,685
Other liabilities		11,911	-	27,117	11,995
Deferred income	23	-	-	2,611	2,611
Advances on real estate credits	22	29,968	29,968	151,611	151,611
Dividends and interest on equity capital		1,331	57,987	1,645	58,297
Total current liabilities		356,625	321,909	1,813,927	1,703,703
NON-CURRENT LIABILITIES					
Loans and financing	15	247,645	252,364	2,535,227	2,653,527
Debentures	16	1,425,644	605,317	2,287,578	1,465,619
Tax liabilities		-	-	7,204	-
Related-company payables	20	17,130	26,713	-	-
Provision for contingencies	19	-	-	218,950	203,304
Lease and concession agreements	18	-	-	1,204,789	1,114,809
Provision for unrealized income	21	12,246	12,617	-	-
Lease agreements	17	-	-	1,087,210	856,747
Taxes and social security contributions in installments	24	5,430	5,356	188,684	188,572
Advances on real estate credits	22	66,164	73,374	438,549	466,400
Other liabilities		-	-	10,137	8,885
Provision for subsidiary's capital deficiency	12	9,239	7,661	-	-
Deferred income	23	-	-	28,989	30,294
Total non-current liabilities		1,783,498	983,402	8,007,317	6,988,157
EQUITY	25				
Capital		3,433,941	3,433,941	3,433,941	3,433,941
Capital reserve		85,862	36,909	85,862	36,909
Income reserve		343,091	341,547	343,091	341,547
Retained earnings (accumulated losses)		186,145	-	186,145	-
Equity adjustments		(2,684)	(13,766)	(2,684)	(13,766)
Advances for future capital increase		12,295	10,001	12,295	10,001
		4,058,650	3,808,632	4,058,650	3,808,632
Non-controlling shareholders		-	-	35,123	19,344
Total equity		4,058,650	3,808,632	4,093,773	3,827,976
TOTAL LIABILITIES AND EQUITY		6,198,773	5,113,943	13,915,017	12,519,836

See accompanying notes.

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME FOR PERIODS ENDED JUNE 30, 2011 AND 2010
(In thousands of reais)

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME FOR PERIODS ENDED JUNE 30, 2011 AND 2010
(In thousands of reais)

		Company		Consolidated	
	Note	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Net revenue from services	31	68,626	28,355	1,592,845	1,418,651
Cost of services rendered		(2,490)	(5,813)	(880,339)	(761,902)
Gross profit		66,136	22,542	712,506	656,749
Equity pickup					
Equity pickup	12	214,157	202,143	1,052	924
Reversal of (provision for) subsidiary's capital deficiency	12	(2,928)	(1,069)	-	(1,090)
Goodwill amortization in subsidiaries		(21,893)	(16,136)	(35,600)	(16,788)
Investment gains/losses		-	417	37,296	469
		189,336	185,355	2,748	(16,485)
Other operating income (expenses)					
Sales		101	(1,024)	(8,419)	(8,022)
General and administrative expenses		(22,145)	(7,223)	(72,558)	(65,674)
Other operating income (expenses), net	31	(2,807)	11,636	5,672	4,285
		(24,851)	3,389	(75,305)	(69,411)
Operating income/losses before financial income/expenses		230,621	211,286	639,949	570,853
Financial expenses	27	(97,460)	(60,005)	(548,696)	(492,748)
Financial income	27	57,128	45,487	105,722	114,287
		(40,332)	(14,518)	(442,974)	(378,461)
Operating income before taxes and non-controlling interest		190,289	196,768	196,975	192,392
Provision for income and social contribution taxes	10	(4,144)	(1,683)	(26,107)	(25,282)
Deferred income and social contribution taxes	10	-	(5,168)	19,174	25,587
		(4,144)	(6,851)	(6,933)	305
Non-controlling shareholders		-	-	(3,897)	(2,780)
Net income for the period		186,145	189,917	186,145	189,917
Basic earnings per share	29				
(In thousands of reais, except for earnings per share)					
Per common share		0.2704	0.2768	0.2704	0.2768
Diluted earnings per share	29				
(In thousands of reais, except for earnings per share)					
Per common share		0.2653	0.2726	0.2653	0.2726

See accompanying notes.

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR PERIODS ENDED JUNE 30, 2011 AND DECEMBER 31, 2010

(In thousands of reais)

	Realized capital		Capital reserve				Income reserves					Other				
	Subscribed	Unpaid	Treasury shares	Cost of debentures raised	Recognized options granted	Non-controlling interest transactions P&L	Legal	Tax incentives	For investments	Retained earnings (accumulated losses)	AFCI	Cumulative translation adjustment	Equity adjustments	Total	Non-controlling shareholders	Total equity
Balance at December 31, 2010	**3,470,037**	**(36,096)**	**(9,518)**	**(19,439)**	**65,834**	**32**	**53,613**	**79,250**	**208,684**		**10,001**	**(9,833)**	**(3,933)**	**3,808,632**	**19,344**	**3,827,976**
Net income (loss) for the period										515				515	1,003	1,518
Foreign exchange effects on investments abroad												(727)		(727)		(727)
Effects of hedge marked to market													9,197	9,197		9,197
Mark-to-market of investments available for sale													1,488	1,488		1,488
Company’s reflecting adjustment									1,955				5,558	7,513		7,513
Stock options:																
Establishment of reserve for options granted					7,650									7,650		7,650
Option exercise			1,127		(267)				(273)		2,372			2,959		2,959
Balance at March 31, 2011	**3,470,037**	**(36,096)**	**(8,391)**	**(19,439)**	**73,217**	**32**	**53,613**	**79,250**	**210,366**	**515**	**12,373**	**(10,560)**	**12,310**	**3,837,227**	**20,347**	**3,857,574**
Net income (loss) for the period										185,630				185,630	14,776	200,406
Equity pickup														-		-
Cumulative translation adjustments												(484)		(484)		(484)
Effects of hedge marked to market													(4,128)	(4,128)		(4,128)
Investments marked to market													178	178		178
Non-controlling interest transactions P&L						41,740								41,740		41,740
Stock options:																
Establishment of reserve for options granted					4,838									4,838		4,838
Option exercise			726		(169)				(138)		(78)			341		341
Goodwill from capital transactions						(6,692)								(6,692)		(6,692)
Other												81	(81)	-		-
Balance at June 30, 2011	**3,470,037**	**(36,096)**	**(7,665)**	**(19,439)**	**77,886**	**35,080**	**53,613**	**79,250**	**210,228**	**186,145**	**12,295**	**(10,963)**	**8,279**	**4,058,650**	**35,123**	**4,093,773**

See accompanying notes.

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS FOR PERIODS ENDED JUNE 30, 2011 AND 2010

(In thousands of reais)

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Operating activities				
Net income for the year	186,145	189,917	186,145	189,917
Expenses (revenues) not affecting cash and cash equivalents:				
Depreciation and amortization	2,026	1,525	198,257	174,228
Amortization of goodwill	21,893	16,136	22,460	16,788
Equity pickup	(214,157)	(202,143)	(25,466)	(924)
Provision for capital deficiency	2,928	1,069	-	1,090
Deferred income and social contribution taxes	-	5,168	(19,174)	(25,587)
Provision for unrealized income	(371)	(371)	-	-
Realization of deferred income	-	-	(1,308)	(1,032)
Foreign exchange variation and charges on financing and debentures	9,544	(15,627)	5,043	31,460
Stock options	3,132	2,562	12,488	10,210
Non-controlling interest	-	-	3,897	2,780
	11,140	(1,764)	382,342	398,930
Increase (decrease) in assets				
Trade accounts receivable	(34,459)	14,342	(84,371)	(127,359)
Inventories	-	-	8,125	(160)
Taxes recoverable	(2,516)	(4,442)	(44,652)	411
Dividends and interest on equity capital	795	15,238	-	-
Other assets	(22,947)	(38,461)	(27,209)	(26,337)
	(59,127)	(13,323)	(148,107)	(153,445)
Increase (decrease) in liabilities				
Trade accounts payable	(5,048)	(2,352)	30,314	(93,282)
Salaries and social charges	6,058	-	(13,986)	27,367
Taxes, charges and contributions	3,593	691	40,410	(3,768)
Lease and concession agreements payable	-	-	82,542	61,536
Other liabilities	25,649	(7,963)	(21,768)	(38,461)
	30,252	(9,624)	117,512	(46,608)
Cash generated by (used in) operating activities	**(17,735)**	**(24,711)**	**351,747**	**198,877**
Investing activities				
Acquisition of property and equipment	(2,068)	(42)	(484,552)	(468,671)
Inventory item write-off	-	0	17,716	12,785
Acquisition of (increase in) interest	(13,814)	(348,017)	-	(257)
Cash generated by (used in) investing activities	(15,882)	(348,059)	(466,836)	(456,143)
Financing activities				
Financing				
Fund raise	875,477	-	888,590	70,000
Amortization	(18,776)	(310)	(307,583)	(253,518)
Increase in capital and AFCI	3,353	15,158	3,353	15,158
Dividends and interest on equity capital	(56,655)	(6,857)	(56,651)	(6,857)
Cash from subsidiary	-	-	43,239	-
Related parties	(283,089)	(59,575)	-	-
Cash generated by (used in) financing activities	520,310	(51,584)	570,948	(175,217)
Increase (decrease) in cash and cash equivalents	**486,693**	**(424,354)**	**455,859**	**(432,483)**
Initial cash and cash equivalent balance	591,702	1,139,519	1,974,560	2,573,725
Final cash and cash equivalent balance	1,078,395	715,165	2,430,419	2,141,242
Increase (decrease) in cash and cash equivalents	**486,693**	**(424,354)**	**455,859**	**(432,483)**

See accompanying notes.

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED FOR PERIODS ENDED JUNE 30, 2011AND 2010
(In thousands of reais)

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Revenues				
Services sold	75,775	30,989	1,822,661	1,621,015
Other revenues	797	587	66,642	82,150
Allowance for doubtful accounts - (Establishment)	101	(1,024)	(4,801)	(5,050)
	76,673	**30,552**	**1,884,502**	**1,698,115**
Inputs acquired from third parties				
Cost of services sold	(488)	(4,535)	(420,349)	(365,589)
Materials, electric energy, outsourced services and other	(10,503)	(2,544)	(49,574)	(43,477)
Loss/recovery of asset values	(1,320)	9,104	(32,744)	(67,807)
Other	(126)	(61)	(14,652)	(5,941)
	(12,437)	**1,964**	**(517,319)**	**(482,814)**
Gross value added	**64,236**	**32,516**	**1,367,183**	**1,215,301**
Depreciation, amortization and depletion	(23,919)	(17,661)	(220,717)	(173,304)
Net value added generated by the Company	**40,317**	**14,855**	**1,146,466**	**1,041,997**
Transferred value added received				
Equity pickup/ provision for capital deficiency	211,229	201,074	1,052	(166)
Financial income	57,128	45,487	105,722	114,287
	268,357	**246,561**	**106,774**	**114,121**
Total value added to be distributed	**308,674**	**261,416**	**1,253,240**	**1,156,118**
Distribution value added				
Personnel				
Direct compensation	10,519	-	117,259	94,004
Benefits	(17)	-	14,307	12,412
Unemployment Compensation Fund (FGTS)	181	-	5,493	4,215
	10,683	**-**	**137,059**	**110,631**
Taxes, charges and contributions				
Federal	12,648	10,236	216,199	217,903
State	-	-	44,699	8,584
Local	1,063	621	8,224	5,571
	13,711	**10,857**	**269,122**	**232,058**
Debt remuneration				
Interest	97,460	60,005	548,696	492,748
Lease agreements	675	637	108,321	127,984
	98,135	**60,642**	**657,017**	**620,732**
Equity remuneration				
Retained profit	186,145	189,917	186,145	189,917
Non-controlling interest in retained profit	-	-	3,897	2,780
	186,145	**189,917**	**190,042**	**192,697**
Total value added distributed	**308,674**	**261,416**	**1,253,240**	**1,156,118**

See accompanying notes.

(In thousands of reais, unless otherwise indicated)

1. Operations

a) The Company

ALL - América Latina Logística S.A. ("Company" or "Parent Company") was incorporated on December 31, 1997.

The Company's main business purposes:

- holding interest in other entities, ventures and consortia, whose subject matter is related to transportation services, including railway transportation;

- exploring transportation-service-related activities, such as logistics, intermodality, port operations, goods transfers and storage, bonded and general warehouse exploration and management;

- acquiring, leasing or lending locomotives, wagons and other railway equipment to third parties;

On October 22, 2010, the Company enrolled with São Paulo Stock Exchange's (Bovespa) "New Market".

The Company operates railroad transportation in the Southern region of Brazil through ALL – América Latina Logística Malha Sul, and in the Mid-West region and São Paulo State through subsidiaries ALL – América Latina Logística Malha Paulista, ALL – América Latina Logística Malha Norte and ALL – América Latina Logística Malha Oeste S.A. It operates in Argentina through its subsidiary ALL - América Latina Logística – Argentina S.A. (ALL Argentina), holding of companies ALL - América Latina Logística - Central S.A. (ALL Central) and ALL - América Latina Logística - Mesopotámica S.A. (ALL Mesopotámica), and also renders railroad transportation services in Brazil through ALL – América Latina Logística Intermodal S.A. (ALL Intermodal).

Concession terms are as follows:

Companies	**Concession period**	**Covered area**
ALL Malha Sul	February 2027	Southern of Brazil
ALL Malha Paulista	December 2028	Mid-West and São Paulo State
ALL Malha Oeste	June 2026	Mid-West and São Paulo State
ALL Malha Norte	May 2079	Mid-West and São Paulo State
ALL Central	August 2023	Argentina
ALL Mesopotámica	October 2023	Argentina
Portofer	June 2025	Santos Port – São Paulo State
Terminal XXXIX	August 2022	Santos Port – São Paulo State
TGG – Guarujá Retail Terminal	August 2022	Santos Port – São Paulo State
Termag – Guarujá Maritime Terminal	August 2022	Santos Port – São Paulo State

A list with all the companies comprising ALL group is stated in Note 3.

Boswells S.A. is a financial investment company established in Uruguay.

Santa Fé Vagões S.A.: its main business purpose is manufacturing, maintaining, selling and trading items and services related to rolling stock, railroad systems, traction equipment, rails, signals and mechanical equipment, pieces, parts and components, and importing, exporting, purchasing, selling, distributing, leasing and lending wagons, machinery, equipment and inputs, all related to railroad activities.

ALL Overseas: it is a wholly-owned subsidiary, acquired in December 1999, and its main business purpose is to carry out any activities that are in accordance with legislation in force in the Bahamas.

Track Logística: organized on April 7, 2010, its main business purpose is rendering general cargo logistics operating services, managing and operating ports, terminals, distribution centers, warehouse units, general and bonded warehouses upstate, such as: importing, exporting, selling, purchasing, distributing, leasing, renting and granting containers, locomotives, wagons, machinery and equipment; and carrying out all activities that are related, accessory and supplementary to the aforementioned ones. Holding direct or indirect interest in entities, consortia, ventures and other organizations. It has not started up its activities yet.

Brado Holding: organized on July 9, 2010, its main business purpose is holding interest in other entities, consortia or ventures, either locally or abroad. On April 1, 2011, the Company held 80% of interest in Brado Logística e Participação S.A.

Brado Logistica e Participação S.A.: acquired in 2010, this name was given to the company on November 24, 2010. On April 1, 2011, it held 100% interest in Standard Logistica e Distribuição S.A. (actually denominated Brado Logística S.A.) through merger of shares thereof. Its main business purpose is holding shares issued by Brado Logistica S.A.

Brado Logistica S/A: Previously denominated Standard Logistica e Distribuição S.A was acquired on April 1, 2011. It is a wholly-owned subsidiary of Brado Logística e Participação S/A. Its main business purpose is providing general cargo logistics operating services, managing and operating terminals, distribution centers, ports, bonded warehouses, and holding direct and indirect interest in other companies.

ALL Serviços (former ALL Tecnologia): On July 12, 2010, partners decided to: a) change its legal name to ALL – América Latina Logística Serviços Ltda.; b) increase capital amounting to R$ 99, through issue of 99,000 units of interest subscribed solely by member ALL – América Latina Logística S.A., by waiver of the preemptive and payment right of new units of interest by the other member ALL – América Latina Logística Participações Ltda.

ALL Malha Paulista: In the Board of Directors’ meeting held on March 31, 2011, Directors approved Company’s capital increase, through private subscription, amounting to R$ 100,000, by issuing 914,196,441 new common shares and 1,690,458,271 new preferred shares, at the price of R$ 0.0383928 each, based on article 170, paragraph 1, item II, of Law No. 6404/76, basically considering its equity value. Thus, capital increased from R$ 1,382,362 to R$ 1,482,362 comprising 4,605,522,677 shares, of which 1,616,472,395 are preferred shares and 2,989,050,282 are common shares.

b) Operating restrictions and conditions of the concession granted to ALL Malha Sul, ALL Malha Paulista e ALL Malha Oeste

The Companies are subject to meeting certain conditions set forth in the privatization public notices in the concession agreements of the Railroad Network.

Concession agreements of these subsidiaries will be terminated upon completion of the following facts: contractual term termination; expropriation; forfeiture; termination; annulment and bankruptcy; or concessionaire’s ceasing to exist.

Should any concessions cease to exist, major effects are as follows:

- rights and privileges transferred to the Companies will be returned to the Federal Government with leased assets and those resulting from investments stated as reversible by the Government for they are necessary for granted services to continue to be performed.

- assets stated as reversible will be indemnified by Federal Government for cost residual value, computed based on Company's accounting records, after depreciation is deducted; such cost will be subject to technical and financial assessments by Federal Government. All and any improvement made in the permanent railroad superstructure will not be considered an investment for said indemnification purposes.

2. Accounting practices

Accounting practices adopted by the Company in preparing this quarterly information are the same applied in preparing the financial statements for the year ended December 31, 2010.

The conclusion of this quarterly information was authorized in officers' meeting held on July 19, 2011.

3. Consolidation basis

Consolidated quarterly information

a) Subsidiaries

Consolidated quarterly information is comprised by quarterly information of ALL – América Latina Logística S.A. and its subsidiaries as of June 30, 2011, stated below:

(In thousands of reais, unless otherwise indicated)

	Interest %	
	06/30/2011	12/31/2010
Direct subsidiaries		
ALL - América Latina Logística Intermodal S.A. (ALL Intermodal)	100.00	100.00
ALL - América Latina Logística Malha Oeste S.A. (ALL Malha Oeste)	100.00	100.00
ALL - América Latina Logística Malha Paulista S.A. (ALL Malha Paulista)	100.00	100.00
ALL - América Latina Logística Malha Sul S.A. (ALL Malha Sul)	100.00	100.00
ALL - América Latina Logística Overseas S.A. (ALL Overseas)	100.00	100.00
ALL - América Latina Logística Participações Ltda. (ALL Participações)	100.00	100.00
Boswells S.A.	100.00	100.00
Santa Fé Vagões S.A. (Santa Fé)	100.00	100.00
Track Logística S.A.	100.00	100.00
Brado Holding S.A.	100.00	90.00
ALL - América Latina Logística Centro-Oeste Ltda. (ALL Centro-Oeste)	99.99	99.99
ALL - América Latina Logística Serviços Ltda. (ex ALL Tecnologia)	99.99	99.90
ALL - América Latina Logística Equipamentos Ltda. (ALL Equipamentos)	99.99	99.99
ALL - América Latina Logística Malha Norte S.A. (ALL Malha Norte)	99.02	98.06
ALL - América Latina Logística Argentina S.A. (ALL Argentina)	90.96	90.96
ALL - América Latina Logística Rail Tec (ALL Rail Tec)	51.00	51.00
ALL - América Latina Logística Servicios Integrales S.A. (Sisa)	51.00	51.00
ALL Rail Management (ex-BLLSPE)	50.01	50.01
Indirect subsidiaries		
Investees of ALL Intermodal		
ALL - América Latina Logística Armazéns Gerais Ltda (ALL Armazéns Gerais)	100.00	100.00
Rhall Terminais Ltda.	30.00	30.00
Investee of ALL Armazéns Gerais		
PGT Grains Terminal S.A. (PGT)	100.00	100.00
Investee da ALL Malha Paulista		
Portofer Transporte Ferroviário Ltda. (Portofer)	50.00	50.00
Investees of ALL Malha Norte		
Terminal XXXIX de Santos S.A. (Terminal XXXIX)	50.00	50.00
Portofer Transporte Ferroviário Ltda. (Portofer)	50.00	50.00
Investees of ALL Argentina		
ALL - América Latina Logística Central S.A. (ALL Central)	73.55	73.55
ALL - América Latina Logística Mesopotámica S.A. (ALL Mesopotámica)	70.56	70.56
Investees of ALL Participações		
ALL - América Latina Logística Servicios Integrales S.A. (Sisa)	49.00	49.00
ALL - América Latina Logística Argentina S.A. (ALL Argentina)	9.04	9.04
ALL - América Latina Logística Serviços Ltda. (ex ALL Tecnologia)	0.01	0.10
ALL - América Latina Logística Centro-Oeste Ltda. (ALL Centro-Oeste)	0.01	0.01
ALL - América Latina Logística Equipamentos Ltda. (ALL Equipamentos)	0.01	0.01
Investee of Brado Holding		
Brado Logistica e Participações S.A.	80.00	100.00
Investee of Brado Logística Participações S.A		
Brado Logística S.A	100.00	-

At June 30, 2011, ALL Central and ALL Mesopotámica are broken down by non-controlling shareholders as follows.

	Interest %	
	ALL Central	ALL Mesopotámica
Alesia S.A.		3.64
Petersen, Tiele Y Cruz S.A.		3.06
Ministério de Economia y Obras y Servicios Públicos de la Nación	16.00	16.00
Other - individuals	4.00	4.00

ALL Argentina negotiated with its non-controlling shareholder Railroad Development Corporation the acquisition of its equity interest in ALL Central and ALL Mesopotámica, whose interest was 6.45% and 2.74%, respectively. Such negotiation still depends on Argentine Government's approving share transfer.

Subsidiaries are fully consolidated as of acquisition date, which is the date the Company obtained control thereover, and continue to be consolidated until the date such control ceases to exist. Subsidiaries' quarterly information is prepared for the same reporting period of the Company's, using consistent accounting practices. All intra-group balances, revenues and expenses and unrealized gains and losses, arising from intra-group transactions, are fully eliminated.

A change in equity interest held in a subsidiary not resulting in losing control thereover is recorded as a transaction between shareholders, in equity.

P&L for the period and each component of other comprehensive income (posted directly to equity) are attributed to Company's controlling and non-controlling shareholders. Losses are attributed to non-controlling interest, even if they result in negative balance.

b) Jointly-owned subsidiaries

For the investment in XXXIX Terminal, whose controlling interest is jointly-held with other shareholders, assets, liabilities and P&L are consolidated proportionally to interest held in such investee, line by line, in the consolidated quarterly information. Their statements are prepared for the same reporting period of the Company's, and adjustments are made, if necessary, to align the Company's accounting practices, as well as to eliminate the Company's participation in intra-group transactions.

c) Affiliates

The Company's investment in its affiliate is recorded under the equity method. An affiliate company is an entity on which the Company exercises significant influence.

Under the equity method, investments in affiliate companies are recorded in the balance sheet at cost, plus changes after interest in affiliate is acquired.

The statement of income reflects a portion of the affiliate company's P&L. When a change is posted directly to the affiliate's equity, the Company recognizes its portion in changes occurred and discloses this fact, where applicable, in the statement of changes in equity. Unrealized gains and losses, arising from transactions between the Company and its affiliate, are eliminated according to the equity interest held in such affiliate.

Equity interest held in the affiliate company will be reported in the income statement as equity pickup, representing net income attributable to affiliate's shareholders.

After applying the equity method, the Company determines whether it is necessary to recognize additional impairment loss on its investment in its affiliate company. The Company determines, at each balance sheet closing date, whether there is objective evidence that such investment in the affiliate company is subject to impairment loss. If impairment is identified, the Company calculates impairment loss as the difference between affiliate's recoverable value and book value, and recognizes the resulting amount in the income statement.

When significant influence on affiliate is lost, the Company then assesses and recognized investment at fair value. Any difference between affiliate's book value when significant influence is lost and remaining investment fair value and revenues from sales are recognized in P&L.

4. Business combination

Business combination are recorded under the acquisition method. Cost of an acquisition is measured by adding transferred consideration, assessed at fair value on acquisition date, to the value of any non-controlling interest in the acquired company. To each business combination, the acquiring company is to measure non-controlling interest in the acquired company at fair value or based on its interest in net assets identified in the acquired company. Costs directly attributable to the acquisition are to be recorded as expenses when incurred.

Upon acquiring a business, the Company assesses financial assets and liabilities assumed so as to classify them and allocate them in accordance with contractual terms, economical circumstances and relevant conditions on acquisition date, which includes segregating, by the acquired party, embedded derivatives existing in host contracts in the acquired company.

If the business combination is conducted in phases, fair value on the date of acquisition of equity interest previously held in the acquired company is reassessed at fair value on acquisition date, and impacts are recognized in the income statement.

Any contingent consideration to be transferred by the acquiring company will be recognized at fair value on acquisition date. Subsequent changes in fair value of contingent consideration considered as an asset or a liability are to be recognized in accordance with CPC 38 (IAS 39) in the income statement or in other comprehensive income. If contingent consideration is classified as equity, it should not be reassessed until it is effectively settled in equity.

Initially, goodwill is measured as the exceeding consideration amount transferred in relation to net assets acquired (net assets identifiable acquired and liabilities assumed). If consideration is lower than fair value of net assets acquired, the difference is to be recognized as gains in the income statement.

Acquisition of Standard Logística S.A.

On December 20, 2010, as disclosed in the market through material fact notice, ALL created its indirect subsidiary Brado Logística e Participações S.A. (Brado LP) with whom it entered into, in conjunction with its railroad concessionaires, operating transportation, investment and terminal agreements.

(In thousands of reais, unless otherwise indicated)

On the same date, Brado LP disclosed its intention to enter into a partnership with Standard Logística S.A. (Standard), a reference company in the reefer segment, with a strong know-how in rendering logistics services in the retail market, a segment that is not largely explored in railroad services.

On April 1, 2011, through a Brado LP special and general members' meeting, all Standard shares were merged with Brado LP, having as consideration Brado Holding S.A.'s – parent company of Brado LP - transferring 20% of Brado LP common shares to Standard shareholders, thus effectively acquiring it. On the same date, Standard Logística S.A. changed its legal name to Brado Logística S.A.

The identified assets acquired and liabilities assumed booked on the acquisition date and its related fair value at acquisition date are as following:

Identifiable net assets acquired 04/01/2011	
Cash and cash equivalents	43,239
Accounts receivable	12,088
Fixed assets	115,238
Other assets	15,510
	186,075
Trade account payable	3,872
Loans and financing	43,563
Advanced from customers	18,412
Other liabilities	22,643
	88,490
Identifiable net assets	**97,585**
Non-controlling shareholders	(19,517)
Identifiable net assets acquired	**78,068**

Before the business combination, breakdown of Brado LP and Standard equity interest was as follows:

Brado Logística e Participacões S.A.

Shareholder	Total shares	%
Brado Holding S.A.	8,000,000	100%
	8,000,000	

Standard Logística S.A. (currently Brado Logística S.A.)

Shareholder	Total shares	%
Deminvest Empreendimentos e Participações S.A.	16,827,200	42.23%
Markinvest Gestão de Participações Ltda.	7,886,562	19.79%
Logística Brasil - Fundo de Investimento em Participações	15,130,312	37.97%
	39,844,074	

After the business combination, shareholding breakdown was as follows:

Brado Logística e Participacões S.A.

