(A free translation of the original in Portuguese)

ALL - América Latina Logística S.A. and its subsidiaries

Quarterly Information (ITR)
at June 30, 2012 and 2011 and December 31, 2011
prepared in accordance with the accounting practices adopted in Brazil (BRGAAP) and the International Financial Reporting Standards (IFRS) and
report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Management, Board of Directors and Stockholders
ALL - América Latina Logística S.A.
Curitiba - PR

Introduction

1 We have reviewed the accompanying parent company and consolidated interim accounting information of ALL - América Latina Logística S.A., included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2012, comprising the balance sheet as at that date and the statements of income and comprehensive income (note 28) for the quarter and six-month period then ended June 30,2012, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

2 Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

3 We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (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 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 Brazilian and 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 parent company
interim information

4 Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated interim information

5 Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Emphasis of matters

6 As mentioned in note 5(a), on October 20, 2006, the indirect subsidiaries América Latina Logística Central S.A. ("ALL Central") and América Latina Logística - Mesopotàmica S.A. ("ALL Mesopotàmica") signed "Letters of Understanding" with Argentina, as part of their concession agreement renegotiation process, with the objective of restoring the economic and financial balance. As at the date of this quarterly information, the renegotiation of the concession agreements had not yet been concluded, as the approval of the National Executive Branch has not been received, although the "Letters of Understanding" have already been previously approved by the "Comisión Bicameral de Seguimiento de Privatizaciones" of Argentina. Note 5(a) also describes a summary of the main related aspects. This interim accounting information does not include any adjustments and/or reclassifications arising from the eventual rejection of the terms and conditions of the aforementioned "Letters of Understanding" by the Argentine National Executive Branch.

7 As discussed in Note 7, the indirect subsidiary ALL Central interrupted the recognition of toll revenues of the "Unidad Ejecutora del Programa Ferroviário Provincial - U.E.P.F.P." ("Unit") as from January 2002. This decision is essentially based on the lack of recognition of services rendered by ALL Central by this Unit. In 2004, ALL Central filed a claim with the Federal Administrative Litigation Court of the Province of Buenos Aires, requesting the payment of toll fees for the period between 1993 and 1996. Supported by the opinion of its legal advisors, who understand that the outcome of the lawsuit filed against U.E.P.F.P. has a relatively high probability of success, management did not record a provision for the amounts receivable recorded in ALL Central at the historical value of R$ 2,127 thousand (P$ 4,762 thousand). On the other hand, and due to the reimbursement agreements entered into with former stockholders, ALL Central recorded liabilities corresponding to 50% of the amount recorded as receivables. This interim accounting information does not include any adjustments or reclassifications that could arise as a result of these discussions.

Other matters

Statements of value added

8 We have also reviewed the parent company and consolidated statements of value added for the six months ended June 30, 2012, which are the responsibility of the Company's management. The presentation of these statements is required by the Brazilian corporate legislation for listed companies, but it is considered supplementary information for IFRS. These statements have been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not properly prepared, in all material respects, in a manner consistent with the interim accounting information taken as a whole.

Audit and review of prior-year information

9 The Quarterly Information mentioned in the first paragraph includes accounting information corresponding to the statements of income for the quarter and six-month period then ended June 30,2012, changes in equity, cash flows and value added for the quarter and six-month period ended June 30, 2011, obtained from the Quarterly Information for those periods, and related to the balance sheet as at December 31, 2011, obtained from the financial statements as at December 31, 2011, presented for comparison purposes. The review of the Quarterly Information Form (ITR) for the quarter ended June 30, 2011 and the audit of the financial statements for the year ended December 31, 2011 were conducted by other independent auditors, who issued a review report and an independent auditor's report thereon, dated August 3, 2011 and February 28, 2012, respectively, without qualifications. However, the reports included the emphasis of matters presented in this report.