Shareholder	Total shares	%
Brado Holding S.A.	8,000,000	80.00%
Deminvest Empreendimentos e Participações S.A.	844,652	8.45%
Markinvest Gestão de Participações Ltda.	759,476	7.59%
Logística Brasil - Fundo de Investimento em Participações	395,872	3.96%
	10,000,000	

Brado Logistica S/A. (former Standard Logística S.A.)

Shareholder	Total shares	%
Brado Logística e Participações S.A.	39,844,074	100%
	39,844,074	

The following table states the acquisition cost computation determined:

Number of shares exchanged (in thousands of shares)	2,000
Brado LP share price at fair value (in thousands of shares)	20.87
Acquisition cost at fair value	**41,740**
Net assets of Standard (80%)	78,068
Gain on advantageous purchase	**(36,328)**

Brado LP share fair value on April 1, 2011, 20% of which represents consideration to former Standard shareholders, was determined under the discounted cash flow methodology, by adopting assumptions which represent the Brado LP situation before the combination. Key assumptions were: i) projections for 15 years, not considering significant investments; ii) discount rate of 13.4% p.a.; and growth rate of 9.5% in perpetuity, which the Company considers reasonable for the container business.

Preliminary estimates of fair value of identifiable assets acquired and liabilities assumed did not presented material misstatements between fair and book values. However, estimations on of fixed assets and identifiable intangibles fair values have not been completed and these considerations have not been included in the acquisition method determination.

Any adjustments identified after combination date will be recognized by the Company over the measurement period, as specified by CPC 15 **-** *Business Combinations*.

Costs arising from acquisition operation corresponding to professional and advisors' fees amounting to R$981 were recorded in the Company's P&L, under operating expenses.

5. Argentine subsidiaries - relationship with Grantor

a) Concession agreement renegotiation

From July 1997 to March 2001, Argentine National Executive Branch, through Decree No. 605/97, determined that the Transportation Department was to renegotiate all cargo railroad transportation serve concession agreements. Several discussions were held and analyses were made, resulting in an amendment proposal, which had no effect.

As from enactment of Law No. 25561, a new concession renegotiation benchmark was created, and on April 10, 2002, a presentation was delivered before Argentine Economy Ministry, through which the process continued.

In 2003, the National Executive Branch issued Decree No. 311, and created a special commission to renegotiate all concession agreements. Such commission is simultaneously overseen by the Ministries of Economy and Federal Planning, Public Investments and Services. Change in Argentine Government management, in May 2003, suspended the process for some months and, in September 2003, concessionaires were once again required to update data and held several meetings with Federal Planning Ministry advisors and professionals.

Law No. 25561 was extended over and over through December 31, 2011, as set forth in Law No. 26563. After said date, ALL Central and Mesopotámica will be called to review a new model for the agreement, considering aspects such as concession fee (*Canon*) and annual investment plans.

On July 18, 2005, Provisions 18/2005 and 19/2005 of the for Renegotiation and Analysis of Utility Service Agreements, regarding the letter of understanding arising from concession agreement renegotiation for commitments between ALL Central and ALL Mesopotámica and the Argentine Government, was published on the Argentine Government Official Report. On October 20, 2006, ALL Central and ALL Mesopotámica executed new letters of understanding with the Unit for Renegotiation and Analysis of Utility Service Agreements in order to replace the prior letter. The effects and commitments arising from these are reflected in the quarterly information, even considering that the referred letters shall be approved by the President of the Republic of Argentina. The referred to letters basically establish the following:

(i) Annual investment plan

As of January 2006, concessionaries must invest on a yearly basis an amount equivalent to 9.5% of total net revenues of ALL Central and ALL Mesopotámica related to the previous year. Up to the present, concessionaires have fully complied with minimum investments required in the plan.

(ii) Concession fee ("canon")

As from January 1, 2006, concession fee (canon) will be considered as the amount corresponding to 3% of total net income of ALL Central and ALL Mesopotámica for the prior year. For the period ended June 30, 2011, these Companies recorded expenses amounting to R$ 1,702 (R$ 757 as of June 30, 2010) and R$ 380 (R$ 154 as of June 30, 2010), respectively, against lease agreements and concession payable.

Concession fees for the prior three-year period were included as an integral part of mutual claim negotiations, as described in item (iii).

(iii) Rights and obligations comprising mutual claims

Renegotiation of concession agreements includes discussing amounts claimed by both Argentine Government and concessionaires, such as: Investments not complied with by concessionaires, amounts related to concession fees of previous periods and losses incurred by concessionaires by force majeure (floods and other).

Based on the letters, the extinction of liabilities of amounts related to mutual claims balances, which totaled P$79,760 thousand and P$14,480 thousand for ALL Central and ALL Mesopotámica, respectively, in favor of the Argentine Government, was set forth, and concessionaries started to assume investment commitments as from January 2006, which cannot be lower than 3.17% and 1.54%, respectively, on net revenues of the previous year, respecting the minimum amounts of P$4,686 thousand and P$852 thousand, respectively. Up to the present, concessionaires have fully complied with minimum investments required in the plan.

b) Approval for transfer of shares

In May 1999, the Company entered into a purchase agreement with the five shareholders for total number of ALL Argentina shares and a usufruct agreement over the rights (both economic and political) on ALL Argentina shares. The purchase agreement is currently pending approval by the Argentine Government, who must give its approval so that share transfer becomes official. The usufruct agreement term is 20 years, automatically renewable if the Argentine Government does not express an opinion related to the approval for the transaction. Should authorization be denied by the Government, the five shareholders irrevocably undertake to exercise the voting right on shares of ALL Argentina, in accordance with the Company's instructions.

6. Cash and cash equivalents

(In thousands of reais, unless otherwise indicated)

		Company		Consolidated	
		06/30/2011	**12/31/2010**	**06/30/2011**	**12/31/2010**
Cash and banks		6,490	4,165	31,117	17,664
Investments available for sale					
CDB	(i)	631,252	377,567	1,206,303	1,326,588
Fixed rate	(ii)	116,620	110,578	451,611	332,074
Government bonds	(iii)	322,597	97,877	701,039	292,832
Funds	(iv)	1,436	1,515	40,349	5,402
		1,071,905	587,537	2,399,302	1,956,896
		1,078,395	591,702	2,430,419	1,974,560

Short-term investments are as follows:

(i) Investments in Bank Deposit Certificates (CDB) with rates pegged to Interbank Deposit Certificate Index (CDI) variation (average rate of 102% of CDI);

(ii) Investments in fixed-rated CDB;

(iii) Investments in government bonds (average rate equivalent to Selic);

(iv) Investments in funds – mainly comprising government bonds.

7. Trade accounts receivable - consolidated

	06/30/2011	**12/31/2010**
Trade accounts receivable		
In Brazil	315,218	220,372
In Argentina	40,118	34,604
	355,336	254,976
(-) Allowance for doubtful accounts		
In Brazil	(19,475)	(14,674)
In Argentina	(8,086)	(8,919)
	(27,561)	(23,593)
	327,775	231,383

Company’s trade accounts receivable include related-party receivables for sale of maintenance materials and services rendered.

ALL Central has been collecting, at the administrative level, amounts derived from toll revenues receivable from “Unidad Ejecutora del Programa Ferroviário Provincial” (“U.E.P.F.P”) amounting to R$ 1,810 (P$ 4,762). The likelihood of a successful realization of this asset was rated as probable by legal advisors.

(In thousands of reais, unless otherwise indicated)

At June 30, breakdown of trade accounts receivable balance by maturity is as follows:

Periods	Amounts falling due with no impairment losses	Overdue amounts, with no impairment losses					Total
		< 30 days	31 - 60 days	61 - 90 days	91 - 180 days	> 181 days	
06/30/2011	225,853	16,757	8,125	37,408	39,632	-	327,775
12/31/2010	188,168	8,716	15,621	7,157	8,578	3,143	231,383

Allowance for doubtful accounts

Provision for credit risks was calculated based on credit risk analysis, which considers historical losses, individual client situation, and situation of the economic group where they operate, as well as credits past due for more than 181 days, irrespective of related-party receivables. The allowance set up is considered sufficient to cover any losses on amounts receivable.

8. Early lease agreement payment - consolidated

	06/30/2011		12/31/2010	
	Current assets	Long-term receivables	Current assets	Long-term receivables
Lease agreements				
ALL Malha Oeste	166	2,291	166	2,388
ALL Malha Paulista	2,025	29,739	2,025	30,920
ALL Malha Sul	2,734	40,105	2,734	41,472
Prepayment of right of way				
ALL Malha Sul	1,261	19,313	1,261	19,944
	6,186	91,448	6,186	94,724

The amount paid in cash is being amortized pursuant to the remaining lease term.

Prepaid right-of-way refers to amounts paid by ALL Malha Sul to ALL Malha Paulista as a consideration for the use of the segment from Presidente Epitácio to Rubião Júnior and Pinhalzinho/Apiaí to Iperó (SP), in accordance with the agreement to operate these segments for 30 years, which is also the accounting amortization period.

Asset lease agreements are recognized in P&L on a straight-line basis over the agreement term, and do not qualify as financial lease.

9. Taxes recoverable

(In thousands of reais, unless otherwise indicated)

	06/30/2011		12/31/2010	
	Current assets	Long-term receivables	Current assets	Long-term receivables
Company				
Withholding income tax (IRRF)	43,126	12,100	44,966	9,859
IRPJ and CSLL recoverable - prepayment	9,464	-	5,108	-
Other	751	-	751	-
	53,341	12,100	50,825	9,859
Subsidiaries				
State value-added tax (ICMS)	108,773	66,777	96,898	67,503
Tax on value added - VAT	4,768	3,774	5,007	3,124
Withholding income tax (IRRF)	43,806	5,390	45,983	5,390
IRPJ and CSLL recoverable - prepayment	33,086	3,430	22,962	3,430
COFINS – increased rate	4,538	-	3,880	-
Federal tax credits recoverable - PIS/COFINS	52,787	140,495	47,141	120,422
Federal value-added tax (IPI)	-	102,757	-	102,757
Other	934	1,420	4,272	1,107
	248,692	324,043	226,143	303,733
Consolidated	302,033	336,143	276,968	313,592

Companies ALL Malha Sul and ALL Intermodal maintain IPI credit premiums acquired from third parties and generated in periods prior to October 1990. These credits derive from an ordinary lawsuit with a final decision and were transferred by means of credit assignment. The initial purpose of this acquisition was to offset these credits against other debts from federal taxes. These offsets were disallowed by the tax authorities and were being challenged in court. The taxes were restated and included in the Refis program in 2009.

Credit recorded, amounting to R$102,757 (R$102,757 as of December 31, 2010), is net of provision for present value adjustment, considering current history of realization through Brazilian IRS securities issued to cover court-ordered debts and the difference between restatement rate of these securities and CDI as of balance sheet date.

The Company and its subsidiaries expect they will have no losses in realizing such tax credits.

10. Income taxes - consolidated

Reconciliation of income and social contribution tax expenses at nominal rate to effective rate for the years ended June 30, 2011 and 2010 is as follows:

(In thousands of reais, unless otherwise indicated)

	Company		Consolidated	
	06/30/11	**06/30/10**	**06/30/11**	**06/30/10**
Income before taxes	190,289	196,768	196,975	192,392
Nominal rate	34%	34%	34%	34%
Taxes at nominal rate	(64,698)	(66,901)	(66,972)	(65,413)
Tax adjustment by:				
Equity pickup and provision for capital deficiency	71,818	13,594	358	(804)
Difference in rate on companies taxed under the profit computed as a percentage of the Company's gross revenue regime	-	-	2,729	6,200
Taxes established (written off or not established) for the period	(10,198)	(4,751)	31,276	20,406
Additions and exclusions arising from effects of Law No. 11941/09	-	55,849	-	13,037
Recording of stock options granted	(1,064)	(871)	(4,566)	(3,483)
Tax credit offset through taxes in installments - Law No. 11941/09	-	-	-	16,406
Effect of decrease rate – SUDAM incentive	-	-	30,241	28,644
Effect PDD – non-established temporary difference	-	-	-	-
Other permanent differences	(2)	(3,771)	1	(14,688)
Effective income (expense) taxes	(4,144)	(6,851)	(6,933)	305
Current taxes	(4,144)	(1,683)	(26,107)	(25,282)
Deferred taxes	-	(5,168)	19,174	25,587

Effects of deferred income and social contribution taxes on comprehensive income	**06/30/2011**	**06/30/2010**
Deferred income and social contribution taxes related to items directly reversed from or posted to equity for the year:		
Mark-to-market gains (losses) - hedge	858	262
Mark-to-market gains (losses) – financial assets available for sale	2,611	(4,254)
	3,469	**(3,992)**

Deferred tax credits on income and social contribution tax losses and temporary differences held by the Company, as well as the portion recorded on the balance sheet as of June 30, 2011, may be broken down as follows:

(In thousands of reais, unless otherwise indicated)

	Consolidated	
	06/30/2011	**12/31/2010**
Tax losses	861,671	864,433
Amortization of goodwill	93	84
Provision for variable compensation	361	13,442
Provision for tax credits	40,251	40,251
Provision for tax issues	9,940	9,585
Provision for labor claims	50,969	48,017
Provision for civil claims	8,708	8,059
Allowance for doubtful accounts	11,155	9,135
Provision for unrealized income	4,164	4,289
Unsettled hedge transactions	6,112	2,946
Provisions	14,447	22,564
Effects of Law No. 11638	69,185	65,632
Total tax credits	**1,077,056**	**1,088,437**
(-) unrecorded credits	598,993	631,045
(=) net credits recorded	**478,063**	**457,392**

Reconciliation of deferred tax assets

Opening balance	457,392	389,405
Acquisition from subsidiary	2,578	-
Revenue from/(expenses with) taxes recognized in P&L	19,174	84,394
IRPJ/CSLL realized in Refis	-	(16,407)
Reflect exchange rate changes on deferred income tax	(1,081)	-
Balance at June 30, 2011	**478,063**	**457,392**

Deferred tax credits are expected to be realized as follows:

	Consolidated
2011	25,724
2012	60,580
2013	45,434
2014	41,408
2015	38,263
After 2016	266,654
Total	478,063

Income and social contribution tax losses generated in the Company and its Brazilian subsidiaries do not become time-barred and will be offset against future taxable profit, in accordance with tax legislation criteria.

(In thousands of reais, unless otherwise indicated)

Indirect subsidiaries ALL Central and ALL Mesopotámica, based on expected future profit generation and in accordance with accounting practices adopted in Brazil, recognized deferred income tax credits amounting to R$ 9,889 as of June 30, 2011 (R$ 11,729 as of December 31, 2010). Tax losses, according to Argentine tax legislation, prescribe in five years, period considered sufficient by management for full recovery of deferred income tax.

In subsidiaries ALL Intermodal, ALL Malha Oeste, ALL S.A. and ALL Malha Sul S.A., tax credits on losses have not been recognized considering the history of tax losses recorded for the past few years.

The Company and its subsidiaries record deferred tax credits on income and social contribution tax losses when CPC 32 conditions are met. For that, the Company considers whether it has recorded profit for three of the past five years, and whether future taxable profit is expected for a period of no longer than ten years. Annually, management conducts a technical feasibility study and submits it to Board of Directors' approval, which presents estimated taxable profit to serve as a basis for the tax credits recorded.

11. Private debentures

On June 21, 2010, subsidiary ALL – América Latina Logística Malha Sul S.A. approved private issue of two series of 25,000 subordinated debentures non convertible into book shares (first series), at unit value of R$ 10,000.00 per debenture, of which only the first series, amounting to R$ 250 million, was issued.

Debenture balances are recorded in the Company as follows:

						Long-term receivables	
Series	**Issue date**	**Amount**	**Maturity**	**Annual remuneration**	**Effective rate**	**06/30/2011**	**12/31/2010**
ALL Malha Sul	01/06/10	250,000	01/06/13	102% of CDI	11.43%	280,337	265,397
						280,337	265,397

12. Investments

a) Interest in subsidiaries and affiliate companies

(In thousands of reais, unless otherwise indicated)

	Number of shares/units of interest held				Interest %			
	Common shares/units of interest		Preferred shares		Total		Voting	
	06/30/2011	12/31/2010	06/30/2011	12/31/2010	06/30/2011	12/31/2010	06/30/2011	12/31/2010
ALL Argentina	2,384,134	2,384,134	6,404,530	6,404,530	90.58%	90.58%	72.28%	72.28%
ALL Intermodal	76,472,803	76,472,803	-	-	100.00%	100.00%	100.00%	100.00%
ALL Malha Oeste	459,057,998	459,057,998	19,402,076	19,402,076	100.00%	100.00%	100.00%	100.00%
ALL Malha Sul	119,732,540,853	119,732,540,853	182,160,427,321	182,160,427,321	100.00%	100.00%	100.00%	100.00%
ALL Overseas	12,000	12,000	-	-	100.00%	100.00%	100.00%	100.00%
ALL Participacoes	11,878,448	11,878,448	-	-	100.00%	100.00%	100.00%	100.00%
ALL Rail Tec	420,750	420,750	-	-	51.00%	51.00%	51.00%	51.00%
ALL SISA	10,200	10,200	-	-	51.00%	51.00%	51.00%	51.00%
ALL Rail Management (ex-BLLSPE)	10,001	10,001	-	-	50.01%	50.01%	50.01%	50.01%
Boswells	3,265,000	3,265,000	-	-	100.00%	100.00%	100.00%	100.00%
Santa Fe Vagoes	17,600,000	17,600,000	17,600,000	17,600,000	100.00%	100.00%	100.00%	100.00%
ALL Centro-Oeste	499,999	499,999	-	-	100.00%	100.00%	100.00%	100.00%
ALL Servicos (ex-ALL Tecnologia)	99,999	99,999	-	-	100.00%	100.00%	100.00%	100.00%
ALL Equipamentos	25,244,748	25,244,748	-	-	100.00%	100.00%	100.00%	100.00%
ALL Malha Paulista	1,616,472,395	702,275,954	2,989,050,282	1,298,592,011	100.00%	100.00%	100.00%	100.00%
ALL Malha Norte	690,110,710	690,110,710	10,477,819	10,477,819	99.02%	98.06%	99.90%	90.00%
Brado Holding	500	500	-	-	100.00%	90.00%	100.00%	90.00%
Track Logistica	1,000	1,000	-	-	100.00%	100.00%	100.00%	100.00%

						Company				
		Subsidiaries / affiliate companies		Equity pickup		Investment value		Goodwill		Dividends
		Equity	P&L for the year	06/30/2011	06/30/2010	06/30/2011	12/31/2010	06/30/2011	12/31/2010	Received
Direct subsidiaries										
ALL Argentina	(i)	(1,552)	(24,578)	(22,356)	(10,787)	7,537	31,919	-	-	-
ALL Centro-Oeste		-	-	-	(98)		206	-	-	-
ALL Equipamentos		25,233	(12)	(59)	16,320	25,184	25,242	-	-	-
ALL Intermodal		146,527	7,734	3,044	(7,190)	141,836	138,793	-	-	-
ALL Malha Norte	(ii)	874,644	92,656	199,810	169,813	978,519	761,621	2,021,624	2,032,965	-
ALL Malha Oeste		100,209	(3,175)	(14,379)	(15,677)	89,884	100,429	114,589	117,842	-
ALL Malha Paulista		193,763	(15,672)	32,326	31,427	242,670	107,995	337,706	344,979	-
ALL Malha Sul		246,312	(60,233)	(26,426)	20,219	427,024	296,074	-	-	-
ALL Overseas		4,708	(108)	(304)	-	4,513	4,817	-	-	-
ALL Rail Management		22	2	-	-	-	10	-	-	-
ALL Serviços		2,822	2,722	5,767	1,078	5,867	100	-	-	795
ALL SISA		6				3	3	-	-	-
Boswells		11,607	(121)	(326)	(567)	11,401	11,728	-	-	-
Brado Holding		80,658	38,918	38,918	-	80,658	-	-	-	-
Rail Tec		301	(327)	-	(77)	-	320	-	-	-
Santa Fé Vagões		12,211	(201)	(1,858)	(2,318)	10,555	12,412	225	250	-
				214,157	202,143	2,025,651	1,491,669	2,474,144	2,496,036	795

The Company records goodwill paid for expected future profitability in the investment subgroup, and as intangible assets in the consolidated balance sheet, as pointed out in Note 13.

(i) ALL Argentina has Advance for Future Capital Increase (AFCI) amounting to R$ 98,994 (R$ 109,200 at December 31, 2010) recorded in its Equity by ALL Holding, who fully recognizes AFCI in its investment until it is paid.

(ii) ALL Malha Norte has Advance for Future Capital Increase (AFCI) amounting to R$ 194.153 recorded in its Equity by ALL Holding, who fully recognizes AFCI in its investment until it is paid.

b) Subsidiaries with negative equity

(In thousands of reais, unless otherwise indicated)

For those subsidiaries stating negative equity, a provision was set up and is stated as non-current liabilities in the balance sheet. It was computed as follows:

	Subsidiaries		Company			
			Changes in provision for Capital deficiency for the year		Provision for Capital deficiency	
	Capital deficiency	P&L for the period	06/30/2011	06/30/2010	06/30/2011	12/31/2010
Direct subsidiaries						
ALL Participações	(9,069)	(2,222)	(2,222)	(1,069)	9,069	7,661
ALL Centro Oeste	(83)	(289)	(289)	-	83	-
Rail Tec	(152)	(779)	(398)	-	78	-
Rail Management	(18)	(38)	(19)	-	9	-
			(2,928)	(1,069)	9,239	7,661

c) Investments in the consolidated balance sheet

Assessed under the equity method	Investment book value	
	06/30/2011	12/31/2010
Rhall Terminais	2,206	1,994
TGG	7,297	5,489
	9,503	7,483

13. Intangible assets – consolidated

		06/30/2011			12/31/2010	% average annual amortization
		Cost	Accumulated amortization	Net	Net	
Goodwill upon investment acquisition						
ALL Malha Oeste	(i)	124,339	(9,750)	114,589	117,842	3.54%
ALL Malha Paulista	(i)	355,873	(18,167)	337,706	344,979	1.96%
ALL Malha Norte	(i)	2,054,448	(32,824)	2,021,624	2,032,965	0.53%
Santa Fé	(i)	1,155	(930)	225	250	10.00%
		2,535,815	(61,671)	2,474,144	2,510,836	
Grant right – concession agreements	(ii)					
ALL Malha Oeste		3,118	(1,572)	1,546	1,598	3.33%
ALL Malha Paulista		7,891	(3,300)	4,591	4,721	3.33%
ALL Malha Sul		10,830	(5,206)	5,624	5,805	3.33%
		21,839	(10,078)	11,761	12,124	
Railroad terminals	(iii)	53,860	(11,872)	41,988	-	6.46%
Software and others		40,320	(22,923)	17,397	12,140	20.00%
		2,651,834	(106,544)	2,545,290	2,535,100	

Goodwill recorded in investment in subsidiary is classified as intangible assets in the consolidated.

(i) Goodwill on investment acquisition is based on expected future profitability, and is amortized at the realization curve considering concession effective terms.

(ii) It refers to the granting right of concession agreements of subsidiaries ALL Malha Oeste, ALL Malha Paulista and ALL Malha Sul, amortized over the agreement effective term.

(iii) Refers to maintenance of rail wagons and deviations made by Brado Logísitca (ex Standard), amortized over the term of the contract.

Goodwill impairment test

Goodwill paid in business combinations was allocated to two groups of Cash Generating Units (CGU), for annual impairment test purposes, as follows:

- Malha Norte (comprising companies ALL Malha Paulista, ALL Malha Oeste and ALL Malha Norte); and

Malha Norte

Recoverable value of Malha Norte was determined in December 2010, by calculating value in use from cash projections arising out of financial budgets approved by senior management for a five-year period extended for the same period. Discount rate before taxes applied to cash flow projections is 10.9% and cash flow exceeding a ten-year period at a growth rate of 1.0%, which the Company considers conservative in relation to growth projected to Brazil. As a result of this analysis, management identified no need to set up a provision for impairment for this CGU group, to which goodwill amounting to R$ 2,021,624 (R$ 2,032,965 as of December 31, 2010) is allocated.

Malha Argentina

In December 2010, the Company assessed Malha Argentina recoverable value through a calculation based on value in use from projections of future cash flows in US dollars, considering financial budgets approved by top management, for a five-year period extended of the same period. Discount rate before taxes, applied to cash flow projections, is 11.89% p.a. (in US dollars).

On June 30, 2011, management reviewed the estimations of recoverable value of goodwill balance allocated to ALL Argentina and the company has performed the write off to P&L of the remaining balance of R$ 12,883.

(In thousands of reais, unless otherwise indicated)

14. Property and equipment - consolidated

	06/30/2011			12/31/2010	% average
	Cost	Accumulated depreciation	Net	Net	annual depreciation
Leasehold improvements					
Locomotives	1,047,347	(309,086)	738,261	647,882	4.00%
Wagons	658,135	(176,510)	481,625	406,792	3.33%
Permanent road	1,998,843	(344,000)	1,654,843	1,430,494	4.29%
Other	250,447	(69,760)	180,687	146,240	5.34%
	3,954,772	(899,356)	3,055,416	2,631,408	
Own property and equipment in use					
Locomotives	573,264	(141,370)	431,894	440,000	4.00%
Wagons	348,242	(99,898)	248,344	251,736	3.33%
Permanent road	1,018,612	(139,366)	879,246	884,057	0.91%
Storeroom for assets in use	86,219	-	86,219	99,569	
Land	37,270	-	37,270	31,206	
Buildings	124,895	(54,709)	70,186	38,868	5.20%
Furniture and fixtures	15,325	(11,560)	3,765	3,300	10.00%
Road vehicles	48,809	(28,026)	20,783	18,326	14.54%
IT equipment	94,141	(61,611)	32,530	30,447	19.71%
Telecommunication and signal equipment	54,003	(35,144)	18,859	15,021	9.70%
Equipment for permanent road and railroad transportation maintenance	119,588	(54,385)	65,203	71,547	9.94%
Aircraft	10,786	(696)	10,090	10,384	10.00%
Machinery and equipment	23,255	(7,563)	15,692	73	10.00%
Other	104,549	(36,347)	68,202	70,049	10.00%
	2,658,958	(670,675)	1,988,283	1,964,583	
Lease agreements					
Locomotives	263,437	(72,233)	191,204	204,018	9.80%
Wagons<}0{>	1,029,959	(194,122)	835,837	569,900	10.21%
Trucks	3,146	(1,686)	1,460	1,798	21.43%
Civil construction	19,503	(4,026)	15,477	16,317	9.09%
Equipment	17,290	(3,838)	13,452	14,316	10.00%
	1,333,335	(275,905)	1,057,430	806,349	
Construction in progress					
Locomotives	136,951	-	136,951	145,225	
Wagons	65,527	-	65,527	134,072	
Permanent road	336,713	-	336,713	191,802	
Road vehicles	334	-	334	51	
Civil construction	12,421	-	12,421	-	
Other	102,931	-	102,931	138,465	
	654,877		654,877	609,615	
	8,601,942	(1,845,936)	6,756,006	6,011,955	

(In thousands of reais, unless otherwise indicated)

Summary of changes in property and equipment:

	Balances at December 31, 2010			Changes in the 1st half of 2011					Balances at June 30, 2011		
Property and equipment types	**Gross cost**	**Accumulated depreciation**	**Net**	**Acquisitions**	**Additions that do not affect cash**	**Write-offs**	**Transfers**	**Depreciation**	**Accumulated cost**	**Accumulated depreciation**	**Net**
Locomotives	1,522,582	(434,700)	1,087,882	-	30,367	-	67,662	(15,756)	1,620,611	(450,456)	1,170,155
Wagons	926,268	(267,740)	658,528	-	10,728	-	69,381	(8,668)	1,006,377	(276,408)	729,969
Permanent road	2,751,124	(436,573)	2,314,551	-	15,641	(5,123)	255,813	(46,793)	3,017,455	(483,366)	2,534,089
Lease agreements	1,094,410	(288,061)	806,349	-	238,925	-	-	12,156	1,333,335	(275,905)	1,057,430
Construction in progress	609,615		609,615	489,939	89,127	-	(533,803)	-	654,878	-	654,878
Other	830,795	(295,765)	535,030	(17,716)	19,860	(4,599)	140,947	(64,037)	969,287	(359,802)	609,485
Total	**7,734,794**	**(1,722,839)**	**6,011,955**	**472,223**	**404,648**	**(9,722)**	**-**	**(123,098)**	**8,601,943**	**(1,845,937)**	**6,756,006**

For the period ended June 30, 2011, R$ 57,386 (R$ 52,449 as of December 31, 2010) was capitalized as construction in progress, regarding financial charges generated by loans financing such construction. This transaction has no effect on cash flows. Financial cost of capitalizing interest on qualifying property and equipment was 115.9% of CDI p.a.

Finance lease and construction in progress

Property and equipment book value held under finance lease agreements as of June 30, 2011 was R$ 1,333,335 (R$ 1,094,410 as of December 31, 2010). Over the period, additions were recorded to property and equipment amounting to R$ 327,456 (R$ 202,255 as of December 31, 2010), regarding items under finance lease agreements and construction in progress, which are guaranteed by the asset items themselves, and had no effects on cash flows.

As detailed in Note 17.1, finance lease agreements are classified as property and equipment and depreciated consistently with criteria applicable to other property and equipment.

(In thousands of reais, unless otherwise indicated)

15. Loans and financing

	Annual charges	Effective rate	Maturity	06/30/2011	12/31/2010
Company					
Local currency					
Commercial banks	107% of CDI	12.84%	July 2015	210,145	209,416
BNDES investments	TJLP+1.8%	7.80%	Quarterly/monthly up to June 2017	58,023	62,872
Commercial banks	0.97% fixed USD	12.14%	August 2011	56,475	
Foreign currency (exchange rate pegged to US$, with swap to CDI)					
Swap transactions				6,023	(6,782)
Local currency					
Swap transactions				(5,020)	-
Total Company				**325,647**	**265,506**
Subsidiaries					
Local currency					
ALL Malha Sul				**1,454,590**	**1,477,480**
CCB	CDI + 1.25%	13.29%	September 2015	330,187	329,173
	CDI + 1.23%	13.27%	October 2014	113,141	106,488
BNDES (investments)	TJLP + 2.5%	8.50%	Quarterly/monthly up to June 2017	251,239	272,127
	TJLP + 1.4%	7.40%	Quarterly/monthly up to June 2020	257,153	257,077
	TJLP + 1.5%	7.50%	Quarterly/monthly up to June 2022	7,699	8,051
	TJLP + 1.8%	7.80%	Quarterly/monthly up to June 2017	127,364	138,007
BNDES (FINAME)	TJLP + 3.7%	9.75%	January 2017	1,113	1,213
NCC	105.9% of CDI	12.63%	July 2015	50,770	56,260
	107.0% of CDI	12.77%	March 2013	205,529	204,683
NCE	102.0% of CDI	12.14%	June 2013	78,142	73,920
NCE	101.13% of CDI	12.02%	October 2012	32,253	30,481
ALL Intermodal					
Investments BNDES FINAME				**11,374**	**15,145**
	TJLP + 3.6%	9.60%	Quarterly/annual up to December 2013	11,374	15,145
ALL Malha Paulista				**290,384**	**304,377**
BNDES investments	TJLP + 1.4% p.a.	7.40%	Quarterly/monthly up to June 2020	182,643	172,129
	TJLP + 1.5%	7.50%	Quarterly/monthly up to October 2022	4,831	4,961
	TJLP + 2.5%	8.50%	Quarterly/monthly up to October 2017	102,910	107,024
CG	IGP-M	IGP-M	January 2023	-	20,263

(In thousands of reais, unless otherwise indicated)

Continued ALL Malha Norte	Annual charges	Effective rate	Maturity	06/30/2011	12/31/2010
				759,980	**831,964**
BNDES investments	TJLP + 1.5% p.a.	7.50%	Quarterly/annual up to September 2016	406,447	460,775
	TJLP + 3%	9.00%	Quarterly/annual up to January 2016	144,261	160,037
	TJLP + 2.71%	8.71%	Quarterly/monthly up to January 2029	162,570	162,474
	TJLP + 1.4%	7.40%	Quarterly/monthly up to January 2020	46,702	46,672
	CDI + 1.5%	12.30%	March 2011	-	2,006
ALL Malha Oeste					
BNDES investments				**52,414**	**52,388**
	TJLP + 1.4%	7.40%	Quarterly/monthly up to June 2020	52,414	52,388
Terminal XXXIX					
				636	**1,272**
Investments - BNDES	TJLP + 6%	12.00%	Quarterly/annual up to December 2011	636	1,272
Brado Holding				**42,542**	**-**
Commercial banks	107% of CDI	12.84%	July 2015	23,294	-
BNDES investments	TJLP+1.8%	7.80%	Quarterly/monthly up to June 2017	19,248	-
				2,611,920	**2,682,626**
Foreign currency (exchange rate pegged to US$, with swap to CDI)					
ALL Malha Sul					
Swap transactions				1,382	605
ALL Malha Norte					
swap transactions				9,502	7,537
ALL Malha Paulista					
swap transactions				2,726	386
				13,610	**8,528**
Local currency					
ALL Malha Sul					
swap transactions				5,810	6,638
				5,810	**6,638**

(In thousands of reais, unless otherwise indicated)

Continued
Foreign currency (exchange variation pegged to Argentine Peso - P$)

	Annual charges	Effective rate	Maturity	06/30/11	12/31/10
ALL Argentina				**76,131**	**75,752**
Commercial banks	16.50%	16.80%	July 2011	9,983	1,394
Mortgage	Dollar – 6.3%	Dollar – 6.3%	October 2011	1,875	5,017
Itaú Buenos Aires	15.80%	15.80%	January 2012	-	29,632
Pantagonia	14.75%	14.75%	July 2011	5,705	6,372
Santander	15.20%	15.20%	November 2011	11,502	12,708
Citibank	15.25%	15.25%	January 2012	33,644	15,518
HSBC	16.00%	16.00%	January 2012	13,422	5,111
Total subsidiaries				**2,707,471**	**2,773,544**
Total consolidated				**3,033,118**	**3,039,050**
Current portion				(497,891)	(385,523)
Non-current portion				2,535,227	2,653,527

Breakdown of non-current payable portion by year of maturity:

	06/30/11
2012	339,460
2013	757,433
2014	570,347
2015	392,898
2016	173,633
After 2016	301,456
	2,535,227

Acronyms:

BNDES - National Bank for Economic and Social Development
CDI - Interbank Deposit Certificate Index
FINAME - Government Agency for Machinery and Equipment Financing
TJLP - Long-term Interest Rate
CCB Bank Credit Note
NCC Commercial Credit Note
CG - Working capital
IGP-M - General Market Price Index

Loan, financing and debenture balances are stated at net value, i.e., net of initial transaction expenses.

Loans and financing are guaranteed by promissory notes for the total financed amount, considering the same agreed amounts and conditions, except for financed locomotives, wagons and trucks, for which the items themselves are given in guarantee.

(In thousands of reais, unless otherwise indicated)

Financing agreements with BNDES, indented to investments, are guaranteed by bank surety, according to each agreement, with cost between 1.0% and 2.0% p.a. or security interest (assets) and escrow account.

When the Company takes out financing in a foreign currency, swap transactions are also taken out to hedge against Real x US dollar currency risk.

Some agreements include covenants setting financial limits to the Company. These limits are computed on a quarterly basis on quarterly information issue date, using consolidated P&L, and are being met.

Covenant regarding Net Debt on EBITDA is calculated based on consolidated net indebtedness (loans, financing and debentures, less cash and cash equivalents), divided by consolidated EBITDA accumulated for the past four quarters. The following amounts correspond to covenant top limits for the period:

Year	2011	2012	2013	2014	2015
Net consolidated debt/consolidated EBITDA	3.0	3.0	2.5	2.5	2.5

The covenant regarding EBITDA on Financial Income/Expenses is calculated based on consolidated EBITDA accumulated for the past four quarters, divided by Consolidated Financial Income/Expenses. For financial income/expenses computation purposes, this covenant only considers interest on debentures, loans/financing, hedge transactions and foreign exchange variation of the Company's foreign subsidiary "ALL Argentina". The following amounts correspond to covenant bottom limits for the period:

Year	2011	2012	2013	2014	2015
EBITDA/consolidated financial income/expenses	2.00	2.00	2.00	2.00	2.00

Loan agreement covenants and penalties:

Loan agreements are directly related to the determined financial limits, for they affect net debt and financial income/expenses, which are items included in the covenants.

As one can observe in the chart below, covenants have been fulfilled by the Company.

	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11
Net debt / EBITDA	1.97	2.06	2.17	2.09	2.29	2.26
EBITDA / Financial income and expenses	2.61	2.83	2.97	3.22	3.10	3.01

Not meeting financial limits is considered an early payment of debentures, irrespective of prior notice, question or legal notice.

16. Debentures - consolidated

Issue of Company’s and its subsidiaries’ debentures are as follows:

(In thousands of reais, unless otherwise indicated)

						06/30/2011		12/31/2010	
Series	**Date dd/mm/yy**	**Amount**	**Maturity dd/mm/yy**	**Annual remuneration**	**Effective rate**	**Current liabilities**	**Long-term payables**	**Current liabilities**	**Long-term payables**
Company									
5th issue	01/09/05	199,050	01/09/14	CDI + 2.40%	14.57%	7,459	198,307	7,333	198,501
6th issue	01/07/06	550,570	01/07/14	CDI +2.40%	14.57%	171,285	410,285	171,145	406,810
7th issue – (i)	17/11/09	5	02/10/12	IPCA + 3%	8.15%	-	6	-	6
8th issue – 1st (ii)	15/04/11	539,160	15/04/16	CDI +1.65%	13.74%	10,486	539,287	-	-
8th issue – 2nd (ii)	15/04/11	270,840	15/04/18	IPCA + 8.4%	13.82%	(275)	277,759	-	-
						188,955	1,425,644	178,478	605,317
Direct subsidiaries									
ALL Malha Sul									
3rd issue	08/09/08	166,666	31/07/18	108% CDI	12.90%	12,649	158,853	16,420	158,571
ALL Malha Norte									
1st issue	01/07/97	100,000	30/06/16	TJLP + 1.5%	7.50%	34,066	224,084	34,221	224,085
2nd issue	10/04/00	60,000	01/05/15	TJLP + 4%	10.00%	11,322	39,626	10,781	43,121
3rd issue	14/01/02	40,000	01/05/15	TJLP + 4%	10.00%	7,258	25,404	6,911	27,644
6th issue	08/09/08	166,666	31/07/18	108% of CDI	12.90%	7,764	163,242	7,192	162,960
Debentures	01/07/97	100,000	30/06/16	% RL		-	87,483	-	80,961
						60,410	539,839	59,105	538,771
ALL Malha Paulista									
1st issue	10/09/08	166,666	31/07/18	108% of CDI	12.90%	7,763	163,242	7,192	162,960
						7,763	163,242	7,192	162,960
Consolidated						269,777	2,287,578	261,195	1,465,619

(i) In the General and Special Shareholders’ Meeting held on October 2, 2009, Company's shareholders approved the 7th private issue of 10,750,000 subordinated non-convertible debentures amounting up to R$ 1,300,750 on issue date. Debentures could surely be partially placed should subscribed and paid-up amount reached at least R$ 350,000, in accordance with terms and conditions included in the General and Special Shareholders' Meeting Minutes.

According to the material fact notice issued on November 17, 2009, total 10,682,093 debentures were subscribed and paid up, with proceeds amounting to R$ 1,292,533.

In the Board of Directors’ meeting held on November 17, 2009, directors approved Company’s capital increase amounting to R$ 1,292,528, by converting 10,682,050 7th issue debentures into shares. Forty-three debentures of this operation were not converted into shares and remain recorded as liabilities.

(ii) In the Board of Directors’ meetings held on March 2, 2011 and March 15, 2011, the 8th public issue of 60,000 registered, book-entry debentures nonconvertible into unprivileged shares of the Company’s issue was approved, which may increase by up to 35% in case of exceeding demand, reaching 81,000 debentures at unit value of R$ 10. Debentures were issued in accordance with Law No. 6385, of December 7, 1976, as amended, Brazilian Corporation Law, Brazilian Securities and Exchange Commission (CVM) Rule No. 400 and observing the simplified process to list public offers of marketable securities distribution set forth in CVM Rule No.471, of August 8, 2008 and CVM – AMBIMA agreement.

On April 29, 2011, the Company disclosed that 81,000 debentures were issued, 53,916 in the 1st series and 27,084 in the 2nd series, with proceeds totaling R$ 810,000.

(In thousands of reais, unless otherwise indicated)

Rescheduling, covenant and guarantee clauses:

There is no rescheduling planned for any issues.

Covenants of the issues include financial limits detailed in Note 15 “Loans and financing” and are related to the Company’s consolidated P&L. Failure to comply with these limits automatically causes early maturity.

Some issues of the Company and its subsidiaries rely on personal security, as observed in Note 20 “Related-party transactions”.

17. Lease agreements – consolidated

17.1 Finance lease

The Company and its subsidiaries have lease agreements, particularly wagons and locomotives which, in management's opinion, are considered finance lease.

The Company and its subsidiaries merged to their property and equipment those rights whose subject matter are assets intended to maintain business activities, or exercised for such purpose, including those arising from transactions transferring benefits, risks and control over said asset items to the Company, irrespective of ownership thereof.

Financial charges incurred for the period were recorded as financial expenses. There were no direct initial costs to be capitalized, as well as contingent payments and sub-lease related to the corresponding agreements.

Lease-agreement-related contract balances are as follows:

	06/30/2011		12/31/2010	
Assets	**Current liabilities**	**Non-current liabilities**	**Current liabilities**	**current liabilities**
ALL Malha Sul				
Wagons	67,358	257,832	67,358	336,980
ALL Malha Norte				
Locomotives and wagons	72,584	530,003	72,584	414,899
ALL Malha Paulista				
Locomotives and wagons	98,877	298,155	99,412	104,868
Brado Holding				
Reach Stacker/Equip. IT equipmer	434	1,220	-	-
	239,253	1,087,210	239,354	856,747

Minimum future payments for lease purpose, under the finance lease and lease agreement terms, in addition to present value of minimum lease payments, are as follows:

(In thousands of reais, unless otherwise indicated)

	Total future payments		
Assets	**Up to 1**	**From 1 to 5**	**Over 5**
ALL Malha Sul			
Wagons	83,977	336,193	26,510
ALL Malha Norte			
Locomotives and wagons	61,440	271,573	163,457
ALL Malha Paulista			
Locomotives and wagons	20,417	72,231	27,649
Brado Holding			
Reach Stacker/Equip. IT equipmen	803	851	-
	166,637	680,848	217,616

Lease agreements have different effective terms, the last of which terminates in July 2021. Amounts are restated on an annual basis at IGPM, plus TJLP variation. In order to stated payments at present value, an average 12.5% CDI rate was considered.

	Present value payment		
Assets	**Up to 1**	**From 1 to 5**	**Over 5**
ALL Malha Sul			
Wagons	78,891	232,733	11,497
ALL Malha Norte			
Locomotives and wagons	57,716	183,998	65,698
ALL Malha Paulista			
Locomotives and wagons	19,300	48,967	11,791
Brado Holding			
Reach Stacker/Equip. IT equipmen	771	711	-
	156,678	466,409	88,986

17.2 Operating lease agreement

Operating lease agreement installment payments (rental) are recognized as expenses on a straight-line basis over the corresponding agreement effective term. Such agreements include leased vehicles, software, wagons and property. The Company and its subsidiaries have no sub-lease or contingent payment of the executed agreements.

(In thousands of reais, unless otherwise indicated)

		Total future minimum payments		
Assets		**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**
Vehicles	(i)	2,190	-	Non-existent
Software	(ii)	1,268	-	Non-existent
Real estate	(iii)	455	-	Non-existent
		3,913	-	-

(i) Leased vehicle agreements remain effective for two years (beginning April 1, 2010) and may be renewed for the same period, according to parties' interest. Prices are annually restated at IGP-M variation, beginning April 2011.

(ii) Software use agreements remain effective for an indefinite period of time, and is subject to annual renewal and restatement.

(iii)Leased property agreements remain effective for one year. Prices are annually restated at IGP-M variation.

18. Lease agreements and concessions - consolidated

The Company and its subsidiaries record their lease-agreement-related liabilities on a straight-line basis, in accordance with effective terms thereof. Non-current amounts refer to amounts unpaid due to discussions on agreement conditions and/or portions allocated over the grace period thereof.

Concession payable is equivalent to restated grant amount, net of payments made through the balance sheet date.

	06/30/2011		12/31/2010	
	Current liabilities	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
Lease agreements				
ALL Malha Sul	12,389	35,202	12,105	36,237
ALL Argentina	12,180	-	14,972	-
ALL Malha Paulista	-	593,538	-	549,415
ALL Malha Oeste	-	471,523	-	435,403
Concession				
ALL Malha Sul	3,275	20,326	3,954	18,965
ALL Malha Paulista	-	49,860	2,806	44,123
ALL Malha Oeste	-	34,340	1,445	30,666
	27,844	1,204,789	35,282	1,114,809

Lease and concession agreement conditions are as follows:

(In thousands of reais, unless otherwise indicated)

	Lease and concession agreements						
	Term in years	Agreement value	Amount paid in cash	Balance	Quarterly installments	Payment beginning	Restatement index
Lease agreements							
ALL Malha Oeste	30	56,440	4,969	51,471	112	15/1/1998	IGP-DI + interest 12% p.a.
ALL Malha Paulista	30	230,160	52,793	177,367	112	15/12/2000	IGP-DI + interest 12% p.a.
ALL Malha Sul	30	202,112	82,032	120,080	112	15/1/1999	IGP-DI + interest 12% p.a.
Concessions							
ALL Malha Oeste	30	3,118	409	2,709	112	15/1/1998	IGP-DI + interest 12% p.a.
ALL Malha Paulista	30	12,252	2,917	9,335	112	15/12/2000	IGP-DI + interest 12% p.a.
ALL Malha Sul	30	10,830	4,510	6,320	112	15/1/1999	IGP-DI + interest 12% p.a.

ALL Malha Sul – Lease installments of subsidiary ALL Malha Sul are allocated on a straight-line basis to liabilities and P&L, for the corresponding agreement effective term, plus IGP–DI variation and interest to agreed-upon rates. Installments for the grace period (1997 to 1999) are now paid, with corresponding restatement, for the remaining concession agreement term.

ALL Malha Paulista – On August 29, 2005, a partial spin-off between ALL Malha Paulista and Ferrovia Centro Atlântica S.A. (FCA) was conducted, and FCA assumed responsibility for 35.6% of total concession and lease amounts.

In 2005, subsidiary ALL Malha Paulista suspended lease-agreement payments to RFFSA – in liquidation, legally supported by a preliminary decision to make judicial deposits on behalf of the Federal Government. Through a legal authorization obtained in 2007, these judicial deposits were released and the Company took out bank sureties to guarantee installment payment. For more information, see Note 19.

Considering that ALL Malha Norte relies on ALL Malha Paulista lines to continue its transportation business, starting in Mato Grosso and Mato Grosso do Sul States and ending in Santos (SP), ALL Malha Norte executed with ALL Malha Paulista, on January 10, 2006, a Private Instrument of Guarantee, whereby it made a judicial deposit in favor of ALL Malha Paulista amounting to R$ 112,377 as of June 30, 2011 (R$ 111,943 as of December 31, 2010).

In order to comply with the investment agreement with shareholders, entered into on May 5, 2005, demerger of ALL Malha Paulista operations in the Bauru-Mairinque segment was determined, and this operation was then transferred to ALL Malha Oeste as from October 1, 2005, in view of a Memorandum of Understanding dated September 23, 2005.

ANTT approved such demerger through Resolution No. 1010, published in the Federal Official Gazette on July 28, 2005.

ALL Malha Norte – On May 19, 1989, direct subsidiary ALL Malha Norte executed a Concession Agreement with the Federal Government to establish a cargo railroad transportation system, including construction, operation, use and maintenance of the railroad between Cuiabá (Mato Grosso State) and: a) Uberaba/Uberlândia (Minas Gerais State), b) Santa Fé do Sul (São Paulo State), c) Porto Velho (Rondônia State) and d) Santarém (Pará State). Such concession agreement shall remain effective for a 90-year period, and can be extended for the same period of time, which can be granted up to ten years prior to contract termination.

(In thousands of reais, unless otherwise indicated)

The Agreement does not provide for payment obligations on the account of the Concession, however, it sets forth certain responsibilities for the Company, such as: a) not making a sub-concession, b) submitting itself to Federal Government permanent inspection, c) complying with standards, technical specifications and local Ministry of Transportation standards, and d) complying with all legal provisions applicable to granted services, particularly those related to environment preservation.

Concession may be extinguished and, as a result, the Concession Agreement may be terminated due to: a) voluntary agreement between the parties, preceded by negotiations and financial adjustments payable by one party to the other; b) end of agreement effective term; c) expropriation or redemption, by public interest after the Concession, through proper indemnification; d) annulment for Concession or agreement unlawfulness; e) severe and continued infractions made by one of the parties, which cause damage to service quality and efficiency; and f) expropriation by the Federal Government of granted services or a Law that makes the agreement formally or materially impossible. In the event of expropriation, Company’s shareholders’ indemnification will be calculated based on fair value of concession-related net assets, computes at the time of expropriation.

ALL Malha Oeste – In virtue of a legal discussion, this direct subsidiary has suspended concession and lease payments. Quarterly installments are guaranteed by bank sureties upon maturity.

19. Deposit-refund, restricted amounts and provision for lawsuits - consolidated

	Judicial deposits		Contingencies			
			Probable		Possible and remote	
	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10
Labor claims						
In Brazil	222,256	203,049	152,350	143,202	835,562	871,067
In Argentina						
Civil, regulatory and environmental claims						
In Brazil	125,494	135,205	25,838	23,776	481,031	516,008
In Argentina			5,599	5,800		
Tax claims						
In Brazil	9,452	9,761	35,163	30,526	1,063,221	1,006,060
In Argentina	-	-	-	-	-	
	357,202	348,015	218,950	203,304	2,379,815	2,393,135

	12/31/10	Additions	Write-offs	Reversals	06/30/11
Labor claims	143,202	64,954	(51,355)	(4,451)	152,350
Civil, regulatory and environmental claims	29,576	1,947	(86)		31,437
Tax claims	30,526	5,060	(234)	(189)	35,163
Total	203,304	71,961	(51,675)	(4,640)	218,950

Subsidiaries are parties to several lawsuits arising from the normal course of their businesses. Company's management believes that the outcome of such claims will have no significant effect different from the provisioned amount, which corresponds to those claims whose likelihood of an unfavorable outcome is rated as probable.

a) Labor claims

Subsidiaries are parties to several labor claims and, as of June 30, 2011, recorded a provision amounting to R$ 152,350 (R$ 143,202 at December 31, 2010), in the consolidated, to cover claims whose likelihood of an unfavorable outcome was rated as probable. Decrease in the provisioned amount in comparison to the prior period is basically due to agreements entered into by the Company.

Of all proceedings pending judgment, key claims refer to overtime, recognition of non-stop work shift, standby hours, salary differences, differences in FGTS 40% fines arising from understated inflation, risk premium, health hazard allowance, allowance for relocation, differences in variable compensation, additional payment of retirement and others.

b) Civil, regulatory and environmental claims

Civil claims

Subsidiaries are parties to several civil claims, mostly involving petitions, action for damages in general, such as: collisions in level crossings, rail running over, traffic accident, possessory actions in general, execution suit of extrajudicial bonds and others. Based on the opinion of its legal advisors and court positions, management maintains provisions for claims whose likelihood of an unfavorable outcome has been rated as probable.

Regulatory claims

Among significant claims, both ALL Malha Paulista and ALL Malha Oeste are currently challenging Lease and Concession Agreement economic and financial unbalance in court.

In July 2000, ALL Malha Paulista filed a Declaratory Judgment Action with the 20th Rio de Janeiro Court of Justice challenging Lease and Concession Agreement economic and financial unbalance, due to high disbursement incurred by the Company for payment of labor claims and related expenses, which are the responsibility of RFFSA.

ALL Malha Paulista requested for an expert inspection to determine the new appropriate value of lease and concession installments, as well as suspension of payment of installments falling and fell due through the effective expert inspection. In July 2005, the injunction was granted. In September 2005, said injunction was reversed by Rio de Janeiro Federal Regional Court. The proceeding is still pending judgment and awaiting the final conclusion and presentation of the expert report. Management had been depositing in court the amount related to lease installments through September 2007, when the Company obtained a legal authorization to substitute bank surety letters for judicial deposits.

ALL Malha Oeste is claiming for reestablishment of the economic and financial balance, lost due to cancellation of transportation contracts existing at the time of privatization. The claim is in progress in the 16th Rio de Janeiro Federal Court of Justice. The amount related to ALL Malha Oeste overdue amounts was guaranteed through the acquisition of government bonds (Financial Treasury Bills - LFT), where were recorded under non-current investments. In March 2008, the Company obtained an authorization to substitute bank surety letters for said guarantee and, in May 2008, the Company redeemed such investment.

Concession-agreement-related liabilities are recorded under Lease and Concession Agreements, as disclosed in Note 18.

Environmental claims

Such amounts arise from violation notices served by Environmental Sanitation Technology Company – CETESB (São Paulo State), Brazilian Institute of the Environment and Natural Renewable Resources – IBAMA and Local Environmental Departments, mostly due to soil and water contamination from product leakage, and non-compliance with conditions imposed by such operating license. In all cases, measures are being taken to reduce existing liabilities, as well as to remedy and prevent damage to the environment. The provision for environmental area is recorded with civil provision for concessionaires.

c) Tax claims

Key tax-related discussions involve “Export ICMS” (state value-added tax levied on transportation of goods to be exported), different ICMS rated on interstate transportation, Social Contribution Tax on Gross Revenue for Social Integration Program (PIS) / Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) on mutual traffic operations, and Corporate Income Tax (IRPJ)/Social Contribution Tax on Net Profit (CSLL) on financial transactions carried out in Austria and Spain.

No provision was set up for tax claims whose likelihood of an unfavorable outcome had been rated as possible or remote. For those considered as probable, a provision was set up amounting to R$ 35,163 (R$ 30,526 as of December 31, 2010).

Export ICMS **–** São Paulo Finance Department issued tax notices against ALL Malha Sul, whose current value amounts to approximately R$48,845, due to non-payment of ICMS related to railroad transportation services rendered for goods to be exported, and use of ICMS credits supposedly not authorized by legislation. In the second quarter of 2010, a first favorable decision was awarded by São Paulo Tax Court, in order to annul payment of ICMS levied on export operations. In the fourth quarter of 2010, one of the discussions shifted from administrative to judicial level, with the presentation of fiscal Motions to Stay Fiscal that preceded the offer of a surety letter to serve as a guarantee for the court.

ALL Malha Oeste was served a tax notice referring to the same matter, amounting approximately to R$ 21,955. All tax notices are being challenged at the administrative level in São Paulo State. It is worth pointing out that the Higher Court of Justice (STJ) have already established that ICMS tax should not be levied on transportation of goods to be exported, considering a provision in article 155 of Brazilian Federal Constitution.

ALL Malha Norte filed an Action for Annulment of tax debt, taking into consideration that the company was served a tax notice for non-payment of ICMS on transportation services for goods to be exported, and the amount involved is R$ 14,817. In the last quarter of 2010, Mato Grosso State Court confirmed the first level decision fully annulling the tax notice, and this was awarded a final decision in December 2010 in favor of ALL Malha Norte. The High Court Judges understand that ICMS is not due on transportation of goods to be exported after delivery at ports, which reduced contingency by R$ 14,817.

In July 2011, Mato Grosso State issued a new tax notice against ALL Malha Norte, amounting to R$ 120,687, referring to transportation of goods to be exported, for the 2006 period. ALL Malha Norte filed a contestation to the new claim, for it understands that such operations are supported by ICMS taxation on transportation of goods to be exported, set forth in article 155 of Brazilian Federal Constitution.

ICMS – on property and equipment credit – In April 2005, ALL Malha Sul was awarded a favorable decision at Rio Grande do Sul State Court of Justice regarding a tax notice served by Rio Grande do Sul State Department to the Company for the use of ICMS tax credit on acquisition of assets and equipment intended to property and equipment renovation and recovery. Based on said decision, Rio Grande do Sul State filed a Special Appeal with

Brazilian Supreme Court, which is now pending judgment. Tax notices in court amount to approximately R$ 20,017, of which ALL has already paid to Rio Grande do Sul State public treasury R$ 11,192 and has suspended payment of the remaining R$ 8,825 as a result of the aforementioned favorable decision of Rio Grande do Sul Court of Justice, which has already been confirmed by Higher Courts. In addition, Supplementary Law No. 87/96 authorized full use of tax credits arising from acquisition of permanent asset items.

Isolated COFINS fine – ALL Malha Sul was served a tax notice, amounting to R$ 64,000, for COFINS offset arising from tax credits calculated based on a final decision in favor of ALL Malha Sul (awarded for proceeding No. 1999.61.00024508-0/SP). As the Federal Government filed a motion for relief against the aforementioned lawsuit, Brazilian IRS ignored the final decision and considered offsets as non-declared, claiming a violation of paragraph 12, article 74 of Law No. 9430/96. In a first-level decision, Brazilian Federal Revenue Office annulled the fine applied, and clarified that, at the time of the corresponding offsets, ALL Malha Sul had been awarded a final decision, with no legal barriers that could impede such offsets; Brazilian IRS itself allowed, upon a regulatory decision, such approval of credit at administrative level. The first-level decision was sustained by the Brazilian Administrative Board of Tax Appeals (CARF), which in a voluntary appeal attempt, completely annulled the tax notice in question. We are awaiting a final and unappelable decision.

PIS/COFINS – Mutual traffic – ALL Malha Paulista was served a tax notice for non-payment of PIS and COFINS regarding revenues from mutual traffic and right of way, and is challenging R$ 50,100, for the period from 1999 to 2006 (cumulative PIS and COFINS). The Company understands that the likelihood of an unfavorable outcome is remote, since amounts challenged have already been paid by concessionaires in charge of transportation upon shipment. Decisions awarded to the date have already reduced notices by approximately R$ 17,000.

IRPJ/CSLL, PIS and COFINS - ALL Malha Sul was served a tax notice amounting to R$ 620,383 for excluding interest on investments made in Austria and Spain, and for loan expenses considered non-deductible. Tax authorities have also issued PIS and COFINS tax notices on swap transactions taken out to guarantee loans in foreign debt. The Company understands that the likelihood of an unfavorable outcome is remote, since investments made in countries with which Brazil has an agreement determining non-taxation of such operations, and PIS and COFINS taxation on hedge transactions was ruled out by Decree No. 5442/2005. In March 2011, ALL Malha Sul became aware of the first-level administrative decision (Brazilian Revenue Office), which reduced tax notice to R$335,913. ALL Malha Sul filed a voluntary appeal with CARF, which is pending judgment.

Municipal Real Property Tax (IPTU) - ALL Malha Sul and ALL Malha Paulista have approximately R$ 3,656 relating to IPTU taxation on Federal Government-owned properties, which, due to the concession granted, are held thereby for the purpose of providing railroad transportation services. However, the Federal Constitution sets forth that no taxes are levied on Federal Government-owned properties and the Company has already several favorable decisions. In the first quarter, favorable decisions were obtained in relation to notices served to São Vicente and Colina cities, reducing liabilities by approximately R$ 8,500.

Service Tax (ISS) – Portofer was served three tax notices amounting to approximately R$ 2,644, which were issued by Santos City who considered the legal figure of Portofer (special purpose entity aiming to apportion expenses among concessionaires) and served a tax notice to the Company as though it was a local service provider. The Company considers the likelihood of an unfavorable outcome as remote for the matter has already been awarded a favorable decision by São Paulo Court of Justice, in similar cases to Guarujá City, determining that tax notices be annulled, since Portofer is a non-profit, but only apportion expenses.

IRPJ/CSLL – In November 2010, ALL Intermodal was served a tax notice by Brazilian IRS amounting to R$ 52,772 regarding IRPJ and CSLL. These amounts were obtained from disallowance of expenses as a result of payment of variable installments of property, equipment, machinery and vehicle lease agreements entered into by

(In thousands of reais, unless otherwise indicated)

ALL Intermodal. These expenses were considered non-deductible and, therefore, were disallowed by Brazilian IRS. The Company considered risk of this tax notice as remote, since asset lease agreements were necessary, usual and normal to ALL Intermodal activities.

Social security contributions – In June 3011, ALL Malha Paulista was served a tax notice amounting to R$ 35,610, regarding non-payment of social security contributions on labor indemnification amounts. The Company will file an administrative contestation, for it understands that there is a legal provision supporting non-payment of the referred to amounts, given their nature ad hoc payment.

20. Related-party transactions

Entities considered related-parties are reported in Note 3.

	Company							
	Long-term receivables		Non-current liabilities		Revenues		Expenses/costs	
	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10	06/30/11	12/31/10
Subsidiaries								
ALL Argentina	63,015	43,941	5,516	5,299	-	38,198	-	-
ALL Armazéns Gerais	-	257	6,823	14,546	-	-	-	-
ALL Centro-Oeste	94	-	-	359	-	-	-	-
ALL Equipamentos	40	-	-		-	-	-	-
ALL Intermodal	-	-	-	4	-	-	-	13
ALL Malha Norte	-	-	-	5,994	-	-	-	-
ALL Malha Oeste	-	-	172	357	-	-	-	-
ALL Malha Paulista	-	-	41	4	32,617	44,119	-	9
ALL Malha Sul	-	-	38	67	-	94	-	-
ALL Overseas	164	175	-	-	-	-	-	-
ALL Participações	-		11	6	-	-	-	-
ALL Rail Tec	3,260	-	-	-	-	-	-	-
ALL Serviços	0	0	4,452	-	-	-	487	-
Santa Fé	3,268	1,953	-	-	-	-	-	-
Affiliates								
PGT	-	-	77	77	-	-	-	-
	69,841	46,326	17,130	26,713	32,617	82,411	487	22

	Consolidated			
	Long-term receivables		Long-term payables	
	06/30/11	12/31/10	06/30/11	12/31/10
ALL Argentina	-	364	-	-
Santa Fé	-	5,280	-	-
Terminal XXXIX	-	-	579	844
	-	5,644	579	844

Related-party transactions terms and conditions

Related-party transactions are carried out solely under agreed-upon commutative conditions and with proper payments.

The Company and its related parties carry out operating and financial transactions, arising from leading terminals, rolling stock (locomotives and wagons), machinery and equipment, warehouses, freight pallets, as well as funds required to maintain Company's operations.

Outstanding balances at the end year end are free from interest, and some transactions have no maturity date. Transactions mature within the financial year, always in cash, or by matching accounts.

There is no insurance coverage for related-party transactions.

For the period ended June 30, 2011, there was no contingency with accounts receivable related to related-party debts. Such assessment is made every financial year, by examining related-party financial positions and the market where each of them operates. The Company set up no allowance for doubtful accounts on existing balances.

Agreements with related parties are as follows:

Related party	Relation with issuer	Transaction date dd/mm/yy	Agreement subject matter	Amount involved – in thousands of reais	Balance at June 30, 2011	Effective through dd/mm/yy	Termination
Company with subsidiaries							
América Latina Logística Argentina S.A.	Subsidiary	26/09/83	Mutual traffic operations	-	-	Indefinite	Contract delinquency
América Latina Logística Central S.A.	Indirect subsidiary	11/11/09	Freight share	5,114	4,776	20/12/11	Total or partial delinquency
América Latina Logística Central S.A.	Indirect subsidiary	2010 sundry	Foreign loan agreements	24,360	22,089	2012 sundry	Total or partial delinquency
América Latina Logística Mesopotâmica S.A.	Indirect subsidiary	2010 sundry	Foreign loan agreements	9,660	7,589	2012 sundry	Total or partial delinquency
América Latina Logística Central S.A.	Indirect subsidiary	2011 sundry	Foreign loan agreements	10,370	18,912	2013 sundry	Total or partial delinquency
América Latina Logística Mesopotâmica S.A.	Indirect subsidiary	2011 sundry	Foreign loan agreements	2,074	2,738	2013 sundry	Total or partial delinquency
América Latina Logística Mesopotâmica S.A.	Indirect subsidiary	11/11/09	Foreign loan agreements	1,124	1,037	20/12/11	Total or partial delinquency
América Latina Logística Mesopotâmica S.A.	Indirect subsidiary	30/12/09	Foreign loan agreements	1,475	1,374	06/02/12	Total or partial delinquency
América Latina Logística Malha Paulista S.A	Subsidiary	01/03/08	Leased locomotives	102,900	34,375	01/03/13	Non-compliance with contract, bankruptcy, wind-up or court recovery
América Latina Logística Malha Paulista S.A	Subsidiary	01/03/08	Leased wagons	61,440	20,525	01/03/13	Non-compliance with contract, bankruptcy, wind-up or court recovery
América Latina Logística Malha Sul S.A	Subsidiary	12/08/05	Assignment of equipment facilities in Santa Mari	-	-	01/03/27	End of concession or undue use of real estate
ALL - América Latina Logística Rail Tec	Subsidiary	11/01/11	Intercompany loan agreement	3,500	3,810	11/06/12	Total or partial delinquency
ALL América Latina Logística Serviços Ltda.	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, changes in equity control of parties.
Among Subsidiaries:							
América Latina Logística Malha Paulista S.A and América Latina Malha Sul S.A,	Subsidiary	01/01/09	Share of assets and use of railroad infrastructure, right of way and mutual traffic	-	-	28/02/27	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and changes in equity control of parties.
América Latina Logística Malha Paulista S.A and América Latina Logística Malha Oeste S.A.	Subsidiary	01/01/09	Share of assets and use of railroad infrastructure, right of way and mutual traffic	-	-	30/06/26	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and changes in equity control of parties.
América Latina Logística Malha Norte S.A and América Latina Logística Malha Paulista S.A.	Subsidiary	01/01/09	Share of assets and use of railroad infrastructure, right of way and mutual traffic	-	-	31/12/28	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and changes in equity control of parties.
América Latina Logística Malha Sul S.A and América Latina Logística Malha Oeste S.A.	Subsidiary	01/01/09	Share of assets and use of railroad infrastructure, right of way and mutual traffic	-	-	28/02/27	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and ALL - América Latina Logística Equipamentos S.A	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and ALL - América Latina Logística Intermodal S.A	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and Portofer Transporte Ferroviário Ltda.	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and ALL - América Latina Logística Malha Norte S.A	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and ALL - América Latina Logística Malha Sul S.A	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and ALL - América Latina Logística Malha Oeste S.A	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and ALL - América Latina	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-
ALL América Latina Logística Serviços Ltda. and ALL - América Latina Logística Malha Oeste S.A	Subsidiary	15/09/10	Administrative service agreement	-	-	15/09/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, changes in equity control of parties.
Brado Logistica e Participações S.A. and other companies	Subsidiary	20/12/10	Railroad transportation service and railroad inve:	-	-	Concession agreement effective term	Non-compliance with contract, bankruptcy, wind-up or court recovery; Total or partial delinquency
Brado Logistica e Participações S.A. and other companies	Subsidiary	20/12/10	Assignment of terminals to container services	-	-	Concession agreement effective term	Non-compliance with contract, bankruptcy, wind-up or court recovery; Total or partial delinquency
Subsidiaries with affiliate companies:							
América Latina Logística Malha Norte S.A							
Boswels S.A.	Entity under common control	22/12/09	Aircraft operating lease agreement	-	-	22/12/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and changes in equity control of parties.
América Latina Logística Malha Paulista S.A							
Santa Fé Vagões	Entity under common control	01/11/06	Cooperation agreement of a 18,784.90 m2 area - C	-	-	01/01/29	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and changes in equity control of parties.
América Latina Logística Sul S.A							
Boswels S.A.	Entity under common control	07/11/07	Aircraft operating lease agreement	-	-	07/11/11	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and changes in equity control of parties.

(In thousands of reais, unless otherwise indicated)

In addition, subsidiary ALL Malha Norte maintains with BNDES Participações S.A., a shareholder of ALL Holding, a debenture transaction, bearing market interest, amounting to R$ 341,760 as of June 30, 2011, maturing through June 2016.

There are some guarantees given to or received from related parties, payable or receivable, to wit:

	Secured					
	ALL S.A.	ALL Malha Sul	ALL Intermodal	ALL Malha Paulista	ALL Malha Norte	Total
Securing companies						
ALL S.A. (Company)						
Debentures	-	174,993	-	174,993	174,993	524,979
BNDES	-	259,095	-	110,051	679,923	1,049,069
CCB	-	814,297	-	-	-	814,297
Other	-	-	2,880	-	81,576	84,456
		1,248,385	2,880	285,044	936,492	2,472,801
ALL Malha Sul						
Debentures	1,628,255	-	-	-	-	1,628,255
ALL Malha Norte						
Debentures	832,775	-	-	-	-	832,775
ALL Malha Paulista						
Debentures	832,775	-	-	-	-	832,775
Debentures	832,775	-	-	-	-	832,775
ALL Intermodal						
Debentures	795,480	-	-	-	-	795,480
CCB	-	332,674	-	-	-	332,674
	795,480	332,674	-	-	-	1,128,154
Total	4,922,060	1,581,059	2,880	285,044	936,492	7,727,535

The Company adopts corporate governance practices recommended and/or required by applicable legislation, including those set forth in the Regulation for Differentiated Practices of Corporate Governance – New Market (Novo Mercado), created by Brazilian Mercantile & Futures Exchange (BM&FBOVESPA S.A.)

The decision on all Company's transactions is submitted to the Board of Directors, Officers and Supervisory Board, according to the competences described in its Articles of Incorporation. Accordingly, all transactions, particularly related-party transactions, have been properly submitted to those Company’s boards in charge of decision-taking to which they were subject, in accordance with prevailing rules. Furthermore, pursuant to Law No. 6404/76, any member of the Company’s Board of Directors is not allowed to vote in any board meeting, or to perform in any transaction or business in which they have conflict of interest with the Company.

21. Provision for unrealized income

(In thousands of reais, unless otherwise indicated)

At December 31, 2001, the Company sold to its subsidiary ALL Malha Sul the right to use the segments from Presidente Epitácio to Rubião Junior and Pinhalzinho / Apiaí to Iperó, for the market value of R$ 22,387, supported by an appraisal report prepared by an independent appraising company as of the same date. At December 31, 2001, the Company set up a provision for unrealized income amounting to R$ 19,312 for this transaction, stated under long-term payables. At June 30, 2011, R$ 7,066 (R$ 6,695 through December 31, 2010) was realized.

22. Advances on real estate credits (CRI) – consolidated

The Company and its subsidiary ALL Malha Norte entered into agreements granting credits arising from leased terminals, whose balances are:

		06/30/2011		12/31/2010	
		Current liabilities	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
ALL S.A. (Company)	(i)	29,968	66,164	29,968	73,374
ALL Malha Norte	(ii)	121,643	372,385	121,643	393,026
		151,611	438,549	151,611	466,400

Balance is composed of two CRI operations:

(i) CRI I: On February 29, 2008, the Company entered into a concession agreement of credits arising from leasing Terminal Intermodal de Tatuí. CIBRASEC, on its turn, issued Real Estate Receivables Certificates (CRI) which are remunerated at the rate of 12.38% p.a., from issue date to maturity date of each CRI. Effective terms and maturities are fixed; the first CRI matured in March 2009 and the last one matures in 2018. Financial charges of this transaction are monthly allocated to P&L.

(ii) CRI II: On November 28, 2008, ALL Malha Norte executed with CIBRASEC an agreement granting it credits arising from leasing Terminal de Alto Araguaia (Mato Grosso State). CIBRASEC, on its turn, issued Real Estate Receivables Certificates (CRI) which are remunerated based on CDI + 2.6% p.a., from issue date to maturity date of each CRI. Effective terms and maturities are fixed; the first CRI matured in November 2009 and the last one matures in 2018. Financial charges of this transaction are monthly allocated to P&L.

23.Deferred income - consolidated

(In thousands of reais, unless otherwise indicated)

		06/30/2011		12/31/2010	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Subsidiaries					
ALL Intermodal	(i)	34	454	34	471
ALL Malha Norte	(ii)	1,528	12,070	1,528	12,834
ALL Malha Paulista	(iii)	858	13,783	858	14,212
ALL Malha Sul	(iii)	191	2,682	191	2,777
		2,611	28,989	2,611	30,294

(i) This refers to deferred income arising from capital payment by means of free land granted (through 2025) by ALL Intermodal to Rhall Terminais Ltda., allocated over the concession agreement remaining period on a straight-line basis.

(ii) This arises from revenue earned from sale of 28 locomotives, with subsequent execution of lease-back agreements with Banco Itaú, which expire through 2018.

(iii) This results from agreements entered into with communication companies, whose purpose was to assign the right of way of the track for optical fiber cables to be installed while the Cargo Railroad Transportation Utility Service Concession Agreement remains in effect (through 2010), and is allocated to P&L on a straight-line basis over the remaining right concession period.

24. Taxes and social security contributions in installments - consolidated

	06/30/2011		12/31/2010	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Law No. 11941/09	31,708	182,178	14,256	181,766
Senai	-	-	146	-
Sesi	-	-	184	-
Education allowanc	343	-	231	-
ISS	1,289	1,700	1,776	2,000
Social security cont	1,025	-	1,092	-
ICMS / VAT	-	4,806	-	4,806
	34,365	188,684	17,685	188,572

In order to reduce their exposure to tax risks, the Company and its subsidiaries enrolled with the Program for Debt Payment in Installments of the Brazilian Finance Attorney-General's Office and Brazilian IRS, created through Law No. 11941/09, in the 4^{th} quarter of 2009, which was approved in June 2011.

The Company states that it has been regularly paying the corresponding installments.

(In thousands of reais, unless otherwise indicated)

25. Equity

a) Capital

The Company's subscribed and paid-in capital is as follows:

	06/30/2011	12/31/2010
Common	689,122,312	689,122,312

The Company is authorized to increase capital, irrespective of any statutory reform, up to the limit of 820,000,000 common shares.

In Special and General Shareholders' Meeting held on September 9, 2010, the Company's shareholders, authorized by ANTT through Resolution No. 3563, of August 12, 2010, approved the Company's classification in the special segment on BM&F Bovespa, called New Market (*Novo Mercado*). As a result of this decision and rules established for the Company's New Market classification, capital comprised only common shares, at the ratio of one (1) preferred share to one (1) common share, including those preferred shares in share deposit certificates issued by the Company – Units, which were then cancelled. After shares were converted, a five (5) to one (1) common share conversion was also deliberated. Company's capital then comprised 687,502,312 common shares.

Company's capital increase by R$ 24,170, through issue of 1,620,000 common shares, was approved in Board of Directors' meeting held on December 22, 2010.

b) Treasury shares

As described in the prior item, shares included in Units were converted into common shares.

110,574 shares were used through June 30, 2011 (1,753,788 at December 31, 2010) to settle share options exercised for the period. Transfers were recorded at the weighted average cost of treasury shares (R$ 16.76).

In the first half of 2011, the Company did not buy back any shares; however, in 2010, the Company acquired 64,560 shares at total cost of R$ 358.

At June 30, 2011, the Company held 460,570 common shares in treasury.

c) Dividend distribution and interest on equity capital

Shareholders are entitled to minimum mandatory divided of 25% on net income adjusted under the terms of article 202, Law No. 6404/76, amended and revoked by Law No. 11638, of December 28, 2007, and Law No. 11941, of May 27, 2009.

d) Income reserve

Pursuant to Brazilian Corporation Law, a legal reserve is set up based on net income for the year, at the rate of 5% before any other allocation, and should not exceed 20% of capital.

Reserve for investments is set up based on statutory provisions, which are supported by the Company's investment plan by means of uses and sources subject to the Board of Directors and pursuant to article 194 of Law No. 6404/76, which determines that such reserve shall not exceed subscribed capital, at an amount not less than twentyfive percent (25%) and not exceeding (75%) of net income for the year, adjusted under article 202 of Law No. 6404/76, with a view to financing the expansion of the Company's and its subsidiaries' activities, including through subscription of capital increases or development of new ventures.

e) Advances for future capital increase

Amounts received as advances for future capital increase, arising from contributions to the Stock Option Plan, described in Note 26, are stated under Equity.

f) Tax incentives - SUDAM

On September 26, 2007, ALL - Malha Norte filed with the Supervisory Office for Development of the Amazon (SUDAM) a lawsuit claiming the right to reduce IRPJ and non-refundable surcharges computed on exploration income, since it is located in the area which comprises the Legal Amazon, and its transportation sector is considered as a priority for regional development, according to Item I, article 2, Decree No. 4212 of April 26, 2002.

The benefit was granted by Brazilian IRS through Executive Declaratory Act No. 504, of November 28, 2008, after SUDAM issued certificate of income tax reduction No. 135/2008, whereby ALL Malha Norte was granted the tax benefit of 75% reduction for IRPJ and non-refundable surcharges on the exploration income for a 10-year term, as of 2008 and expiring in 2017.

The legal grounds for benefit recognition was created by Provisional Executive Order No. 2199-14, in its article 1 of August 24, 2001 and wording set forth in Law No. 11196, of November 21, 2005. The effect of the 75% reduction for IRPJ and non-refundable surcharges calculated on exploration income amounted to R$13,078 (R$14,479 as of March 31, 2010), recorded as a IRPJ and CSLL expense reduction for subsidiary ALL Malha Norte, according to CPC 07 issued by Brazilian Financial Accounting Standards Board (CPC) and approved by CVM Resolution No. 555, of November 12, 2008.

Tax incentive is related to the Company's purpose to increase and maintain investments in the Legal Amazon region, by fostering the development of that region, increasing employment, income and production levels, and contributing to increase in the collection of local, state and federal taxes.

Should the beneficiary company fail to comply with project objectives and its provisions, which may characterize misuse of funds, SUDAM decision-taking board will cancel approved incentives, and the beneficiary company will have to pay the operating Bank those amounts received, restated at the same index used for federal taxes, as of receipt date, plus 10% fine and monthly interest in arrears of 1%, less, in case of investment in debentures, installments already amortized (Law No. 8167/91, article 12, paragraph 1, items I and II, the latter including the wording set forth by Provisional Executive Order No. 1740-31, of May 6, 1999).

The Company states that conditions related to incentives have been duly met and there are no other contingencies related so such incentive.

26. Share-based payment

Expenses recorded with services received from employees for the periods, arising from share-based payment transactions to be settled upon delivery of equity instruments, amounted to R$ 12,498 as of June 30, 2011 (R$ 10,210 as of June 30, 2010).

(In thousands of reais, unless otherwise indicated)

Stock option plan:

In Special and General Shareholders' meeting held on April 1, 1999, shareholders approved the Company's Stock Option Plan("Plan"), targeted at Company's management, employees and service providers ("Beneficiaries"). The Plan establishes general parameters among which we point out:

The Plan is managed by the Board of Directors or, at its discretion, by a Committee made up for this purpose. Plan managers are responsible for periodically creating stock option plans, and establish, among qualified individuals, those to whom options will be granted and specific applicable rules, considering general Plan rules ("Program").

The volume of stock options is limited to 5% of Company's shares existing on each Program approval date.

Programs may comprise two groups of beneficiaries, with different agreement types, herein referred to as "Agreement A" (common to all programs) and "Agreement B" (included as of "2006 Program").

In "Agreement A", beneficiary must pay 10% of share amount, upon agreement execution, as a condition for the stock option plan, to acquire the right to make yearly contributions for the acquisition of 18% of total shares, so that, at by the end of the 5th year, the beneficiary will have incorporated to their assets the right to make contributions for acquisition of 100% shares. Contribution amount (option price) is restated at IGP-M variation.

Agreements B are different from Agreement A, particularly in the following aspect:

(i) acquisition of the right to make contributions for share acquisition changes from 10% on grant date and 18% in subsequent years, as in Agreement A, to 10% on grant date, 5% in the first year, 10% in the second, 15% in the third, 25% in the fourth and 35% in the fifth and last year. In case the beneficiary of Agreement B is wrongfully dismissed from the Company, the Committee may, at its discretion, change the acquisition schedule of the right to make contributions for share acquisition to 18% per year, such as the schedule of Agreement A.

The call price is defined by the Committee based on the stock market price. Options granted have a limitation period of ten years as of vesting date.

The Plan neither provides for the assumption of option settlement in cash, nor there is a history of such practice by the Company, so that options fair value is estimated on grant date by means of the Black-Scholes option pricing model, considering applicable terms and conditions under which options were granted.

The following chart states the number (No.) and weighted average exercise price (MPPE) of stock options and corresponding changes for the period:

	1st half of 2011		2010	
	No.	MPPE	No.	MPPE
Initial balance	10,126,175	12.55	11,946,564	11.10
New grants				
Lost	(8,519)	12.51	(186,600)	12.75
Exercised 1	(67,209)	8.74	(1,633,789)	11.05
Final balance	**10,050,447**	12.97	**10,126,175**	12.55

(In thousands of reais, unless otherwise indicated)

[1] Weighted average price of shares on such options exercise date was R$ 14.90 as of June 31, 2011 (R$ 16.30 at December 31, 2010).

On August 3, 2009, the Stock Option Plan Committee canceled 2007 and 2008 Programs, and exchanged options unexercised by plan beneficiaries for a new 2009 Program, at the ratio of 9 to 5. Thus, for each 9 options included in canceled tranches (2007 and 2008 Programs), affected beneficiaries received 5 2009 Program options of the same type and class, originated on the same date with the following characteristics: (i) volume of shares: 6,850,805 shares, of which 1,350,000 are common shares and 5,400,000 are preferred shares; (ii) share price: R$ 2.20, equivalent to R$ 11.00 per Unit; (iii) acquisition of the right to acquire shares restarts from zero (terms related to 2007 and 2008 Programs are not taken into consideration); and (iv) 5-year vesting period, 20% p.a.

The weighted average of remaining stock option contractual term was 6.34 years as of June 30, 2011. Minimum and maximum option exercise price as of June 30, 2011 was R$ 4.74 and R$ 15.49, respectively.

The Company posts contributions to its books, based on individual controls of each beneficiary, as an advance for future capital increase, under equity. Upon approval in General Shareholders' meeting, such amount is recorded as capital. For the specific case of contributions made in the region of 30% for option acquisitions, the Company records capital increase as from the second base date, in compliance with Law No. 6404/76.

The following chart lists assumptions included in the model used to estimate last grant option fair value:

	2009
Expected volatility (%)	36.4%
Interest rate free from risk (%)	6% + IGPM
Expected option life (years)	5.5
Weighted average share price (R$)	11
Pricing model used	Black & Scholes

Expected option life is based on historical data and does not necessarily indicate a standard exercise. Expected volatility reflects the assumption that past five-year volatility history prior to grant date indicates a future trend, which may be different from the actual result.

Restricted Share Option Program

In meeting held on September 1, 2010, Stock Option Plan Management approved the Restricted Share Option program. This program consists in granting options, equivalent to 3,000,000 shares, to a certain group o employees and managers of the Company, on a non-transferable basis, whose exercise is cumulatively conditional to maintaining their employment relationship with the Company through December 31, 2012, to their meeting individual operating goals and to the Company's succeeding in meeting its EBITDA goals.

Options are not entitled to dividends prior to their exercise. They can be exercised six months after vesting period, which ends on December 31, 2012. Exercise price is R$ 0.01 per share. As exercise price tends to zero, option fair value is equivalent to share market value on program grant date (R$ 16.50).

There were no additional changes over the year in relation to the restricted share option program.

27. Financial income and expenses, net

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Interest on indebtedness/debentures/sureties	(93,540)	(58,225)	(352,095)	(312,768)
Fines/Interest – Tax/Suppliers/Wagons	(1,407)	(293)	(72,060)	(65,872)
Interest on lease and concession agreements			(118,975)	(97,874)
Customers/PVA/Other	(2,513)	(1,487)	(5,566)	(16,234)
Total financial expenses	(97,460)	(60,005)	(548,696)	(492,748)
Revenue from investments	39,829	38,982	103,847	112,303
Remuneration on debentures	17,181	6,378		
PVA/Other	118	127	1,875	1,984
Total financial income	57,128	45,487	105,722	114,287
Financial income and expenses, net	(40,332)	(14,518)	(442,974)	(378,461)

28. Statement of comprehensive income

Pursuant to CPC 26 – Presentation of Financial Statements, the Company's changes in comprehensive income for the periods ended June 30, 2011 and 2010 are as follows.

	Company		Consolidated	
	06/30/11	06/30/10	06/30/11	06/30/10
Net income for the year	186,145	189,917	186,145	189,917
Foreign exchange on investments abroad	(1,211)	680	(1,211)	680
Investments marked to market	1,666	509	1,666	509
Mark-to-market effects on hedge instruments	5,069	(8,257)	5,069	(8,257)
Company's reflecting adjustment	5,477	-	5,477	-
Total comprehensive income	**197,146**	**182,849**	**197,146**	**182,849**
Attributable:				
Company's shareholders	197,146	182,849	201,043	185,629
Non-controlling interest	-	-	(3,897)	(2,780)
	197,146	**182,849**	**197,146**	**182,849**

29. Earnings per share

The following chart establishes earnings-per-share calculation (in thousands, except for earnings per share):

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Basic earnings per share				
Numerator				
Net income for the year attributed to Company's shareholders	186,145	189,917	186,145	189,917
Denominator (in thousands of shares)				
Weighted average number of common shares	688,525	685,995	688,525	685,995
Basic earnings				
Per common share	0.2704	0.2768	0.2704	0.2768
Diluted earnings per share				
Numerator				
Net income for the year attributed to Company's shareholders	186,145	189,917	186,145	189,917
Denominator (in thousands of shares)				
Weighted average number of common shares	688,525	685,995	688,525	685,995
Dilutive effect				
Share options	13,050	10,490	13,050	10,490
Weighted average number of common shares adjusted by dilutive effect	701,575	696,485	701,575	696,485
Diluted earnings:				
Per common share	0.2653	0.2726	0.2653	0.2726

30. Information per reporting segment

Information per business segment, for the periods ended June 30, 2011 and 2010, is as follows:

Financial income/expenses by Business Unit

Description	Agricultural commodities		Manufactured products		Road services		Argentina		Brado		Total	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010 *	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010 *	06/30/2011	06/30/2010 *
Gross revenue	1,199,529	1,063,448	431,543	411,799	51,993	50,890	85,140	78,430	54,456	52,353	1,822,661	1,656,920
Net revenue	1,056,905	936,134	359,796	346,748	45,866	44,443	82,840	76,405	47,437	46,006	1,592,844	1,449,736
Cost of services rendered	(525,890)	(445,813)	(202,244)	(196,960)	(41,420)	(40,726)	(73,333)	(67,044)	(37,452)	(36,582)	(880,339)	(787,125)
Gross profit	531,016	490,321	157,553	149,788	4,446	3,718	9,507	9,361	9,985	9,424	712,507	662,612
EBIT	499,631	435,570	145,432	128,428	2,765	1,183	(11,741)	(203)	3,862	5,913	639,949	570,891

* The results of 2010 are presented on a pro forma basis, considering as Brado has already been created in that period.

The Company is organized in business units, based on major market industries where it operates. Company's transactions are divided into four business units, three of which are for Brazilian transactions and one accounting for Argentine transactions. In Brazil, the three business units are:

(i) agricultural commodities – which comprise transportation of products such as soybeans, soy meal, fertilizers, sugar, corn, wheat, rice, among others.

(ii) manufactured products (railroad and intermodal transportation) – this refers to transportation of steel products, wood, paper, pulp, food, containers, fuels, vegetal oil, products for civil construction, among others.

(iii) highway transportation unit includes products such as high maltose, gases and auto parts.

(In thousands of reais, unless otherwise indicated)

Segment performance is assessed based on operating margin, which, as stated in the chart above, is different from that stated in the consolidated quarterly information.
Company's financing and investments (including financial income and expenses) and income taxes are managed at consolidated level, and are not allocated to operating segments.

31. Other revenues/expenses and adjustments

Other operating income

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Disposal of fixed assets	797	587	11,557	-
Judicial deposit release	-	11,108	-	11,108
Inspection fee	-	-	-	96
Other	-	-	-	389
Total	**797**	**11,695**	**11,557**	**11,593**

Other operating expenses

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Customs fees	26	12	468	662
Fuels not consumed in the operation	-	-	553	226
Deductible donations	-	47	396	209
Write-off of fixed assets	3,578	-	4,417	6,211
Other	-	-	51	-
Total	**3,604**	**59**	**5,885**	**7,308**

Depreciation, amortization, maintenance, fuels, lease and concession included in the consolidated income statement

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Fuel	-	10	229,661	236,658
Third-party services	592	4,547	7,604	21,703
Intangible assets amortization and depreciation	2,026	1,525	198,257	174,228
Amortization of goodwill	21,893	16,136	22,460	16,788

Net revenue

(In thousands of reais, unless otherwise indicated)

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Gross revenue	75,775	30,989	1,822,661	1,621,015
(-) Deductions (taxes, discounts and cancellations)	(7,149)	(2,634)	(229,816)	(202,364)
Net revenue	**68,626**	**28,355**	**1,592,845**	**1,418,651**

32. Insurance - consolidated

At June 30, 2011, insurance coverage established by Company's management to cover any contingent events and civil liability is as follows:

Line of business	Coverage by event		Insured amount	Insurance period dd/mm/yyyy
Operating railroad risks	Assets – material damage and loss of profit	R$	60,000	01/08/2010 to 01/08/2011
Civil liability – railroad operations	Operations, pollution, employer, vehicles (contingencies) and port activities	R$	10,000	30/04/2011 to 30/04/2012
Railroad cargo insurance	Civil liability of the railroad cargo carrier (RCTF-C); railroad risk (RF) – by boarding	R$	2,200	30/06/2011 to 30/06/2012
Civil liability - trucs	Damages to third parties on domestic routes	R$	300	13/11/2010 to 13/11/2011
	Damages to third parties on foreign routes	R$	120	31/03/2011 to 31/03/2012
Insurance for road freight	Civil liability of the road freight carrier (RCTR-C) accidents and (RCF-DC) theft; international road transportation		RCTR-C R$ 2.200 RCT-VI R$ 2.200 RCFD-C R$ 2.200	30/06/2011 to 30/06/2012

33. Financial instruments

At June 30, 2011, the Company and its subsidiaries held the following financial instruments:

(In thousands of reais, unless otherwise indicated)

	Book value		Fair value	
	06/30/11	12/31/10	06/30/11	12/31/10
Financial assets				
Trade accounts receivable	327,775	231,383	327,775	231,383
Intercompany loan receivable	2,114	1,344	2,114	1,344
Advances and other accounts receivable	96,113	95,200	96,113	95,200
Deposit-refund and restricted amounts	357,202	348,015	357,202	348,015
Cash and cash equivalents	2,430,419	1,974,560	2,430,419	1,974,560
TOTAL	**3,213,623**	**2,650,502**	**3,213,623**	**2,650,502**
Financial liabilities				
Debentures	2,557,355	1,726,814	2,557,355	1,726,814
Intercompany loan payable	3,398	3,304	3,398	3,304
Advances from customers	39,432	69,452	39,432	69,452
Finance lease agreements	1,326,463	1,096,101	1,326,463	1,096,101
Loans and financing	3,033,118	3,039,050	3,031,522	3,038,195
Advances on real estate credit	590,160	618,011	590,160	618,011
Trade accounts payable	382,428	345,352	382,428	345,352
Total	**7,932,354**	**6,898,084**	**7,930,758**	**6,897,229**

Fair value of financial assets and liabilities is included in the value for which such instrument could be exchanged in a current transaction between parties willing to negotiate, and not in enforced sale or settlement. The following methods and assumptions were used in fair value estimation.

- Cash and cash equivalents, trade accounts receivable, trade accounts payable and other current liabilities are close to their corresponding book value, mainly due to short-term maturity of such instruments.

- Fair value of securities and debentures subject to negotiation is based on prices quoted as of quarterly information date. Instrument fair value not subject to negotiation, bank loans and other financial debt, finance lease agreements, as well as other non-current financial liabilities, is equivalent to their book value, which corresponds to settlement cost thereof.

- Fair value of financial assets available for sale is obtained through market prices quoted in active markets, if any.

- The Company takes out derivative financial instruments from several counterparties, particularly financial institutions with an investment level classification. Derivatives assessed through techniques with data observable in the market mainly refer to interest rate swaps and forward foreign exchange agreements. Assessment techniques used more frequently include swap and forward contract pricing models, with present value calculations. Models include several data, including counterparty credit quality, forward and in-cash foreign exchange rates and interest rate curves.

The Company uses no derivative financial instruments for speculative purposes.

Key risk factors for the Company and its subsidiaries, related to financial instruments, are as follows:

a) Credit risk

The Company and its subsidiaries are potentially subject to credit risks in its trade accounts receivable or credit with financial institutions generated from investments. Procedures adopted to minimize commercial risks include selecting customers, through proper credit risk analysis, setting sales limits and short-term maturity of securities. An allowance for doubtful accounts have been set up for full estimated losses therewith. As regards short-term investments, the Company and its subsidiaries make it a practice to invest only in low credit-risk financial institutions, according to the risk classification set by first-tier rating agencies. Management sets a maximum limit for the investment, according to Equity and risk classification of each institution.

b) Interest rate risk

The Company has certain liabilities on which floating interest rates are levied, which generates exposure to floating market interest rate risk.

In order to avoid mismatching of financial assets and liabilities rates, fixed Interbank Deposit Certificate Index (DI) swap agreements, so as to set fixed interest rates for part of liabilities previously pegged to CDI. Part of net exposure to CDI was hedged, i.e., debt balance exceeding cash invested at CDI. The 3rd issue of Malha Sul debentures, CCB maturing in 2014, part of 5th debenture flow and NCE maturing in October 2012 and June 2013 are now restated at fixed interest rates. These swaps ensure that the indexes between assets and liabilities remain equal, thus mitigating the interest rate effect on Company's P&L. These instruments are recorded as hedge.

An interest rate risk sensitivity analysis is presented below, stating estimated effects of changes in scenarios in P&L for the following twelve months, for swaps and corresponding hedged items. Management considered CDI projected for 2011 as the probable scenario, according to bank projections:

(In thousands of reais, unless otherwise indicated)

Interest rate appreciation risk

Operation	Risk	Notional value	Fair value in 06/30/11	Probable scenario	+25%	+50%
FINANCIAL ASSETS AND LIABILITIES						
Debentures 3rd issue	CDI	166,666	(2,752)	23,624	29,530	35,436
Long position swap – counterparty HSBC	CDI	(166,666)	2,752	(23,691)	(29,614)	(35,536)
Debentures 5th issue (33.33%)	CDI	66,667	963	10,539	12,757	14,975
Long position swap – counterparty Santander	CDI	(66,667)	(963)	(10,546)	(12,766)	(14,986)
CCB	CDI	90,489	2,673	15,772	19,366	22,959
Long position swap – counterparty Santander	CDI	(90,489)	(2,673)	(16,493)	(20,251)	(24,009)
NCE	CDI	100,000	1,833	13,101	13,101	13,101
Long position swap – counterparty Banco do Brasil	CDI	(100,000)	(1,833)	(13,048)	(13,048)	(13,048)
Taxes in installments	CDI	-	(208,267)	(26,033)	(32,542)	(39,050)
References						
Average CDI (p.a.)			-	12.50%	15.63%	18.75%

Probable scenario for the following 12 months, based on bank macroeconomic projections.

The effect of exposure to changes in remaining interest rates is presented in item “d” below.

c) Currency risk

This arises from the likelihood of losses due to fluctuations in exchange rates increasing liabilities related to loans, trade accounts payable or supply agreements in foreign currency, as well as fluctuations reducing investment or other asset balances.

The Company makes it a practice to use derivative instruments solely to mitigate effects related to foreign exchange losses in Real in its time purchases in foreign currency. Therefore, the Company takes out “dollar-real” swaps in the same amount and with the same maturity date as those hedged transactions. The Company regularly monitors its currency risk exposure so as to ensure that P&L of hedge transactions annuls currency effect on its cash flows.

See below the currency risk sensitivity analysis, stating estimated effects of changes in scenarios in P&L for the following twelve months. Management considered foreign exchange rates projected for 2011 as the probable scenario, according to macroeconomic projections:

(In thousands of reais, unless otherwise indicated)

Foreign currency appreciation risk

Operation	Risk	Notional value	Fair value in 06/30/11	Probable scenario	+25%	+50%
FINANCIAL ASSETS AND LIABILITIES						
Foreign currency appreciation risk – Effect on investments:						
Investments	USD	6,144	9,586	244	2,701	5,159
Net effect on investments		**6,144**	**9,586**	**244**	**2,701**	**5,159**
Foreign currency appreciation risk – Effect on suppliers/imports:						
Non-current trade accounts payable	USD	(66,660)	12,750	(4,125)	(45,688)	(87,251)
Long position swap by counterparty:						
Counterparty Santander	USD	9,928	(1,339)	615	6,815	13,014
Counterparty HSBC	USD	49,086	(11,411)	3,042	33,693	64,344
Counterparty Bradesco	USD	7,732	(860)	479	5,308	10,136
Net effect on suppliers / imports		**86**	**(860)**	**12**	**128**	**244**
References						
Dollar USD/R$				1.60	2.00	2.40

Probable scenario for the following 12 months, based on bank macroeconomic projections.

d) Net debt financial charge deterioration risk

This risk arises from the likelihood of the Company's incurring losses due to changes in interest rates and other indexes of its loans and financing which increase its financial expenses or reduce its financial income arising from its investments. In the Company, this risk has an impact on net debt indexed at CDI (total debt indexed at CDI, investments indexed at CDI). In order to partially hedge this exposure, management decided to take out swap transactions, as mentioned in item "b" of the Interest Rate Risk chart. The Company continues to monitor these indexes so as to assess any needs to take out derivatives and mitigate the risk of changes in such rates.

See the following financial charge deterioration sensitivity analysis, stating estimated effects of changes in scenarios in P&L for the following twelve months, considering rates projected for 2011 as the probable scenario. As alternative scenarios, increase in rates were simulated, considering that the Company has a net debt position:

(In thousands of reais, unless otherwise indicated)

Net debt financial charge deterioration risk

Operation	Risk	Probable scenario	+25%	+50%
FINANCIAL ASSETS AND LIABILITIES				
CASH AND CASH EQUIVALENTS				
Investments indexed at CDI	CDI	235,883	294,854	353,825
Fixed income investments	FIXED	54,841	54,841	54,841
LOANS AND FINANCING				
FINANCING indexed at TJLP	TJLP	146,458	174,281	202,105
FINANCING indexed at CDI	CDI	235,022	290,106	345,190
FINANCING – fixed / floating through swap, as in item b	:D/FLOAT	29,555	33,069	36,582
SHORT POSITION - Swaps USD X %CDI	CDI	4,125	45,688	87,251
DEBENTURES indexed at CDI	CDI	213,348	260,108	306,868
DEBENTURES fixed / floating through swap, as in item b	FIXED	32,602	32,602	32,602
IGPM	IGPM	1	1	1
IPCA	IPCA	43,148	48,068	52,989
ADVANCES on real estate credits indexed at CDI	CDI	89,384	108,517	127,650
Average CDI (p.a.)		12.50%	15.63%	18.75%
TJLP		6.00%	7.50%	9.00%
IGPM		6.00%	7.50%	9.00%
IPCA		6.50%	8.13%	9.75%

Probable scenario for the following 12 months, based on bank macroeconomic projections.

(In thousands of reais, unless otherwise indicated)

e) CVM Rule No. 475

Consolidate position of derivative financial instruments is as follows:

Fair value of transactions with derivative instruments by maturity

DESCRIPTION	REFERENCE VALUE (NOTIONAL)		FAIR VALUE		ACCUMULATED EFFECT (CURRENT PERIOD)	
	06/30/11	12/31/10	06/30/11	12/31/10	AMOUNT RECEIVABLE /RECEIVED	AMOUNT PAYABLE/PAID
SWAP CONTRACTS:						
NET POSITION						
CURRENCY RISK	USD	USD	R$	R$	R$	R$
MATURITY USD x %CDI:						
1Q11	-	39,036	-	(6,422)	-	-
3Q11	50,445	14,545	(10,836)	(2,107)	-	(10,836)
1Q12	41,369	-	(6,953)	-	-	(6,953)
4Q11	10,016	-	(1,844)	-	-	(1,844)
INTEREST RATE RISK	R$	R$	R$	R$	R$	R$
FIXED X FLOATING RATES – MATURITY:						
3Q12*	66,667	66,667	956	669	956	-
4Q12*	30,000	30,000	(206)	(137)	-	(206)
2Q13*	70,000	70,000	(1,273)	(856)	-	(1,273)
4Q14*	75,000	75,000	(4,331)	(5,645)	-	(4,331)
1Q18*	150,000	150,000	5,020	6,782	5,020	-
3Q18*	166,666	166,666	(497)	(4,840)	-	(497)
TOTAL			**(19,964)**	**(12,556)**	**5,976**	**(25,940)**

** Derivative transaction characterized as hedge (hedge documentation)*

The USD x % CDI chart swap transactions above are carried out at an average 110% CDI short position cost and a short position cost pegged to foreign exchange variation, plus average spread of 1%.

Fair value of derivatives is recorded in (Current and Non-current) Loans and Financing, under Liabilities, against: i) P&L, should derivatives have no hedge documentation, and ii) Equity adjustments (Equity), should derivatives have hedge documentation. In the second case, fair value effect is recorded as Loans and Financing, under Current Liabilities. All derivatives used have a hedged item (hedged assets); therefore, at maturity, negative and positive effects of such transactions are offset against opposite effect in the asset or liability items whose risks are mitigated.

We point out that, at maturity, negative and positive effects of such transactions are offset against opposite effect in the asset or liability items whose risks are mitigated.

Fair value of derivative was estimated based on exchange curves and current BM&F interest rates as of June 30, 2011, for future value projection, as well as DI future rate of BM&F to carry these flows to present value. There is no margin deposit or guarantees of any type or amount for any of the derivatives in question.

(In thousands of reais, unless otherwise indicated)

The effect on Company's P&L as of June 30, 2011 for hedging derivative financial instruments is a debt balance of R$ 19,633 (as of June 30, 2010, debt of R$ 4,467). Gains and losses from swaps related to hedge structure recorded in equity amount to debt balance of R$ 1,671 at June 30, 2011 (R$ 1,368 debt as of December 31, 2010).

34. Private pension plan

Direct subsidiary ALL Malha Oeste sponsors a Benefit Plan with a Multi-sponsored Entity, HSBC Fundo de Pensão. This plan has prevailing characteristics in the defined contribution modality during reserve accumulation period. The only defined benefit plan, in the accumulation period, is a benefit equivalent to six salaries, at maximum, paid in the event of death, disability and retirement process, and is calculated according to formulae and conditions established in the plan's regulation.

Contributions are made, on average, considering 67% for the sponsor and 33% for active plan participants. Contributions related to minimum benefit are fully made by the sponsor, as defined in an actuarial technical note, and are restated on a yearly basis through actuarial assessments.

The plan is assessed on an annual basis by an independent actuary. The last actuarial assessment of the plan was concluded as of December 31, 2010. The base date used in the assessment was October 2010.

	06/30/2011	12/31/2010
Participants	47	47
Net assets	9,043	9,043
Sponsor’s contributions (% payroll)	0.16%	0.16%
Participation payroll	772	772

The plan also has a defined benefit portion in the concession phase, whose actuarial liability refers to monthly life annuities granted to its participants. Present value of the actuarial liability of Sponsored Participants, calculated based on mortality table AT-83 and on a financial discount rate of 7.16% p.a., amounts to R$ 5,651 as of October 31, 2010, and is fully covered by the Plan's Net Assets.

In addition to total financial coverage of actuarial liabilities, the plan has a surplus whereby a Pension Fund amounting to R$ 3,260, at December 31, 2010, was made. Such fund was made up of remaining balances of sponsor's contributions, arising from separated participants who partially redeemed their benefit, and who are no longer eligible for any plan benefits.

35. Subsequent events

Ritmo Logística S.A: On July 1, 2011, the creation of Ritmo Logística S.A. was effected through the combination of the road transportation businesses of ALL Intermodal SA and Ouro Verde Transportes e Locação S.A. As of this date, ALL - America Latina Logistica SA now holds the indirect control of the new company, with 65% of shares, with the non-controlling shareholder Ouro Verde Transportes e Locação S.A. The transaction was effected through the contribution of dedicated assets of ALL Intermodal S.A. and Ouro Verde Transportes e Locação S.A., as well as the transfer of employees to the new company, whose objective is to establish a strategic partnership in the highway transportation segment. Also in July 1, 2011, was agreed between the companies a shareholders' agreement, regulating the rights and obligations of the companies in Ritmo Logistica.

* * *

ALL REPORTS 2Q11 AND 1H11 RESULTS

Curitiba, Brazil, August 9, 2011 – América Latina Logistica S.A. – ALL (BM&FBovespa: ALLL3; OTCQX: ALLAY), Latin America's largest independent logistics company, announces its results for the second quarter and first half of 2011 (2Q11 and 1H11). ALL operates 21,300 km of rail tracks, 1,095 locomotives, 31,650 rail cars, distribution centers and warehousing installations. ALL's rail network serves an area that accounts for approximately 65% 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 and warehousing. The services are provided in Brazil and Argentina by three business units: agricultural commodities, industrial products and highway services. Unless stated otherwise, all comparisons made in this report refer to the same period of 2010, and the financial and operational information are presented in nominal Brazilian reais pursuant to Brazilian Corporate Law. Unless stated otherwise, the results for 2010 and 2011 contemplate the changes in Brazilian Accounting Standards that occurred in 2008 (Law 11,638), and 2010 results may differ from numbers previously released. With the creation of Brado Logistica on April 1st and to make the results of 2Q10 comparable, unless stated otherwise, results of ALL Brazil and Brado in 2Q10 are presented in a pro-forma basis, as if Brado had already been created in that period. To reflect Brado's results since 2Q11, the results of 1H10 and 1H11 are the simple sum of the results reported by ALL in 1Q10 and 1Q11, respectively, and the pro-forma results of 2Q10 and 2Q11.

Conference Calls:

English
August 10, 2011
Wednesday
10:30 a.m. US EDT

Portuguese
August 10, 2010
Wednesday
9:00 a.m. US EDT

Meeting with Analysts and Investors:

August 16, 2011
Tuesday
11:00 a.m.
(Brasília)

JW Marriott Rio de Janeiro
Av. Atlântica, 2600
Copacabana Rio de Janeiro -RJ

OPERATING AND FINANCIAL HIGHLIGHTS

✓ **ALL's consolidated EBITDA increased 12.2% in 2Q11, from R$436.0 million in 2Q10 to R$489.0 million**, mainly driven by the volume growth in Brazil, higher yields and a growth of 42.4% in Brado's EBITDA. Average yield in Brazil increased 3.9%, reflecting the inflation pass through partially offset by stable diesel prices. In 1H11, EBITDA grew 7.9%, from R$732.5 million in 1H10 to R$790.6 million.

✓ **Consolidated net income increased 19.9% in the 2Q11, from R$154.9 million in 2Q10 to R$185.6 million**, despite the increase in interest expenses and interest rates in the period. Cash flows also improved, driven by EBITDA growth and working capital improvements. In 1H11, net income reached R$186.1 million, marginally lower than the R$189.9 million net income of 1H10 due to higher interest expenses partially offset by the increase in operational results.

✓ **ALL Brazil´s rail volume increased 9.6% in 2Q11,** from 10,070 million RTK in 2Q10 to 11,041 million RTK. The volume growth was a result of (i) improvements in our rolling stock productivity, which increased the total transportation capacity in our rail network and (ii) market share gains, especially in agricultural commodities. In 1H11, ALL Brazil's volumes increased 7.2% to 19,632 million RTK.

✓ **Brado's EBITDA increased 42.4% to R$8.4 million in 2Q11, as compared to a pro forma EBITDA in 2Q10 of R$5.9 million.** The growth was driven by higher volumes of intermodal transportation as well as services provided in container logistics. Moreover, Brado already ordered 145 rail cars and 2 locomotives which will be delivered along the 4Q11 and 1Q12 to support the company´s growth plan. The company also got a credit line of R$165 million, in order to meet the financing requirements related to its capex plan.

✓ **On July 01st we created Ritmo Logistica.** The new company will be 100% focused on the highway business and was formed by the merger of ALL highway services operations and Ouro Verde. Besides the existing "dedicated solutions" trucking operations, Ritmo wants to grow in "drayage services" transportation surrounding the railroad, a market estimated in 40 million tons. Ritmo starts with gross revenues of R$277 million and EBITDA of R$30 million, taking 2010 pro forma results. ALL will retain a stake of 65% of the new company and Ouro Verde 35%. In 3Q11 we will start to report Ritmo results separated.

Table 1 - Financial Highlights (R$ million)	2Q11	2Q10[1]	% Change	1H11	1H10[1]	% Change
ALL Brazil Operations						
Gross Sales	958.9	845.4	13.4%	1,683.1	1,526.1	10.3%
Net Sales	837.5	732.6	14.3%	1,462.6	1,327.3	10.2%
EBITDA	471.7	421.8	11.8%	772.2	717.4	7.6%
EBITDA Margin [2]	56.3%	57.6%	-1.3%	52.8%	54.0%	-1.2%
Net Income	199.0	157.5	26.3%	207.5	199.9	3.8%
ALL Rail and Highway Operations[3]						
Gross Sales	1,006.9	891.5	12.9%	1,768.2	1,604.6	10.2%
Net Sales	884.2	777.6	13.7%	1,545.4	1,403.7	10.1%
EBITDA	480.6	430.1	11.7%	782.2	726.6	7.7%
EBITDA Margin [2]	54.4%	55.3%	-1.0%	50.6%	51.8%	-1.1%
Net Income	182.4	153.0	19.2%	182.9	188.1	-2.7%
Brado						
Gross Sales	54.5	52.4	4.0%	54.5	52.4	4.0%
Net Sales	47.4	46.0	3.1%	47.4	46.0	3.1%
EBITDA	8.4	5.9	42.4%	8.4	5.9	42.4%
EBITDA Margin [2]	17.7%	12.8%	4.9%	17.7%	12.8%	4.9%
Net Income	3.2	1.8	78.2%	3.2	1.8	78.2%
ALL Holding Consolidated						
Gross Sales	1,061.4	943.9	12.4%	1,822.7	1,656.9	10.0%
Net Sales	931.7	823.6	13.1%	1,592.8	1,449.7	9.9%
EBITDA	489.0	436.0	12.2%	790.6	732.5	7.9%
EBITDA Margin [2]	52.5%	52.9%	-0.5%	49.6%	50.5%	-0.9%
Net Income[4]	185.6	154.9	19.9%	186.1	189.9	-2.0%
EPS (R$/ Share)	0.27	0.27	0.3%	0.27	0.33	-18.0%
Consolidated Balance Sheet Indicators						
Total Assets	13,915.0	12,468.2	11.6%	13,915.0	12,468.2	11.6%
Shareholders Equity	4,093.8	3,988.6	2.6%	4,093.8	3,988.6	2.6%
EBITDA (Trailling 12 months)	1,399.6	1,192.4	17.4%	1,399.6	1,192.4	17.4%
Net Debt	3,160.1	2,459.6	28.5%	3,160.1	2,459.6	28.5%
Net Debt / (Trailling 12 months EBITDA)	2.3	2.1	9.5%	2.3	2.1	9.5%
Net Debt/ Equity	0.8	0.6	25.2%	0.8	0.6	25.2%

[1] Results of 2Q10 and 1H10 are presented in a pro-forma basis, as if Brado had already been created in that period
[2] For EBITDA margin change means percentage points gained/lost
[3] Includes results of ALL Brazil, Argentina and Highway Based Services
[4] ALL Consolidated net income of 2Q10 and 1H10 are presented as previous released (excludes pro-forma results of Brado Logística)
Earnings per share calculation based on number of existing shares as of June 30th of 2010 and 2011
Values may not add up due to rounding

Comments from Paulo Basilio, CEO

We are announcing 2Q11 results showing increases of 12.2% in consolidated EBITDA, 12.4% in gross revenues and 4.1% in average rail yield. Net income increased 19.9%, from R$154.9 million in 2Q10 to R$185.6 million, despite the increase in interest expenses and interest rates in the period[2]. The quarter was marked by (i) productivity and market share gains in our rail business, (ii) cash flow improvements, driven by EBITDA growth and lower working capital needs and (iii) the consolidation of our strategic projects, with the beginning of operations in Brado Logistica and the creation of Ritmo Logistica.

In Brazil, rail volume increased 9.6% in 2Q11, from 10,070 million RTK in 2Q10 to 11,041 million RTK. The volume growth was a result of (i) strong market share gains in agricultural commodities segment, and (ii) improvements in our rolling stock productivity, which increased the total transportation capacity in our rail network. Agricultural commodities volumes increased 13.0%, from 7,136 million in 2Q10 to 8,065 million in 2Q11, and our market share at the ports we serve grew from 63% to 68%. In industrial segment, volumes grew marginally, with a 9.2%

[2] Consolidated numbers in the 2Q11 includes the results of our rail and trucking operations in Brazil, our rail operations in Argentina and the results of Brado Logistica, our subsidiary which provides integrated logistics to the container segment, which concluded its merger with Standard and got fully operational in April 2011. In order to make the results of 2Q10 comparable, unless stated otherwise, results of ALL Brazil and Brado in 2Q10 are presented in a pro-forma basis, as if Brado had already been created in that period. To reflect Brado's results since 2Q11, the results of 1H10 and 1H11 are the simple sum of the results reported by ALL in 1Q10 and 1Q11, respectively, and the pro-forma results of 2Q10 and 2Q11.

increase in intermodal products partially offset by a 3.9% decrease in pure rail industrial flows (driven by a 4.8% drop in transported volumes in the construction segment, where we already have a high market share).

Gross revenues in Brazil grew 13.4% to R$958.9 million in 2Q11, with an average yield increase of 3.9% as compared to 2Q10. The average yield increase reflects a mix of inflation pass through and stable diesel prices in the period. EBITDA rose 11.8%, from R$421.8 million in 2Q10 to R$471.7 million in 2Q11, and EBITDA margin decreased from 57.6% to 56.3%.

In Argentina, EBITDA increased 7.3%, from R$8.3 million in 2Q10 to R$8.9 million, mainly driven by a 3.4% yield increase and by margin improvements. Volumes grew marginally in 2Q11, from 917 million RTK in 2Q10 to 922 million RTK, or 0.5%.

Brado Logistica, our subsidiary which provides integrated logistics for the container segment, concluded its merger with Standard and got fully operational in April. In its first quarter of operations, Brado EBITDA reached R$8.4 million, a 42.4% increase when compared to a R$5.9 million pro forma EBITDA in 2Q10. Moreover, Brado already ordered 145 rail cars and 2 locomotives which will be delivered along the 4Q11 and 1Q12 to support the company´s growth plan. The company already got a credit line of R$165 million, in order to meet the financing requirements related to its capex plan.

In 1H11, consolidated net income decreased marginally, from R$189.9 million to R$186.1 million, as the increase in operating results were offset by the higher financial expenses driven by the increase in the interest rates in Brazil. Consolidated EBITDA grew 7.9%, from R$732.5 million in 1H10 to R$790.6 million, as gross revenues increased 10.0% and average rail yield increased 3.5%.

Consolidated volumes increased 6.7% and in Brazil volumes grew 7.2% in 1H11, as compared to a 0.3% drop in Brazilian grain exports in the period, considering soy complex, corn and sugar. The expected 8.6% increase in Brazilian agricultural prodution in 2011 and the stability of the agricultural commodity exports registered in 1H indicates that a large portion of the crop will be transported in the 2H11. The delay in the beginning of crop harvesting in 2011, which lead to a weak market 1Q, should extend export season this year, throughout the 4Q11.

In July, we created Ritmo Logistica. The new company will be 100% focused on the highway business and was formed by the merger of ALL Highway Services Operations and Ouro Verde. Besides the existing “dedicated solutions” trucking operations, Ritmo wants to grow in “drayage services” transportation surrounding the railroad, a market estimated in 40 million tons. Ritmo starts with gross revenues of R$277 million and EBITDA of R$30 million, taking 2010 pro forma results (ALL´s highway business unit had revenues of R$106.6 million and EBITDA of R$12.9 million in 2010). ALL will retain a stake of 65% of the new company and Ouro Verde 35%. In 3Q11 we will start to report Ritmo results separated.

Moreover, we are very positive about our other strategic expansion projects. The first stage of the Rumo project is complete with the delivery of the additional rail car and locomotive fleet, and we continue working in our projects in terminals and mining segments.

OPERATING PERFORMANCE BY COMPANY AND BUSINESS SEGMENT

RATING PERFORMANCE BY COMPANY ANDSS SEGMENT

ALL HOLDING CONSOLIDATED RESULTS

Consolidated volumes increased 8.9% in 2Q11, from 10,987 million RTK in 2Q10 to 11,963 million RTK, due to a 9.6% growth in Brazil and a marginally increase of 0.5% in Argentina. The volume growth is explained by:

(i) A stable agricultural commodities commercialization in the period, despite a strong 2011 crop. Considering soy complex, corn and sugar Brazilian grain exports marginally increased 0.2% in the period. In this scenario, we gain market share at the ports we serve from 63% in 2Q10 to 68% in 2Q11;

(ii) Improvements in our rolling stock productivity, which increases the total transportation capacity in our rail network, as we made a marginal addition of rolling stock in our fleet this year;

(iii) A marginal increase in Industrial volumes of 1.4%, driven by the 9.2% growth in intermodal flows, pushed by wood products (25.8% growth) and containers (6.6% growth), partially offset by a decrease of 3.9% in pure rail volumes due to a reduction of 4.8% in construction segment;

(iv) A stable quarter in Argentina, where volumes grew marginally in 2Q11, from 917 million RTK in 2Q10 to 922 million RTK.

Gross revenues increased 12.4%, from R$943.9 million in 2Q10 to R$1,061.4 million in 2Q11, mainly due to a 9.6% volume growth in Brazil. Yields, measured in R$/'000 RTK, increased 4.1% in 2Q11, from R$78.7 to R$81.9, pushed by a 3.9% growth in Brazil and a 3.4% increase in Argentina. Consolidated EBITDA grew 12.2%, from R$436.0 million in 2Q10 to R$489.0 million, mainly driven by higher volumes and yields in Brazil and an increase of 42.4% in Brado's EBITDA. EBITDA margin decreased by 0.5% percentage points, from 52.9% in 2Q10 to 52,5% in 2Q11.

Table 2 - EBITDA (R$ million)	2Q11	2Q10	Change	% Change	1H11	1H10	Change	% Change
ALL Consolidated	489.0	436.0	53.0	12.2%	790.6	732.5	58.1	7.9%
ALL Brazil	471.7	421.8	49.9	11.8%	772.2	717.4	54.8	7.6%
Agricultural Commodities	361.5	314.0	47.5	15.1%	582.0	531.4	50.6	9.5%
Industrial Products	106.4	103.9	2.5	2.4%	183.1	179.6	3.5	1.9%
Highway Based Services	3.8	3.9	(0.1)	-2.6%	7.2	6.4	0.8	12.4%
ALL Argentina	8.9	8.3	0.6	7.3%	10.0	9.2	0.8	8.5%
Brado	8.4	5.9	2.5	42.4%	8.4	5.9	2.5	42.4%

Table 3 - EBITDA Margin %	2Q11	2Q10	Change *	1H11	1H10	Change *
ALL Consolidated	52.5%	52.9%	-0.5%	49.6%	50.5%	-0.9%
ALL Brazil	56.3%	57.6%	-1.3%	52.8%	54.0%	-1.2%
Agricultural Commodities	56.8%	58.3%	-1.5%	55.1%	56.8%	-1.7%
Industrial Products	60.3%	61.0%	-0.7%	50.9%	51.8%	-0.9%
Highway Based Services	15.6%	16.4%	-0.8%	15.6%	14.3%	1.3%
ALL Argentina	19.1%	18.5%	0.6%	12.1%	12.1%	0.0%
Brado	17.7%	12.8%	4.9%	17.7%	12.8%	4.9%

**Indicates percentage points gained / lost*

In 1H11, volumes increased 6.7% when compared to 1H10 and average yield increased 3.5% driven by a mix of inflation pass through and stable diesel prices. Gross Revenues went up 10.0% from R$1,656.9 million in 1H10 to R$1,822.7 million in 1H11, and EBITDA increased 7.9%, from R$732.5 million in 1H10 to R$790.6 million in 1H11.

TING PERFORMANCE BY COMPANY AND BUSINESS SEGMENT

ALL RAIL AND HIGHWAY OPERATIONS

Agricultural Commodities

Agricultural commodities volumes increased 13.0% in 2Q11, from 7,136 million RTK in 2Q10 to 8,065 million RTK, driven by productivity improvements and market share gains, as agricultural commodity exports in Brazil marginally drop in 2Q11 when compared with the same period of last year.

Table 4 - Agricultural Commodities Products (million RTK)	2Q11	2Q10	% Change	1H11	1H10	% Change
Soy	4,161.4	3,971.8	4.8%	6,774.6	7,273.9	-6.9%
Soy Meal	1,236.9	1,139.8	8.5%	2,112.5	1,970.0	7.2%
Fertilizers	693.2	565.6	22.6%	1,149.7	828.1	38.8%
Sugar	1,485.3	1,251.7	18.7%	2,164.7	1,625.6	33.2%
Corn	372.9	46.0	711.2%	1,044.7	484.3	115.7%
Wheat	28.7	96.2	-70.1%	495.8	346.2	43.2%
Rice	79.2	56.2	40.9%	198.8	189.3	5.0%
Others	7.0	8.7	-19.8%	15.9	13.5	17.5%
Total	**8,064.8**	**7,135.9**	**13.0%**	**13,956.8**	**12,730.8**	**9.6%**

Total market share at the ports we serve increased sharply from 63% in 2Q10 to 68% in 2Q11. In Port of Santos, our market share leaped from 59% in 2Q10 to 75% in 2Q11, due to a decrease in sugar exports in the period.

Agricultural Commodities gross revenues increased 17.0%, from R$614.2 million in 2Q10 to R$718.6 million in 2Q11, and gross yield, measured in R$/'000 RTK, went up 3.5%, to R$89.1. EBITDA increased 15.1%, from R$314.0 million in 2Q10 to R$361.5 million in 2Q11.

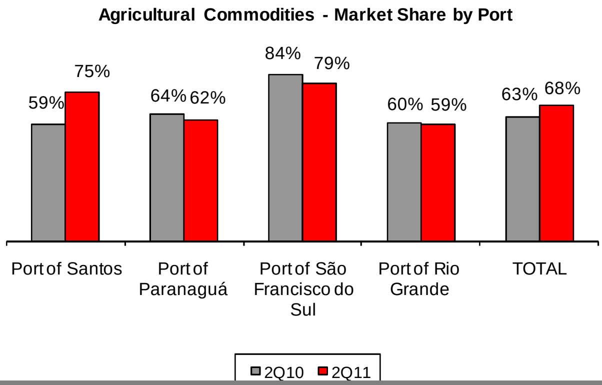

Table 5 - Agricultural Commodities (million RTK)	2Q11	2Q10	% Change*	1H11	1H10	% Change*
Volume (million RTK)	8,065	7,136	13.0%	13,957	12,731	9.6%
Gross Revenues	718.6	614.2	17.0%	1,199.5	1,063.4	12.8%
Gross Yield (R$/'000 RTK)	89.1	86.1	3.5%	85.9	83.5	2.9%
Net Revenues	636.9	538.9	18.2%	1,056.9	936.1	12.9%
EBITDA	361.5	314.0	15.1%	582.0	531.4	9.5%
EBITDA Margin	**56.8%**	**58.3%**	**-1.5%**	**55.1%**	**56.8%**	**-1.7%**

** For EBITDA Margin indicates percentage points gained / lost*

In 1H11, volumes grew 9.6% driven by market share gains despite the delay in the beginning of crop harvesting and a stable grain commercialization in the second quarter. Gross revenues increased 12.8%, reaching R$1,199.5 million, and gross yield increased 2.9%, to R$85.9 per '000 RTK, reflecting a mix of inflation pass through and stable diesel prices. EBITDA increased 9.5%, from R$531.4 million in 1H10 to R$582.0 million and EBITDA margin decreased 1.7 percentage points, to 55.1%.Considering the increase of 8.6% in total agricultural production in Brazil expected for 2011, the stability of the agricultural commodity exports registered in 1H11 leaves a large portion of the 2011 Brazilian agricultural crop to be transported in the 2H11. The delay in the beginning of crop harvesting in 2011, which lead to a weak market 1Q, should extend export season this year, throughout the 4Q11.

Industrial Products

Industrial volumes increased 1.4% in 2Q11, from 2,934 million RTK in 2Q10 to 2,976 million RTK, driven by market share gains in intermodal products, partially offset by a volume drop in pure rail flows.

Table 6 - Intermodal Industrial Products (million RTK)	2Q11	2Q10	% Change	1H11	1H10	% Change
Steel Products	453.1	426.4	6.2%	795.2	825.0	-3.6%
Wood Products	298.0	236.9	25.8%	627.1	531.1	18.1%
Food Products	174.7	165.0	5.9%	349.8	324.9	7.7%
Containers	270.2	253.3	6.6%	511.7	500.5	2.2%
Others	104.8	109.8	-4.5%	175.9	175.8	0.1%
Total	**1,300.8**	**1,191.5**	**9.2%**	**2,459.8**	**2,357.4**	**4.3%**

In intermodal flows, volume increased 9.2% in 2Q11, mainly driven by wood products (25.8% growth) and containers (6.6% growth), partially offset by others, which decreased 4.5% due to a reduction on chemical products transportation. In intermodal products business unit, we still have small market share and, in the long-term, we expect to see intermodal flows accounting for an increasingly larger portion of total industrial flows.

In 1H11, intermodal flows volume grew 4.3%, impacted by a volume reduction in steel products 1Q11, which contains also iron ore transportation. The reduced volumes was driven by (i) lower industrial activity in the sector, (ii) increase in imports and, (iii) a strong reduction in iron ore barge transportation between Brazil and Argentina due to the shallow depth draft of Paraguay River. In this kind of operation, barges are fed by railroads, from mines located in the city of Corumba.

Table 7 - Pure Rail Industrial Products (million RTK)	2Q11	2Q10	% Change	1H11	1H10	% Change
Fuel Products	1,254.9	1,242.2	1.0%	2,410.9	2,362.2	2.1%
Vegetal Oil	38.8	99.7	-61.1%	63.2	147.7	-57.2%
Construction	381.2	400.3	-4.8%	740.9	721.5	2.7%
Total	**1,675.0**	**1,742.2**	**-3.9%**	**3,215.0**	**3,231.4**	**-0.5%**

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 the southern portion of our rail network, where we have a high market share, our performance is dependent on growth in the respective industries; and (ii) in the northern portion of our rail network, where our market share is small, we have significant room to grow volumes regardless of market growth.

Pure rail industrial products volumes decreased 3.9% in 2Q11 as compared to last year pushed by weaker volumes in the construction segment, partially offset by a 1.0% volume growth in fuel products. The reduction in construction volumes reflects the decrease of 3% in the construction basics materials market (mainly cement and bricks) in 1H11. The high market share we have in this segment leave us subject on market's performance.

Table 8 - Industrial Products (million RTK)	2Q11	2Q10	% Change*	1H11	1H10	% Change*
Volume (million RTK)	2,976	2,934	1.4%	5,675	5,589	1.5%
Gross Revenues	213.5	204.3	4.5%	431.5	411.8	4.8%
Gross Yield (R$ / '000 RTK)	71.7	69.6	3.0%	76.0	73.7	3.2%
Net Revenues	176.4	170.2	3.7%	359.8	346.7	3.8%
EBITDA	106.4	103.9	2.4%	183.1	179.6	1.9%
EBITDA Margin	**60.3%**	**61.0%**	**-0.7%**	**50.9%**	**51.8%**	**-0.9%**

** For EBITDA Margin indicates percentage points gained / lost*

Industrial products' gross revenues increased 4.5% in 2Q11, from R$204.3 million in 2Q10 to R$213.5 million, with an average yield growth of 3.0%, impacted by stronger freight prices in both contracts and spot market. EBITDA increased 2.4%, from R$103.9 million in 2Q10 to R$106.4 million. In 1H11, gross revenues increased 4.8% to R$431.5 million and EBITDA increased 1.9%, to R$183.1 million.

Highway Services Business Unit

ALL Highway Services gross revenues reached R$26.8 million in 2Q11, in line with 2Q10, as the average yield marginally decreased 0.2% offset by an 0.2% increase in volumes measured in remunerated kilometers (RK) in 2Q11. EBITDA also remained stable, reaching R$3.8 million in the quarter. In 1H11, ALL Highway services revenues increased 2.2%, EBITDA increased 12.4% and EBITDA margin improved 1.3%, from 14.3% to 15.6%.

On July 01st we have created Ritmo Logistica, formed by the merger of ALL Highway Services Business Unit and Ouro Verde highway operations. ALL will retain a stake of 65% of the new company and Ouro Verde 35%.

ALL's highway services business unit focuses on dedicated and customized operations ("Dedicated Highway Services") for major clients and accounts for 3% and 1% of the company's consolidated gross revenue and EBITDA, respectively, with a different management strategy from that of its core business of rail logistics. In addition, there is a huge highway market of more than 40 million tons that has its origin or destination in ALL's railway ("Intermodal Highway"), a market that is currently underexplored by the Company.

Ritmo will have its own management focused on the Dedicated Highway Services and is therefore well-positioned to develop the Intermodal Highway with a low-capital-intensive model through the use of third-party and outsourced labor. By incorporating the assets and highway operations of ALL and Ouro Verde, along with the latter's 38 years of experience in highway logistics, excellent market reputation and professional management, Ritmo will begin its operations with strong knowhow and market scale.

In 2010, ALL's highway unit posted gross revenue of R$106.6 million and EBITDA of R$12.9 million, while Ouro Verde's gross revenue and EBITDA totaled R$169.9 million and R$16.7 million respectively. As a result, Ritmo will be starting up with gross revenue of more than R$277 million and EBITDA of R$30 million. Other assets and capital transfers received by the company are shown in the table below.

2010 Results (R$ million)	ALL	% Ritmo Logística	OuroVerde	% Ritmo Logística	RITMO LOGÍSTICA
Gross Revenue	106.6	39%	169.9	61%	276.5
Net Revenue	93.6	39%	144.1	61%	237.7
EBITDA	12.9	44%	16.7	56%	29.6
EBITDA Margin	*13.8%*		*11.6%*		*12.5%*
Assets					
Number of Trucks and Trailer	99	45%	120	55%	219
Number of Implements	226	47%	253	53%	479
Number of Employees	276	46%	324	54%	600
Transfers					
Capital (R$ million)	3.0	50%	3.0	50%	6.0
Receivables (R$ million)	9.8	65%	5.3	35%	15.0

In 3Q11 we start to report Ritmo results separated.

Argentina Operations

In Argentina, EBITDA increased 26.5%, from P$18.0 million in 2Q10 to P$22.8 million in 2Q11, manly driven by a 22.3% gross revenue increase and a 0.6% expansion in EBITDA margin. Volumes increased 0.5% in 2Q11, from 917 million RTK to 922 million RTK, and yields grew 21.6% due to the inflation pass through. In 1H11, EBITDA increased from P$19.8 million in 1H10 to P$25.0 million in 1H11, with a stable EBITDA margin.

Denominated in Reais, Argentina's gross revenues rose 4.0% in 2Q11, from R$46.2 million in 2Q10 to R$48.0 million, and EBITDA increased 7.3%, from R$8.3 million in 2Q10 to R$8.9 million in 2Q11. In 1H11, EBITDA increased 8.5%, from R$9.2 million in 1H10 to R$10.0 million.

The stable agricultural market should sustain a positive trend for the short term in the country. Medium and long term perspectives, however, keep being difficult to anticipate given the political and macroeconomic environment in Argentina, which represents today less than 5% of our revenues and only 1% of our EBITDA.

TING PERFORMANCE BY COMPANY AND BUSINESS SEGMENT

BRADO LOGISTICA

Brado Logistica is a company created by ALL in association with Standard Logistica which aims to develop the intermodal logistic of containers, focusing on rail transportation, storage, operation of terminals and retro areas of ports, handling and other logistics services. The container segment is fragmented and requires customized services. Brado will provide the service level required by the retail market and intends to change the container logistics in Brazil, consolidating the cargo in intermodal terminals and shipping by railroad, in a very cost effective model. ALL holds an 80% stake in Brado's capital stock and the former shareholders of Standard own 20%.

Currently, Brado's share of the container market is less than 2% of a total of 2.6 million containers per year, considering only ALL´s covered area. The company intends to invest R$1 billion over the next 5 years to reach a total market share of approximately 12% of this container volume. CAPEX will be 100% funded by equity and debt in Brado´s balance sheet and risk, with no cash being provided by the existing ALL operation.

In 2Q11 we start to report Brado Logistica results separately, as Brado concluded its merger with Standard on April 1st and is now fully operational. For a better comparison, in 2Q10 Brado's results are presented in a pro-forma basis, as if Brado had already been created in that period. Brado's EBITDA increased 42.4% to R$8.4 million in 2Q11, as compared to a pro forma EBITDA in 2Q10 of R$5.9 million. The growth was driven by higher volumes of intermodal transportation as well as services provided in container logistics.

Moreover, Brado already ordered 145 spinning 80 foot new rail cars and 2 locomotives which will be delivered along the 4Q11 and 1Q12 to support the company´s growth plan. The spinning 80 foot railcar is a specific wagon for container transportation and can haul two 40 foot containers at a time, one in front of the other. This railcar is already been used in the US railroads, and was chosen instead of the double-stack railcar because it eliminates the additional CAPEX needs required to adapt bridges and tunnels in our rail network for this operation, and provides similar cost advantages and efficiency gains, at the same price. The company also got a credit line of R$165 million, in order to meet the financing requirements related to its capex plan.

Table 9 - Brado Logística	2Q11	2Q10	% Change*	1H11	1H10	% Change*
Gross Revenues	54.5	52.4	4.0%	54.5	52.4	4.0%
Net Revenues	47.4	46.0	3.1%	47.4	46.0	3.1%
EBITDA	8.4	5.9	42.4%	8.4	5.9	42.4%
EBITDA Margin	**17.7%**	**12.8%**	**4.9%**	**17.7%**	**12.8%**	**4.9%**

** For EBITDA Margin indicates percentage points gained / lost*

CONSOLIDATED RESULTS
For Second Quarter 2011 Compared to Second Quarter 2010

ALL RAIL AND HIGHWAY OPERATION

The tables and discussions bellow, unless otherwise stated, are based on ALL's rail and highway logistic operations and do not include Brado Logística. Therefore, the numbers presented bellow reflects ALL's Consolidated Statements excluding Brado Logística. With the creation of Brado Logistica on April 1st and to make the results of 2Q10 comparable, unless stated otherwise, results of ALL Brazil and Brado in 2Q10 are presented in a pro-forma basis, as if Brado had already been created in that period.

Table 10 - Operational Indicators	Brazil			Argentina		
	2Q11	2Q10	% Change	2Q11	2Q10	% Change
Volumes						
RTK (million)	11,041	10,070	9.6%	922	917	0.5%
GTK (million)	19,209	17,623	9.0%	1,771	1,788	-1.0%
Total RK (million)	9.1	9.1	0.2%			
RK of Owned Fleet (million)	3.7	3.5	5.0%			
Diesel Consumption						
Rail (liters per 000 GTK)	5.21	5.25	-0.7%	3.56	3.63	-1.9%
Trucking (liters per RK)	0.39	0.38	2.0%			

ALL Rail and Highway Operation Gross Revenue from Services

ALL Rail and Highway Operation gross revenues went up 12.9% from R$891.5 million in 2Q10 to R$1,006.9 million in 2Q11, due to a 13.4% increase in Brazilian operations' gross revenues, from R$845.4 million to R$958.9 million, and a 4.0% rise in Argentina operations' gross revenues, from R$46.2 million to R$48.0 million.

Table 11 - Gross Revenues (R$ million)	2Q11	2Q10	Change	% Change
ALL Rail and Highway Operations	1,006.9	891.5	115.4	12.9%
ALL Brazil	958.9	845.4	113.5	13.4%
Agricultural Commodities	718.6	614.2	104.4	17.0%
Industrial Products	213.5	204.3	9.2	4.5%
Highway Based Services	26.8	26.8	0.0	0.0%
ALL Argentina	48.0	46.2	1.8	4.0%

Brazilian operations gross revenues grew R$113.5 million in 2Q11, when compared to the same period of last year, reflecting a 9.6% expansion in transported volumes and a 3.9% increment in average yield, from R$81.3 per thousand RTK in 2Q10 to R$84.4 per thousand RTK in 2Q11. The stronger yield reflects a mix of inflation pass through and stable diesel prices.

Agricultural commodities' gross revenues raised R$104.4 million, or 17.0%, as gross yield went up 3.5%, from R$86.1 in 2Q10 to R$89.1 in 2Q11, and transported volumes increased 13.0%, from 7,136 million RTK in 2Q10 to 8,065 million RTK in 2Q11. In industrial products, gross revenues rose R$9.2 million, or 4.5%, with a 1.4% augment in transported volumes and a 3.0% growth in average yield, to R$71.7 per thousand RTK. In highway services, gross revenues remained stable at R$ 26.8 million, due to a 0.2% decrease in yields offset by the volume increase of 0.2%.

In Argentina, gross revenues increased 22.3% in Pesos as a result of a 0.5% expansion in transported volumes to 922 million RTK, and a 21.6% increase in average yield, from P$109.5 per thousand RTK in 2Q10 to P$133.1 per thousand RTK in 2Q11. In Reais, gross revenues went up 4.0% in 2Q11, from R$46.2 million in 2Q10 to R$48.0 million.

ALL Rail and Highway Operation Cost of Sales

ALL Rail and Highway Operation costs of sales increased from R$389.3 million in 2Q10 to R$447.1 million in the 2Q11, or 14.8%, due to a 16.0% increase in Brazilian operations' cost of sales, from R$353.0 million in 2Q10 to R$409.3 million in 2Q11, and an expansion of 3.9% in Argentine operations' cost of sales from R$36.3 million to R$37.7 million.

Table 12 - Cost of Sales	Brazil			Argentina			Consolidated		
(R$ million)	2Q11	2Q10	% Change	2Q11	2Q10	% Change	2Q11	2Q10	% Change
Fuel Expenses	**(141.4)**	**(131.2)**	**7.8%**	**(6.4)**	**(7.3)**	**-12.4%**	**(147.8)**	**(138.5)**	**6.8%**
Rail portion	(132.9)	(122.9)	8.2%	(6.4)	(7.3)	-12.4%	(139.3)	(130.2)	7.0%
Trucking portion	(8.5)	(8.3)	2.4%	0.0	0.0	na	(8.5)	(8.3)	2.4%
Outsourced and Contracted Trucking Expenses	**(27.9)**	**(24.8)**	**12.7%**	**(2.1)**	**(3.2)**	**-34.0%**	**(30.0)**	**(27.9)**	**7.4%**
Drayage Services	(20.5)	(17.5)	17.2%	(2.1)	(3.2)	-34.0%	(22.6)	(20.7)	9.4%
Other than Drayage Services	(7.4)	(7.3)	1.8%	0.0	0.0	na	(7.4)	(7.3)	1.8%
Labor Expenses	(63.2)	(56.4)	12.0%	(19.1)	(16.7)	14.3%	(82.3)	(73.1)	12.6%
Maintenance Expenses	(28.9)	(26.0)	11.0%	(3.3)	(2.8)	16.5%	(32.2)	(28.9)	11.5%
Depreciation and Amortization Expenses	(96.7)	(73.4)	31.8%	(3.2)	(3.3)	-3.2%	(99.9)	(76.7)	30.3%
Other Costs	(37.2)	(34.8)	6.7%	(3.6)	(2.9)	21.8%	(40.8)	(37.8)	7.9%
Railcar Rentals	(14.0)	(6.4)	118.7%	0.0	0.0	na	(14.0)	(6.4)	118.7%
Total Cost of Sales	**(409.3)**	**(353.0)**	**16.0%**	**(37.7)**	**(36.3)**	**3.9%**	**(447.1)**	**(389.3)**	**14.8%**

Brazilian operations' cost of sales rise in 2Q11, compared to the same period of 2010, was mainly driven by (i) the 9.6% increase in transported volumes, (ii) a 31.8% growth in depreciation and amortization expenses, reflecting expansion capex in our network and (iii) the 118.7% increase in railcar rentals expenses, mainly driven by Rumo project.

In Argentina, the rise in the cost of sales, denominated in Reais, in the period mainly reflects the 0.5% increase in transported volume and the inflation pressure in the country, partially offset by the Peso depreciation against the Real.

Gross Profit

ALL Rail and Highway Operation gross profit rose 12.6% or R$48.9 million, from R$388.3 million in 2Q10 to R$437.2 million in 2Q11. The increase was due to a 13.7% expansion in net revenues, pushed by a 14.3% increase in Brazil and a 4.0% growth in Argentina, partially offset by a 14.8% increase in the cost of sales.

Operating Expenses

Operating expenses in ALL Rail and Highway Operation remained stable at R$36.1 million, mainly driven by an increment of 4.7% in Brazil, from R$30.9 million to R$32.3 million, offset by a decrease of R$1.4 million in Argentina, passing from R$5.2 million to R$3.8 million.

Net Financial Expenses

ALL Rail and Highway Operation net financial expenses increased 16.5%, from R$190.2 million in 2Q10 compared to R$221.7 million in 2Q11, mainly caused by higher interest rates in Brazil, as average Brazilian Interbank Interest Rate increased from 9.34% in 2Q10 to 11.89% in 2Q11. Brazilian operations' net financial expenses grew from R$184.1 million in 2Q10 to R$215.9 million in 2Q11 and Argentina operations' net financial expenses went down in 2Q11, from R$6.1 million in 2Q10, to R$5.8 million.

Other Costs and Expenses

ALL Rail and Highway Operation other costs and expenses - which includes equity earnings and gains on investments and adjustments related with minority stakes – improved from a cost of R$10.3 million in 2Q10 to a gain of R$10.1 million in 2Q11, mainly driven by a positive equity earnings and gains on investments in Brazil of R$26.2 million. The gain in Brazil reflects the Brado creation on April, once we incorporated 80% of Standard Logistica accounts without any cash payments.

Table 13 - Other Costs	Brazil			Argentina			Consolidated		
(R$ million)	2Q11	2Q10	% Change	2Q11	2Q10	% Change	2Q11	2Q10	% Change
Equity Earnings and Gain on Investments	26.2	(7.9)	na	(13.4)	(0.3)	4062.4%	12.8	(8.3)	na
Minority Stakes	(2.1)	(1.7)	20.7%	(0.7)	(0.3)	126.8%	(2.8)	(2.0)	36.6%
Other Costs	**24.2**	**(9.7)**	**na**	**(14.1)**	**(0.6)**	**2151.4%**	**10.1**	**(10.3)**	**na**

Net Income

As an effect of the results discussed above, ALL Rail and Highway Operation net income expanded substantially from R$153.0 million in 2Q10 to R$182.4 million in 2Q11. Brazilian net income increased from R$157.5 million in 2Q10 to R$199.0 million in 2Q11, and in Argentina, net income worsened from a loss of R$4.5 million in 2Q10 to loss of R$16.7 million in 2Q11.

CAPEX

ALL Rail and Highway Operation investments decreased from R$227.5 million in 2Q10 to R$201.0 million in 2Q11, or 11.6% reflecting lower investments in Brazil, from R$218.0 million in 2Q10 to R$193.7 million in 2Q11, and in Argentina, from R$9.5 million in 2Q10 to R$7.3 million in 2Q11.

Brazilian operations expansion CAPEX went down 17.6% in 2Q11 when compared to 2Q10, and maintenance investments grew 3.2% within the same period. Among ALL Brazil the main expansion investments it is worth mentioning: (i) Rondonópolis Project in the amount of R$48.5 million and (ii) investments in our rail infrastructure of R$52.6 million.

In Argentina, expansion CAPEX decreased 24.8% and maintenance capex also went down 20.8% in 2Q11, consolidating a 23.2% decrease in total investments in Reais in the country.

Table 14 - Investments	Brazil			Argentina			Consolidated		
(R$ million)	2Q11	2Q10	% Change	2Q11	2Q10	% Change	2Q11	2Q10	% Change
Maintenance	70.0	67.8	3.2%	3.1	3.9	-20.8%	73.1	71.7	1.9%
Expansion	123.7	150.2	-17.6%	4.2	5.6	-24.8%	128.0	155.8	-17.9%
Total Investments	**193.7**	**218.0**	**-11.1%**	**7.3**	**9.5**	**-23.2%**	**201.0**	**227.5**	**-11.6%**

Cash Flow

ALL Rail and Highway Operation cash flow from operating activities increased from an inflow of R$174.4 million in 2Q10 to an inflow of R$305.3 million in 2Q11, reflecting the EBITDA growth and improvements in working capital. Cash outflow from investments decreased from an outflow of R$227.5 million in 2Q10 to an outflow of R$201.0 million, due to lower expansion CAPEX in Brazil. Cash flow from financing activities changed from an outflow of R$54.4 million in 2Q10 to an inflow of R$660.5 million in 2Q11, reflecting the issuance of a debenture in 2Q11 which amounted R$810 million. The overall cash variation increased from a negative variation of R$107.5 million in 2Q10 to a positive variation of R$764.8 million in 2Q11.

Table 15 - Cash Flow	Brazil			Argentina			Consolidated		
(R$ million)	2Q11	2Q10	% Change	2Q11	2Q10	% Change	2Q11	2Q10	% Change
Operating Activities	303.1	163.2	85.7%	2.2	11.2	-80.2%	305.3	174.4	75.1%
Investing Activities	(193.7)	(218.0)	-11.1%	(7.3)	(9.5)	-23.1%	(201.0)	(227.5)	-11.6%
Financing Activities	651.0	(52.8)	na	9.5	(1.6)	na	660.5	(54.4)	na
Increase in Cash	**760.4**	**(107.6)**	**na**	**4.4**	**0.1**	**5167.6%**	**764.8**	**(107.5)**	**na**

ALL HOLDING CONSOLIDATED STATEMENT

The tables and discussions bellow, unless otherwise stated, are based on ALL's Consolidated Statements and include Brado Logística. With the creation of Brado Logistica on April 1st and to make the results of 2Q10 comparable, unless stated otherwise, results of ALL Brazil and Brado in 2Q10 are presented in a pro-forma basis, as if Brado had already been created in that period.

ALL Holding Consolidated Results

Table 16 - ALL Holding Consolidated Results (R$ million)	2Q11	2Q10**	% Change*
Gross Sales	**1,061.4**	**943.9**	**12.4%**
ALL Rail and Highway Operation	1,006.9	891.5	12.9%
Brado Logística	54.5	52.4	4.0%
Net Sales	**931.7**	**823.6**	**13.1%**
ALL Rail and Highway Operation	884.2	777.6	13.7%
Brado Logística	47.4	46.0	3.1%
EBITDA	**489.0**	**436.0**	**12.2%**
ALL Rail and Highway Operation	480.6	430.1	11.7%
Brado Logística	8.4	5.9	42.4%
EBITDA Margin	**52.5%**	**52.9%**	**-0.5%**
ALL Rail and Highway Operation	54.4%	55.3%	-1.0%
Brado Logística	17.7%	12.8%	4.9%
Net Income	**185.6**	**154.8**	**19.9%**
ALL Rail and Highway Operation	182.4	153.0	19.2%
Brado Logística	3.2	1.8	78.2%
EPS (R$/ Share)	**0.27**	**0.27**	**0.4%**

** For EBITDA Margin indicates percentage points gained / lost.*
*** Results of 2Q10 are presented in a pro-forma basis, as if Brado had already been created in that period.*

ALL Holding Consolidated Cash Flow

Table 17 - ALL Holding Consolidated Cash Flow (R$ million)	2Q11	2Q10	% Change
Opening Balance of Cash	**1,672.2**	**2,248.8**	**-25.6%**
ALL Rail and Highway Operation	1,629.0	2,248.8	-27.6%
Brado Logística	43.2	0.0	na
Operating Activities	**305.0**	**174.4**	**74.9%**
ALL Rail and Highway Operation	305.3	174.4	75.1%
Brado Logística	(0.3)	0.0	na
Investing Activities	**(205.6)**	**(227.5)**	**-9.6%**
ALL Rail and Highway Operation	(201.0)	(227.5)	-11.6%
Brado Logística	(4.6)	0.0	na
Financing Activities	**658.8**	**(54.4)**	**na**
ALL Rail and Highway Operation	660.5	(54.4)	na
Brado Logística	(1.7)	0.0	na
Change in Cash	**758.2**	**(107.5)**	**na**
ALL Rail and Highway Operation	764.8	(107.5)	na
Brado Logística	(6.6)	0.0	na
Closing Balance of Cash	**2,430.4**	**2,141.2**	**13.5%**
ALL Rail and Highway Operation	2,393.8	2,141.2	11.8%
Brado Logística	36.6	0.0	na

ALL Holding Consolidated Balance Sheet and Capital Structure

Table 18 - ALL Holding Consolidated Balance Sheet Indicators (R$ million)	2Q11	2Q10	% Change
Total Assets	**13,915.0**	**12,468.2**	**11.6%**
ALL Rail and Highway Operation	13,714.2	12,468.2	10.0%
Brado Logística	200.8	0.0	na
Shareholders Equity	**4,093.8**	**3,988.6**	**2.6%**
ALL Rail and Highway Operation	3,993.0	3,988.6	0.1%
Brado Logística	100.8	0.0	na
EBITDA (Trailling 12 months)	**1,399.6**	**1,192.4**	**17.4%**
ALL Rail and Highway Operation	1,391.2	1,192.4	16.7%
Brado Logística	8.4	0.0	na
Net Debt	**3,160.1**	**2,459.6**	**28.5%**
ALL Rail and Highway Operation	3,150.8	2,459.6	28.1%
Brado Logística	9.2	0.0	na
Net Debt / (Trailling 12 months EBITDA)	**2.3**	**2.1**	**9.5%**
ALL Rail and Highway Operation	2.3	2.1	9.8%
Brado Logística	1.1	na	na
Net Debt/ Equity	**0.8**	**0.6**	**25.2%**
ALL Rail and Highway Operation	0.8	0.6	28.0%
Brado Logística	0.1	na	na

ALL Holding net debt reached R$3,160.1 million in 2Q11 compared to R$3,008.6 million in 1Q11. Net debt ratio remained stable at 2.3x in 2Q11, and net debt equity remained at 0.8x.

CONSOLIDATED RESULTS

For the First Semester of 2011 Compared to the First Semester of 2010

ALL RAIL AND HIGHWAY OPERATION

The tables and discussions bellow, unless otherwise stated, are based on ALL's rail and highway logistic operations and do not include Brado Logística. Therefore, the numbers presented bellow reflects ALL's Consolidated Statements excluding Brado Logística. To reflect Brado's results since 2Q11, the results of 1H10 and 1H11 are the simple sum of the results reported by ALL in 1Q10 and 1Q11, respectively, and the pro-forma results of 2Q10 and 2Q11.

Table 19 - Operational Indicators	Brazil			Argentina		
	1H11	1H10	% Change	1H11	1H10	% Change
Volumes						
RTK (million)	19,632	18,320	7.2%	1,670	1,642	1.7%
GTK (million)	33,708	31,745	6.2%	3,093	3,078	0.5%
Total RK (million)	17.0	16.8	1.6%			
RK of Owned Fleet (million)	6.9	6.5	5.9%			
Diesel Consumption						
Rail (liters per 000 GTK)	5.38	5.41	-0.6%	3.67	3.69	-0.6%
Trucking (liters per RK)	0.39	0.39	-1.3%			

ALL Rail and Highway Operation Gross Revenues from Services

ALL Rail and Highway Operation gross revenues increased 10.2%, from R$1,604.6 million in 1H10 to R$1,768.2 million in 1H11, due to a 10.3% rise in Brazilian operations' gross revenues, from R$1,526.1 million to R$1,683.1 million, and a 8.6% gain in Argentine operations' gross revenues, from R$78.4 million to R$85.1 million.

Table 20 - Gross Revenues (R$ million)	1H11	1H10	Change	% Change
ALL Rail and Highway Operations	1,768.2	1,604.6	163.6	10.2%
ALL Brazil	1,683.1	1,526.1	156.9	10.3%
Agricultural Commodities	1,199.5	1,063.4	136.1	12.8%
Industrial Products	431.5	411.8	19.7	4.8%
Highway Based Services	52.0	50.9	1.1	2.2%
ALL Argentina	85.1	78.4	6.7	8.6%

Brazilian operations' gross revenues grew 10.3% mainly driven by (i) a 7.2% rise of volumes, (ii) and a 3.2% increment in yields, reflecting a mix of inflation pass through and stable diesel prices.

Agricultural commodities' gross revenues increased 12.8% in 1H11, pushed by an increase of 9.6% in transported volumes and a yield growth of 2.9% in the period. In industrial products, gross revenues grew 4.8%, due to a 1.5% augment in transported volumes and a 3.2% growth in average yield. Gross revenues in highway based services business unit raised 2.2% in 1H11.

In Argentina, gross revenues went up 25.3% in Pesos, to P$211.9 million in 1H11, reflecting a 23.2% increase in gross yield. In Reais, ALL Argentina gross revenues rose 8.6% in 1H11, to R$85.1 million.

ALL Rail and Highway Operation Cost of Sales

ALL Rail and Highway Operation costs of sales increased from R$750.5 million in 1H10 to R$842.9 million in the 1H11, or 12.3%, compounded by an augment of 12.6% in Brazilian operations' cost of sales from R$683.5 million in 1H10 to R$769.6 million, and a 9.4% increase in Argentine operations' cost of sales to R$73.3 million.

Table 21 - Cost of Sales	Brazil			Argentina			Consolidated		
(R$ million)	1H11	1H10	% Change	1H11	1H10	% Change	1H11	1H10	% Change
Fuel Expenses	**(248.5)**	**(240.6)**	3.3%	**(12.5)**	**(13.1)**	-4.5%	**(261.0)**	**(253.7)**	2.9%
Rail portion	(237.5)	(224.8)	5.6%	(12.5)	(13.1)	-4.5%	(250.0)	(237.9)	5.1%
Trucking portion	(11.0)	(15.8)	-30.5%	0.0	0.0	na	(11.0)	(15.8)	-30.5%
Outsourced and Contracted Trucking Expenses	**(62.4)**	**(52.1)**	19.8%	**(4.4)**	**(5.8)**	-24.0%	**(66.7)**	**(57.8)**	15.4%
Drayage Services	(46.2)	(41.8)	10.7%	(4.4)	(5.8)	-24.0%	(50.6)	(47.5)	6.5%
Other than Drayage Services	(16.1)	(10.3)	56.7%	0.0	0.0	na	(16.1)	(10.3)	56.7%
Labor Expenses	(117.9)	(109.0)	8.2%	(35.3)	(30.9)	14.3%	(153.1)	(139.8)	9.5%
Maintenance Expenses	(51.7)	(47.7)	8.4%	(7.1)	(5.3)	32.5%	(58.8)	(53.0)	10.8%
Depreciation and Amortization Expenses	(184.5)	(151.6)	21.7%	(6.9)	(6.5)	5.0%	(191.4)	(158.2)	21.0%
Other Costs	(78.2)	(70.7)	10.6%	(7.2)	(5.5)	32.8%	(85.5)	(76.2)	12.2%
Railcar Rentals	(26.4)	(11.8)	123.2%	0.0	0.0	na	(26.4)	(11.8)	123.2%
Total Cost of Sales	**(769.6)**	**(683.5)**	12.6%	**(73.3)**	**(67.0)**	9.4%	**(842.9)**	**(750.5)**	12.3%

Brazilian operations' cost of sales expansion in 1H11 compared to 1H10, was mainly driven by (i) the 7.2% increase in transported volumes, (ii) the 21.7% growth in depreciation and amortization expenses, reflecting expansion capex in our network, (iii) the 19.8% increase in outsourced and contract fleet and (iv) the 123.2% increase in railcar rentals expenses by Rumo project.

In Argentina, the rise in the cost of sales, denominated in Reais, in the period mainly reflects the 1.7% increase in transported volume and the inflation pressure in the country, partially offset by the Peso depreciation against the Real.

Gross Profit

ALL Rail and Highway Operation gross profit went up 7.6% or R$49.3 million, from R$653.2 million in 1H10 to R$702.5 million in 1H11, due to an 10.1% increase in net revenues offset by a 12.3% rise in the cost of sales.

Operating Income and Expenses

Operating expenses in ALL Rail and Highway Operation increased from R$68.7 million in 1H10 to R$69.6 million in 1H11, or 1.4%, due to an increase of 3.9% in Brazil, from R$59.7 million to R$62.1 million, and a 15.4% decrease in Argentina.

Net Financial Expenses

ALL Rail and Highway Operation net financial expenses increased 16.9%, from R$378.5 million in 1H10 to R$442.5 million in 1H11, mainly driven by a higher interest rates in Brazil, as average Brazilian Interbank Interest Rate increased from 8.98% in 1H10 to 11.54% in 1H11. Brazilian operations' net financial expenses grew 17.7%, from R$365.9 million in 1H10 to R$430.8 million in 1H11, and Argentine operations' net financial expenses decreased from R$12.6 million to R$11.7 million in the period.

Other Costs and Expenses

ALL Rail and Highway Operation other costs and expenses - which includes equity earnings and gains on investments and adjustments related with minority stakes – improved from a loss of R$19.3 million in 1H10 to a loss of R$1.1 million in 1H11, driven by an improve on these costs in Brazilian operations, which changed from a loss of R$19.1 million in 1H10 to a gain of R$12.7 million in 1H11. The gain in Brazil mainly reflects the Brado creation on April, once we incorporated 80% of Standard Logistica accounts without any cash payments.

Table 22 - Other Costs	Brazil			Argentina			Consolidated		
(R$ million)	1H11	1H10	% Change	1H11	1H10	% Change	1H11	1H10	% Change
Equity Earnings and Gain on Investments	16.5	(15.8)	na	(13.7)	(0.7)	2003.2%	2.7	(16.5)	na
Minority Stakes	(3.7)	(3.3)	13.2%	(0.2)	0.5	na	(3.9)	(2.8)	40.2%
Other Costs	**12.7**	**(19.1)**	**na**	**(13.9)**	**(0.1)**	**9353.4%**	**(1.1)**	**(19.3)**	**-94.0%**

Net Income

As a result of the above facts, our net income reached R$182.9 million in 1H11, compared with a net income of R$188.1 million in 1H10. Brazilian net income increased from R$199.9 million in 1H10 to R$207.5 million in 1H11, and in Argentina, net income worsened from a loss of R$11.9 million in 1H10 to an loss of R$24.6 million in 1H11.

CAPEX

ALL Rail and Highway Operation investments decreased from R$456.6 million in 1H10 to R$463.2 million in 1H11, or 1.4% reflecting lower investments in Brazil, from R$438.3 million in 1H10 to R$448.3 million in 1H11, and a decreased in Argentina's CAPEX, from R$18.4 million in 1H10 to R$14.9 million in 1H11.

Brazilian operations expansion CAPEX marginally increased 0.7% in 1H11 when compared to 1H10, and maintenance investments grew 6.1% within the same period. Among ALL Brazil the main expansion investments it is worth mentioning: (i) Rondonópolis Project in the amount of R$123.1 million and (ii) investments in our rail infrastructure of R$129.5 million.

In Argentina, expansion CAPEX went down 29.1% and maintenance CAPEX decreased 4.7% in 1H11, consolidating a 19.1% decrease in total investments in Reais in the country.

Table 23 - Investments	Brazil			Argentina			Consolidated		
(R$ million)	1H11	1H10	% Change	1H11	1H10	% Change	1H11	1H10	% Change
Maintenance	140.2	132.2	6.1%	7.2	7.5	-4.7%	147.4	139.7	5.5%
Expansion	308.1	306.1	0.7%	7.7	10.8	-29.1%	315.8	316.9	-0.4%
Total Investments	**448.3**	**438.3**	**2.3%**	**14.9**	**18.4**	**-19.1%**	**463.2**	**456.6**	**1.4%**

Cash Flow

ALL Rail and Highway Operation cash flow from operating activities improved from an inflow of R$199.6 million in 1H10 to an inflow of R$353.0 million in 1H11, driven by improvements in operational performance and working capital. Cash outflow from investments increased from an outflow of R$456.6 million to an outflow of R$463.2 million due to higher investments in the period. Cash flow from financing activities changed from an outflow of R$175.5 million in 1H10, to an inflow of R$529.4 million in 1H11, mainly driven by the issuance of a debenture in 2Q11 which amounted R$810 million. The overall cash variation improved from a negative variation of R$432.5 in 1H10 to a positive variation of R$419.3 million in 1H11.

Table 24 - Cash Flow	Brazil			Argentina			Consolidated		
(R$ million)	1H11	1H10	% Change	1H11	1H10	% Change	1H11	1H10	% Change
Operating Activities	363.3	177.0	105.2%	(10.3)	22.6	na	353.0	199.6	76.8%
Investing Activities	(448.3)	(438.3)	2.3%	(14.9)	(18.4)	-19.1%	(463.2)	(456.6)	1.4%
Financing Activities	496.7	(175.1)	na	32.7	(0.4)	na	529.4	(175.5)	na
Increase in Cash	**411.7**	**(436.3)**	na	**7.5**	**3.8**	95.7%	**419.3**	**(432.5)**	na

ALL HOLDING CONSOLIDATED STATEMENT

The tables and discussions bellow, unless otherwise stated, are based on ALL's Consolidated Statements and include Brado Logística. To reflect Brado's results since 2Q11, the results of 1H10 and 1H11 are the simple sum of the results reported by ALL in 1Q10 and 1Q11, respectively, and the pro-forma results of 2Q10 and 2Q11.

ALL Holding Consolidated Results

Table 25 - ALL Holding Consolidated Results (R$ million)	1H11	1H10**	% Change*
Gross Sales	**1,822.7**	**1,656.9**	**10.0%**
ALL Rail and Highway Operation	1,768.2	1,604.6	10.2%
Brado Logística	54.5	52.4	4.0%
Net Sales	**1,592.8**	**1,449.7**	**9.9%**
ALL Rail and Highway Operation	1,545.4	1,403.7	10.1%
Brado Logística	47.4	46.0	3.1%
EBITDA	**790.6**	**732.5**	**7.9%**
ALL Rail and Highway Operation	782.2	726.6	7.7%
Brado Logística	8.4	5.9	42.4%
EBITDA Margin	**49.6%**	**50.5%**	**-0.9%**
ALL Rail and Highway Operation	50.6%	51.8%	-1.1%
Brado Logística	17.7%	12.8%	4.9%
Net Income	**186.1**	**189.9**	**-2.0%**
ALL Rail and Highway Operation	182.9	189.9	-3.7%
Brado Logística	3.2	0.0	na
EPS (R$/ Share)	**0.27**	**0.33**	**-18.0%**

** For EBITDA Margin indicates percentage points gained / lost.*
*** To reflect Brado's results since 2Q11, the results of 1H10 and 1H11 are the simple sum of the results reported by ALL in 1Q10 and 1Q11, respectively, and the pro-forma results of 2Q10 and 2Q11.*

ALL Holding Consolidated Cash Flow

Table 26 - ALL Holding Consolidated Cash Flow (R$ million)	1H11	1H10	% Change
Opening Balance of Cash	**2,017.8**	**2,573.7**	**-21.6%**
ALL Rail and Highway Operation	1,974.6	2,573.7	-23.3%
Brado Logística	43.2	0.0	na
Operating Activities	**352.7**	**199.6**	**76.7%**
ALL Rail and Highway Operation	353.0	199.6	76.8%
Brado Logística	(0.3)	0.0	na
Investing Activities	**(467.8)**	**(456.6)**	**2.4%**
ALL Rail and Highway Operation	(463.2)	(456.6)	1.4%
Brado Logística	(4.6)	0.0	na
Financing Activities	**527.7**	**(175.5)**	**na**
ALL Rail and Highway Operation	529.4	(175.5)	na
Brado Logística	(1.7)	0.0	na
Change in Cash	**412.6**	**(432.5)**	**na**
ALL Rail and Highway Operation	419.3	(432.5)	na
Brado Logística	(6.6)	0.0	na
Closing Balance of Cash	**2,430.4**	**2,141.2**	**13.5%**
ALL Rail and Highway Operation	2,393.8	2,141.2	11.8%
Brado Logística	36.6	0.0	na

ALL Holding Consolidated Balance Sheet and Capital Structure

Table 27 - ALL Holding Consolidated Balance Sheet Indicators (R$ million)	1H11	1H10	% Change
Total Assets	**13,915.0**	**12,468.2**	**11.6%**
ALL Rail and Highway Operation	13,714.2	12,468.2	10.0%
Brado Logística	200.8	0.0	na
Shareholders Equity	**4,093.8**	**3,988.6**	**2.6%**
ALL Rail and Highway Operation	3,993.0	3,988.6	0.1%
Brado Logística	100.8	0.0	na
EBITDA (Trailling 12 months)	**1,399.6**	**1,192.4**	**17.4%**
ALL Rail and Highway Operation	1,391.2	1,192.4	16.7%
Brado Logística	8.4	0.0	na
Net Debt	**3,160.1**	**2,459.6**	**28.5%**
ALL Rail and Highway Operation	3,150.8	2,459.6	28.1%
Brado Logística	9.2	0.0	na
Net Debt / (Trailling 12 months EBITDA)	**2.3**	**2.1**	**9.5%**
ALL Rail and Highway Operation	2.3	2.1	9.8%
Brado Logística	1.1	na	na
Net Debt/ Equity	**0.8**	**0.6**	**25.2%**
ALL Rail and Highway Operation	0.8	0.6	28.0%
Brado Logística	0.1	na	na

ALL Holding net debt reached R$3,160.1 million in 1H11 compared to R$2,791.3 million in 2010. Net debt ratio reached 2.3x in 2Q11, and net debt equity rise to 0.8x.

EVENTS TO DISCUSS 2Q11 RESULTS

2Q11 Results Conference Calls:

|ENGLISH|
August 10, 2011 – Wednesday
10:30 a.m. US EDT (11:30 a.m. Brazil)
Phone: +1 (847) 585-4405
Code: 30172851

Replay: +1 (630) 652-3042
Code: 30172851#

|PORTUGUESE|
August 10, 2011 – Wednesday
9:00 a.m. US EDT (10:00 a.m. Brazil)
Phone: +55 (11) 4688-6361
Code: ALL

Replay: +55 (11) 4688-6312
Code: 2022910

2Q11 Results Investors Meeting:

August 16, 2011 – Tuesday
11:00 a.m. Brazil (followed by lunch)

JW Marriott Rio de Janeiro
Av. Atlântica, 2600
Copacabana – Rio de Janeiro - RJ

RSVP: www.all-Logistica.com/ir or (11) 3529-3777

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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.

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Table 28 - Financial Results	Brazil			Argentina			ALL Rail and Highway Operation			Brado			ALL Holding		
(R$ million)	2Q11	2Q10	% Change	2Q11	2Q10	% Change	2Q11	2Q10	% Change	2Q11	2Q10	% Change	2Q11	2Q10	% Change
Gross revenues	**958.9**	**845.4**	**13.4%**	**48.0**	**46.2**	**4.0%**	**1,006.9**	**891.5**	**12.9%**	**54.5**	**52.4**	**4.0%**	**1,061.4**	**943.9**	**12.4%**
Deduction from gross revenues	(121.4)	(112.7)	7.7%	(1.3)	(1.2)	6.9%	(122.7)	(113.9)	7.7%	(7.0)	(6.3)	10.6%	(129.7)	(120.3)	7.8%
Net revenues	**837.5**	**732.6**	**14.3%**	**46.7**	**44.9**	**4.0%**	**884.2**	**777.6**	**13.7%**	**47.4**	**46.0**	**3.1%**	**931.7**	**823.6**	**13.1%**
Cost of sales	**(409.3)**	**(353.0)**	**16.0%**	**(37.7)**	**(36.3)**	**3.9%**	**(447.1)**	**(389.3)**	**14.8%**	**(37.5)**	**(36.6)**	**2.4%**	**(484.5)**	**(425.9)**	**13.8%**
Fuel	(141.4)	(131.2)	7.8%	(6.4)	(7.3)	-12.4%	(147.8)	(138.5)	6.8%	0.0	0.0	na	(147.8)	(138.5)	6.8%
Outsourced and contracted fleet	(27.9)	(24.8)	12.7%	(2.1)	(3.2)	-34.0%	(30.0)	(27.9)	7.4%	0.0	0.0	na	(30.0)	(27.9)	7.4%
Labor	(63.2)	(56.4)	12.0%	(19.1)	(16.7)	14.3%	(82.3)	(73.1)	12.6%	0.0	0.0	na	(82.3)	(73.1)	12.6%
Maintenance	(28.9)	(26.0)	11.0%	(3.3)	(2.8)	16.5%	(32.2)	(28.9)	11.5%	0.0	0.0	na	(32.2)	(28.9)	11.5%
Depreciation and Amortization	(96.7)	(73.4)	31.8%	(3.2)	(3.3)	-3.2%	(99.9)	(76.7)	30.3%	0.0	0.0	na	(99.9)	(76.7)	30.3%
Other	(37.2)	(34.8)	6.7%	(3.6)	(2.9)	21.8%	(40.8)	(37.8)	7.9%	(37.5)	(36.6)	2.4%	(78.2)	(74.4)	5.2%
Railcar Rental	(14.0)	(6.4)	118.7%	0.0	0.0	na	(14.0)	(6.4)	118.7%	0.0	0.0	na	(14.0)	(6.4)	118.7%
Gross profit	**428.2**	**379.7**	**12.8%**	**9.0**	**8.6**	**4.1%**	**437.2**	**388.3**	**12.6%**	**10.0**	**9.4**	**6.0%**	**447.2**	**397.7**	**12.4%**
Operating income (expenses)	(32.3)	(30.9)	4.7%	(3.8)	(5.2)	-27.9%	(36.1)	(36.1)	0.0%	(5.7)	(6.6)	-13.9%	(41.8)	(42.7)	-2.1%
Selling, General and Administrative	(38.5)	(33.0)	16.7%	(3.3)	(2.1)	61.1%	(41.8)	(35.0)	19.3%	(6.1)	(3.5)	74.4%	(47.9)	(38.5)	24.3%
Other	6.1	2.1	194.7%	(0.4)	(3.2)	-85.8%	5.7	(1.1)	na	0.5	(3.1)	na	6.2	(4.1)	na
Equity earnings and gain (loss) on investments	**26.2**	**(7.9)**	**na**	**(13.4)**	**(0.3)**	**4062.4%**	**12.8**	**(8.3)**	**na**	**0.0**	**0.0**	**na**	**12.8**	**(8.3)**	**na**
Operating profit (loss) before net financial expenses	**422.1**	**340.8**	**23.9%**	**(8.2)**	**3.1**	**na**	**413.9**	**343.9**	**20.4%**	**4.3**	**2.9**	**51.7%**	**418.2**	**346.8**	**20.6%**
Net financial expenses	(215.9)	(184.1)	17.3%	(5.8)	(6.1)	-5.3%	(221.7)	(190.2)	16.5%	(0.5)	(0.0)	1084.6%	(222.3)	(190.3)	16.8%
Operating profit (loss)	**206.2**	**156.7**	**31.6%**	**(14.0)**	**(3.0)**	**361.4%**	**192.2**	**153.7**	**25.1%**	**3.8**	**2.8**	**35.5%**	**196.0**	**156.5**	**25.2%**
Minority Stakes	(2.1)	(1.7)	20.7%	(0.7)	(0.3)	126.8%	(2.8)	(2.0)	36.6%	0.0	0.0	na	(2.8)	(2.0)	36.6%
Income tax benefit (expense)	(5.1)	2.6	na	(2.0)	(1.2)	65.5%	(7.0)	1.4	na	(0.6)	(1.0)	-42.6%	(7.6)	0.4	na
Net income (loss)	**199.0**	**157.5**	**26%**	**(16.7)**	**(4.5)**	**268%**	**182.4**	**153.0**	**19.2%**	**3.2**	**1.8**	**78.2%**	**185.6**	**154.8**	**19.9%**

** Results of 2Q10 are presented in a pro-forma basis, as if Brado had already been created in that period.*

Table 29 - Financial Results	Brazil			Argentina			ALL Rail and Highway Operation			Brado			ALL Holding		
(R$ million)	1H11	1H10	% Change	1H11	1H10	% Change	1H11	1H10	% Change	1H11	1H10	% Change	1H11	1H10	% Change
Gross revenues	**1,683.1**	**1,526.1**	**10.3%**	**85.1**	**78.4**	**8.6%**	**1,768.2**	**1,604.6**	**10.2%**	**54.5**	**52.4**	**4.0%**	**1,822.7**	**1,656.9**	**10.0%**
Deduction from gross revenues	(220.5)	(198.8)	10.9%	(2.3)	(2.0)	12.5%	(222.8)	(200.8)	10.9%	(7.0)	(6.3)	10.6%	(229.8)	(207.2)	10.9%
Net revenues	**1,462.6**	**1,327.3**	**10.2%**	**82.8**	**76.4**	**8.4%**	**1,545.4**	**1,403.7**	**10.1%**	**47.4**	**46.0**	**3.1%**	**1,592.8**	**1,449.7**	**9.9%**
Cost of sales	**(769.6)**	**(683.5)**	**12.6%**	**(73.3)**	**(67.0)**	**9.4%**	**(842.9)**	**(750.5)**	**12.3%**	**(37.5)**	**(36.6)**	**2.4%**	**(880.3)**	**(787.1)**	**11.8%**
Fuel	(248.5)	(240.6)	3.3%	(12.5)	(13.1)	-4.5%	(261.0)	(253.7)	2.9%	0.0	0.0	na	(261.0)	(253.7)	2.9%
Outsourced and contracted fleet	(62.4)	(52.1)	19.8%	(4.4)	(5.8)	-24.0%	(66.7)	(57.8)	15.4%	0.0	0.0	na	(66.7)	(57.8)	15.4%
Labor	(117.9)	(109.0)	8.2%	(35.3)	(30.9)	14.3%	(153.1)	(139.8)	9.5%	0.0	0.0	na	(153.1)	(139.8)	9.5%
Maintenance	(51.7)	(47.7)	8.4%	(7.1)	(5.3)	32.5%	(58.8)	(53.0)	10.8%	0.0	0.0	na	(58.8)	(53.0)	10.8%
Depreciation and Amortization	(184.5)	(151.6)	21.7%	(6.9)	(6.5)	5.0%	(191.4)	(158.2)	21.0%	0.0	0.0	na	(191.4)	(158.2)	21.0%
Other	(78.2)	(70.7)	10.6%	(7.2)	(5.5)	32.8%	(85.5)	(76.2)	12.2%	(37.5)	(36.6)	2.4%	(122.9)	(112.8)	9.0%
Railcar Rental	(26.4)	(11.8)	123.2%	0.0	0.0	na	(26.4)	(11.8)	123.2%	0.0	0.0	na	(26.4)	(11.8)	123.2%
Gross profit	**693.0**	**643.8**	**7.6%**	**9.5**	**9.4**	**1.7%**	**702.5**	**653.2**	**7.6%**	**10.0**	**9.4**	**6.0%**	**712.5**	**662.6**	**7.5%**
Operating income (expenses)	(62.1)	(59.7)	3.9%	(7.5)	(8.9)	-15.4%	(69.6)	(68.7)	1.4%	(5.7)	(6.6)	-13.9%	(75.3)	(75.2)	0.1%
Selling, General and Administrative	(68.2)	(65.8)	3.7%	(6.6)	(7.1)	-7.2%	(74.9)	(72.9)	2.6%	(6.1)	(3.5)	74.4%	(81.0)	(76.5)	5.9%
Other	6.1	6.1	1.1%	(0.9)	(1.8)	-47.8%	5.2	4.3	21.5%	0.5	(3.1)	na	5.7	1.2	363.5%
Equity earnings and gain (loss) on investments	**16.5**	**(15.8)**	**na**	**(13.7)**	**(0.7)**	**2003.2%**	**2.7**	**(16.5)**	**na**	**0.0**	**0.0**	**na**	**2.7**	**(16.5)**	**na**
Operating profit (loss) before net financial expenses	**647.4**	**568.3**	**13.9%**	**(11.7)**	**(0.2)**	**5450.0%**	**635.6**	**568.0**	**11.9%**	**4.3**	**2.9**	**51.7%**	**639.9**	**570.9**	**12.1%**
Net financial expenses	(430.8)	(365.9)	17.7%	(11.7)	(12.6)	-7.2%	(442.5)	(378.5)	16.9%	(0.5)	(0.0)	1084.6%	(443.0)	(378.5)	17.0%
Operating profit (loss)	**216.6**	**202.3**	**7.0%**	**(23.4)**	**(12.8)**	**83.2%**	**193.2**	**189.6**	**1.9%**	**3.8**	**2.8**	**35.5%**	**197.0**	**192.4**	**2.4%**
Minority Stakes	(3.7)	(3.3)	13.2%	(0.2)	0.5	na	(3.9)	(2.8)	40.2%	0.0	0.0	na	(3.9)	(2.8)	40.2%
Income tax benefit (expense)	(5.4)	0.9	na	(1.0)	0.4	na	(6.4)	1.3	na	(0.6)	(1.0)	-42.6%	(6.9)	0.3	na
Net income (loss)	**207.5**	**199.9**	**3.8%**	**(24.6)**	**(11.9)**	**107.3%**	**182.9**	**188.1**	**-2.7%**	**3.2**	**1.8**	**78.2%**	**186.1**	**189.9**	**-2.0%**

** To reflect Brado's results since 2Q11, the results of 1H10 and 1H11 are the simple sum of the results reported by ALL in 1Q10 and 1Q11, respectively, and the pro-forma results of 2Q10 and 2Q11.*

Table 30 - Financial Results per Business unit*	Agricultural Commodities		Industrial Products		Highway Based Services		ALL Argentina		ALL Rail and Highway Operation		Brado		ALL Holding	
(R$ million)	**2Q11**	**2Q10**	**2Q11**	**2Q10**	**2Q11**	**2Q10**	**2Q11**	**2Q10**	**2Q11**	**2Q10**	**2Q11**	**2Q10**	**2Q11**	**2Q10**
Gross revenues	718.6	614.2	213.5	204.3	26.8	26.8	48.0	46.2	1,006.9	891.5	54.5	52.4	1,061.4	943.9
Net Revenues	636.9	538.9	176.4	170.2	24.2	23.6	46.7	44.9	884.2	777.6	47.4	46.0	931.7	823.6
Cost of sales	(301.8)	(244.2)	(86.0)	(87.2)	(21.6)	(21.6)	(37.7)	(36.3)	(447.1)	(389.3)	(37.5)	(36.6)	(484.5)	(425.9)
Gross profit	335.1	294.6	90.5	83.0	2.6	2.0	9.0	8.6	437.2	388.3	10.0	9.4	447.2	397.7
EBIT	330.4	264.1	89.8	72.9	2.4	0.8	(8.2)	3.1	414.4	340.9	3.9	5.9	418.2	346.8
EBITDA	**361.5**	**314.0**	**106.4**	**103.9**	**3.8**	**3.9**	**8.9**	**8.3**	**480.6**	**430.1**	**8.4**	**5.9**	**489.0**	**436.0**
% Net Revenues														
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of sales	-47%	-45%	-49%	-51%	-89%	-92%	-81%	-81%	-51%	-50%	-79%	-80%	-52%	-52%
Gross profit	53%	55%	51%	49%	11%	8%	19%	19%	49%	50%	21%	20%	48%	48%
EBIT	52%	49%	51%	43%	10%	3%	-18%	7%	47%	44%	8%	13%	45%	42%
EBITDA	**57%**	**58%**	**60%**	**61%**	**16%**	**16%**	**19%**	**18%**	**54%**	**55%**	**18%**	**13%**	**52%**	**53%**
Volume														
RTK million	8,065	7,136	2,976	2,934			922	917	11,963	10,987			11,963	10,987
RK million					9.1	9.1			9.1	9.1			9.1	9.1
R$ / Volume Unit	**R$ / thousand RTK**		**R$ / thousand RTK**		**R$ / RK**		**R$ / thousand RTK**		**R$ / thousand RTK**					
Net Revenues	79.0	75.5	59.3	58.0	2.7	2.6	50.6	49.0	71.9	68.6				
Cost of sales	(37.4)	(34.2)	(28.9)	(29.7)	(2.4)	(2.4)	(40.9)	(39.6)	(35.6)	(33.5)				
Gross profit	41.6	41.3	30.4	28.3	0.3	0.2	9.7	9.4	36.3	35.2				
EBIT	41.0	37.0	30.2	24.8	0.3	0.1	(8.9)	3.4	34.4	31.0				
EBITDA	**44.8**	**44.0**	**35.8**	**35.4**	**0.4**	**0.4**	**9.7**	**9.0**	**39.9**	**38.8**				

** Results of 2Q10 are presented in a pro-forma basis, as if Brado had already been created in that period.*

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Table 31 - Financial Results per Business unit*	Agricultural Commodities		Industrial Products		Highway Based Services		ALL Argentina		ALL Rail and Highway Operation		Brado		ALL Holding	
(R$ million)	**1H11**	**1H10**	**1H11**	**1H10**	**1H11**	**1H10**	**1H11**	**1H10**	**1H11**	**1H10**	**1H11**	**1H10**	**1H11**	**1H10**
Gross revenues	1,199.5	1,063.4	431.5	411.8	52.0	50.9	85.1	78.4	1,768.2	1,604.6	54.5	52.4	1,822.7	1,656.9
Net Revenues	1,056.9	936.1	359.8	346.7	45.9	44.4	82.8	76.4	1,545.4	1,403.7	47.4	46.0	1,592.8	1,449.7
Cost of sales	(525.9)	(445.8)	(202.2)	(197.0)	(41.4)	(40.7)	(73.3)	(67.0)	(842.9)	(750.5)	(37.5)	(36.6)	(880.3)	(787.1)
Gross profit	531.0	490.3	157.6	149.8	4.4	3.7	9.5	9.4	702.5	653.2	10.0	9.4	712.5	662.6
EBIT	499.6	435.6	145.4	128.4	2.8	1.2	(11.7)	(0.2)	636.1	565.0	3.9	5.9	639.9	570.9
EBITDA	**582.0**	**531.4**	**183.1**	**179.6**	**7.2**	**6.4**	**10.0**	**9.2**	**782.2**	**726.6**	**8.4**	**5.9**	**790.6**	**732.5**
% Net Revenues														
Net Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of sales	-50%	-48%	-56%	-57%	-90%	-92%	-89%	-88%	-55%	-53%	-79%	-80%	-55%	-54%
Gross profit	50%	52%	44%	43%	10%	8%	11%	12%	45%	47%	21%	20%	45%	46%
EBIT	47%	47%	40%	37%	6%	3%	-14%	0%	41%	40%	8%	13%	40%	39%
EBITDA	**55%**	**57%**	**51%**	**52%**	**16%**	**14%**	**12%**	**12%**	**51%**	**52%**	**18%**	**13%**	**50%**	**51%**
Volume														
RTK million	13,957	12,731	5,675	5,589			1,670	1,642	21,302	19,962			21,302	19,962
RK million					17.0	16.8			17.0	16.8			17.0	16.8
R$ / Volume Unit	**R$ / thousand RTK**		**R$ / thousand RTK**		**R$ / RK**		**R$ / thousand RTK**		**R$ / thousand RTK**					
Net Revenues	75.7	73.5	63.4	62.0	2.7	2.7	49.6	46.5	70.4	68.1				
Cost of sales	(37.7)	(35.0)	(35.6)	(35.2)	(2.4)	(2.4)	(43.9)	(40.8)	(37.6)	(35.6)				
Gross profit	38.0	38.5	27.8	26.8	0.3	0.2	5.7	5.7	32.8	32.5				
EBIT	35.8	34.2	25.6	23.0	0.2	0.1	(7.0)	(0.1)	29.7	28.2				
EBITDA	**41.7**	**41.7**	**32.3**	**32.1**	**0.4**	**0.4**	**6.0**	**5.6**	**36.4**	**36.1**				

** To reflect Brado's results since 2Q11, the results of 1H10 and 1H11 are the simple sum of the results reported by ALL in 1Q10 and 1Q11, respectively, and the pro-forma results of 2Q10 and 2Q11.*

Table 32 - EBITDA Reconciliation*	2Q11					2Q10				
(R$ million)	Brazil	Argentina	ALL Rail and Highway Operation	Brado	ALL Holding	Brazil	Argentina	ALL Rail and Highway Operation	Brado	ALL Holding
Operating Profit before net financial expenses	**422.1**	**(8.2)**	**413.9**	**4.3**	**418.2**	**340.8**	**3.1**	**343.9**	**2.9**	**346.8**
Depreciation e amortization.....	96.7	17.1	113.8	3.1	**116.8**	95.5	3.9	99.4	3.0	**102.5**
Lease of Concession Agreements (IS-CASH)	(30.7)	0.0	(30.7)	0.0	**(30.7)**	(25.0)	0.0	(25.0)	0.0	**(25.0)**
Stock Options (1).....	4.9	0.0	4.9	0.0	**4.9**	5.1	0.0	5.1	0.0	**5.1**
Accidents / compensations (2)	1.1	0.0	1.1	0.0	**1.1**	2.3	1.3	3.6	0.0	**3.6**
Non-recurring items (3).....	(22.3)	0.0	(22.3)	1.0	**(21.3)**	3.1	0.0	3.1	0.0	**3.1**
EBITDA	**471.7**	**8.9**	**480.6**	**8.4**	**489.0**	**421.8**	**8.3**	**430.1**	**5.9**	**436.0**

Table 33 - EBITDA Reconciliation*	1H11					1H10				
(R$ million)	Brazil	Argentina	ALL Rail and Highway Operation	Brado	ALL Holding	Brazil	Argentina	ALL Rail and Highway Operation	Brado	ALL Holding
Operating Profit before net financial expenses	**647.4**	**(11.7)**	**635.6**	**4.3**	**639.9**	**568.3**	**(0.2)**	**568.0**	**2.9**	**570.9**
Depreciation e amortization.....	196.6	21.0	217.6	3.1	**220.7**	184.2	7.7	191.9	3.0	**194.9**
Lease and concession.....	(63.4)	0.0	(63.4)	0.0	**(63.4)**	(49.3)	0.0	(49.3)	0.0	**(49.3)**
Stock Options (1).....	12.5	0.0	12.5	0.0	**12.5**	10.2	0.0	10.2	0.0	**10.2**
Accidents / compensations (2)	0.1	0.0	0.1	0.0	**0.1**	0.9	1.3	2.2	0.0	**2.2**
Non-recurring items (3).....	(20.9)	0.7	(20.2)	1.0	**(19.2)**	3.1	0.5	3.6	0.0	**3.6**
EBITDA	**772.2**	**10.0**	**782.2**	**8.4**	**790.7**	**717.4**	**9.2**	**726.6**	**5.9**	**732.5**

(1) Stock Options in Brazil: R$4.9 million in 2Q11 and R$12.5 million in 1H11.

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

(3) Non recurring events: related to labor provisions and R$26.2 million in 2Q11 related to equity earnings and goodwill amortization in Brazil.

** Results of 2Q10 and 1H10 are presented in a pro-forma basis, as if Brado had already been created in that period. To reflect Brado's results since 2Q11, the results of 1H10 and 1H11 are the simple sum of the results reported by ALL in 1Q10 and 1Q11, respectively, and the pro-forma results of 2Q10 and 2Q11.*

Table 34 - ALL Rail and Highway Operation Cash Flow* (R$ million)	2Q11	2Q10	Change	1H11	1H10	Change
Net Income (in cash basis)	**339.0**	**328.8**	**10.2**	**479.0**	**457.5**	**21.4**
Net Income	182.4	154.9	27.5	182.9	189.9	(7.0)
Depreciation and amortization	113.8	98.6	15.2	217.6	191.0	26.6
Lease and Concession	38.4	32.0	6.4	82.5	61.5	21.0
Stock Options	4.8	5.1	(0.3)	12.5	10.2	2.3
Interest Expenses (IS-CASH)	12.2	56.0	(43.8)	3.9	31.5	(27.6)
Deferred Taxes	(12.7)	(17.8)	5.1	(20.5)	(26.6)	6.1
Working Capital	**6.6**	**(123.2)**	**129.8**	**(42.1)**	**(214.4)**	**172.3**
Clients	2.0	(61.8)	63.9	(69.2)	(127.4)	58.1
Inventory	5.2	(4.4)	9.6	9.2	(0.2)	9.3
Suppliers	(1.1)	(62.6)	61.5	21.0	(93.3)	114.3
Labor	0.5	5.7	(5.2)	(3.0)	6.4	(9.4)
Other Accounts Variation	**(40.3)**	**(31.3)**	**(9.0)**	**(83.8)**	**(43.5)**	**(40.4)**
Operating Activities	**305.3**	**174.4**	**130.9**	**353.0**	**199.6**	**153.4**
Capex	(201.0)	(227.5)	26.5	(463.2)	(456.6)	(6.6)
Investing Activities	**(201.0)**	**(227.5)**	**26.5**	**(463.2)**	**(456.6)**	**(6.6)**
Free Cash Flow	**104.3**	**(53.2)**	**157.4**	**(110.2)**	**(257.0)**	**146.8**
Capital increase / Share buyback	0.4	1.8	(1.4)	3.4	14.9	(11.6)
Dividends and Interest on own capital	(56.7)	(6.9)	(49.8)	(56.7)	(6.9)	(49.8)
New loans	826.4	70.0	756.4	886.4	70.0	816.4
Debt Payments / Prepayments	(109.6)	(119.3)	9.8	(303.6)	(253.5)	(50.1)
Financing Activities	**660.5**	**(54.4)**	**714.9**	**529.4**	**(175.5)**	**704.9**
Change in Cash	**764.8**	**(107.5)**	**872.3**	**419.3**	**(432.5)**	**851.7**
Opening Balance of Cash	**1,629.0**	**2,248.8**	**(619.8)**	**1,974.6**	**2,573.7**	**(599.2)**
Closing Balance of Cash	**2,393.8**	**2,141.2**	**252.6**	**2,393.8**	**2,141.2**	**252.6**

** Excludes results of Brado Logística*

MANAGEMENT'S STATEMENT ON INDEPENDENT AUDITORS' SPECIAL REVIEW

Pursuant to Article 25, paragraph 1, items V and VI, of CVM Rule 480 as of December 7, 2009, the undersigned Officers of ALL – América Latina Logística S.A, state that:

(i) they have examined, discussed and agreed on the opinion issued in the independent auditors' special review report prepared by Ernst & Young Terco Auditores Independentes S.S. about the Quarterly Financial Information related to the quarter ended on June 30, 2011.

Curitiba, August 3, 2011.

Paulo Luiz Araújo Basílio – Chief Executive Officer | **Rodrigo Barros de Moura Campos –** Chief Financial and Investor Relations Officer | **Pedro Roberto Oliveira Almeida -** Institutional Relations Officer | **Eduardo Pelleissone -** Managing Director | **Sergio Nahuz -** Chief Commercial Officer | **Alexandre Santoro -** Chief Logistics Officer | **Alexandre Zanelatto -** Chief Operating Officer | **Melissa Alves Werneck -** Chief Personnel Officer

MANAGEMENT'S STATEMENT ON QUARTERLY INFORMATION

Pursuant to Article 25, paragraph 1, items V and VI, of CVM Rule 480 as of December 7, 2009, the undersigned Officers of ALL – América Latina Logística S.A state that:

(i) they have examined this Quarterly Financial Information referring to period ended June 30, 2011 of ALL – América Latina Logística S.A., and based on following discussions, agreed that they fairly present all relevant aspects, equity and financial position for the reported periods.

Curitiba, July 19, 2011.

Paulo Luiz Araújo Basílio – Chief Executive Officer **|** **Rodrigo Barros de Moura Campos –** Chief Financial and Investor Relations Officer **|** **Pedro Roberto Oliveira Almeida -** Institutional Relations Officer | **Eduardo Pelleissone -** Managing Director | **Sergio Nahuz -** Chief Commercial Officer | **Alexandre Santoro -** Chief Logistics Officer **|** **Alexandre Zanelatto -** Chief Operating Officer | **Melissa Alves Werneck -** Chief Personnel Officer

FISCAL COUNCIL'S REPORT

The members of ALL – América Latina Logística S.A. Fiscal Council, in the exercise of their duties and legal responsibilities, pursuant to Article 163 of Brazilian Corporation Law, proceed to examine and analyze this Quarterly Financial Information, accompanied by the independent auditors' special review report and Management's report of quarterly performance related to period ended on June 30, 2011 and, considering the information provided by the Company's Management and Ernst & Young Terco Auditores Independentes S.S., issue an unanimous opinion that the reports fairly present, in all relevant aspects, the equity and financial position of the Company and its subsidiary, and the members recommend the approval of the documents by the Company's Board of Directors, pursuant to Brazilian Corporation Law.

Curitiba, August 3, 2011

Newton de Souza Junior	Ricardo Scalzo	José Miguel Correia
Chairman of Fiscal Concil	Fiscal Concil Member	Fiscal Concil Member