Curitiba, August 13, 2012

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" PR

Carlos Alexandre Peres
Accountant CRC 1SP198156/O-7 "S" PR

		Parent		Consolidated	
	Note	**6/30/2012**	**12/31/2011**	**6/30/2012**	**12/31/2011**
Assets					
Current assets					
Cash and cash equivalents	6	457,083	714,753	1,586,764	2,099,738
Trade receivables	7	79,333	68,980	357,428	271,837
Inventories		6,147	-	168,944	124,320
Intercompany loans receivable		-	-	589	1,639
Prepayment of lease agreements	8	-	-	6,186	6,186
Taxes and contributions recoverable	9	73,808	63,873	436,155	363,476
Dividends and interest on capital		6,421	6,421	-	338
Advances and other receivables		6,444	5,430	98,184	80,913
Prepaid expenses		999	4,016	8,275	13,541
Total current assets		630,235	863,473	2,662,525	2,961,988
Non-current assets					
Long-term receivables					
Receivables from related parties	20	102,011	100,313	-	-
Prepayment of lease agreements	8	-	-	85,262	88,355
Debentures	11	203,324	296,819	-	-
Taxes and contributions recoverable	9	17,926	14,572	358,013	363,102
Deferred income tax and social contribution	10	-	-	542,318	509,617
Refundable deposits and restricted amounts	19	9,981	13,279	347,664	353,949
Other receivables		9,593	9,593	68,774	67,914
Prepaid expenses		-	-	8,569	7,441
		342,835	434,576	1,410,600	1,390,378
Investments	12	5,012,035	4,620,046	11,170	9,886
Intangible assets	13	586	781	2,490,885	2,517,975
Property and equipment	14	117,963	123,106	7,713,145	7,261,881
		5,130,584	4,743,933	10,215,200	9,789,742
Total non-current assets		5,473,419	5,178,509	11,625,800	11,180,120
Total assets		6,103,654	6,041,982	14,288,325	14,142,108

	Note	Parent		Consolidated	
		6/30/2012	12/31/2011	6/30/2012	12/31/2011
Liabilities and equity					
Current liabilities					
Trade payables		13,421	14,971	408,342	462,896
Borrowings	15	18,325	10,768	789,593	457,534
Debentures	16	139,275	140,134	243,397	243,781
Taxes payable		4,184	3,779	46,225	43,157
Intercompany loans payable		-	-	1,035	2,370
Leases and concessions	18	-	-	40,384	26,621
Labor and social security obligations		769	13,599	89,955	97,078
Advances from customers		-	18,971	81,392	96,277
Finance leases	17	-	-	247,600	235,859
Taxes and social security contributions payable in installments	24	479	462	35,965	35,239
Other payables		9,131	9,133	24,473	26,043
Deferred revenue	23	-	-	2,611	2,611
Advances on real estate credits	22	29,387	29,967	151,031	151,611
Dividends and interest on capital		4,831	59,506	5,045	60,058
Total current liabilities		219,802	301,290	2,167,048	1,941,135
Non-current liabilities					
Borrowings	15	223,172	242,691	2,521,775	2,751,214
Debentures	16	1,361,326	1,357,797	2,175,250	2,179,208
Payables to related parties	20	30,390	17,092	-	-
Provision for contingencies	19	-	-	205,656	209,681
Leases and concessions	18	-	-	1,381,679	1,296,441
Provision for unrealized profit	21	11,502	11,874	-	-
Finance leases	17	-	-	993,295	1,032,467
Taxes and social security contributions payable in installments	24	5,426	5,462	169,973	182,779
Advances on real estate credits	22	72,826	75,794	400,198	422,237
Other liabilities		-	-	11,054	11,693
Provision for net capital deficiency in subsidiary	12	12,562	9,677	-	-
Deferred revenue	23	-	-	26,378	27,692
Total non-current liabilities		1,717,204	1,720,387	7,885,258	8,113,412
Equity	25				
Share capital		3,433,941	3,433,941	3,433,941	3,433,941
Capital reserves		85,973	63,001	85,973	63,001
Revenue reserves		527,304	530,104	527,304	530,104
Retained earnings (accumulated deficit)		151,598	-	151,598	-
Carrying value adjustments		(43,671)	(19,036)	(43,671)	(19,036)
Advances for future capital increase		11,503	12,295	11,503	12,295
		4,166,648	4,020,305	4,166,648	4,020,305
Non-controlling interests				69,371	67,256
Total equity		4,166,648	4,020,305	4,236,019	4,087,561
Total liabilities and equity		6,103,654	6,041,982	14,288,325	14,142,108

The accompanying notes are an integral part of this quarterly information.

ALL – América Latina Logística S.A. and its subsidiaries

Statement of income
for the quarter and six-month period ended June 30, 2012 and 2011
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

		Parent				Consolidated			
		Period ended in		quarterly ended in		Period ended in		quarterly ended in	
	Note	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Net service revenue	31	82,754	68,626	65,873	36,332	1,757,949	1,592,845	989,430	931,683
Cost of services		(5,717)	(2,490)	(4,036)	(746)	(1,012,288)	(880,339)	(521,402)	(484,508)
Gross profit		77,037	66,136	61,837	35,586	745,661	712,506	468,028	447,175
Results from investments									
Equity in the results of investees	12	196,347	214,157	156,929	199,738	1,262	1,052	621	709
Provision for net capital deficiency in subsidiaries	12	(19,039)	(2,928)	(18,179)	(1,923)	-	-	-	151
Amortization of goodwill in subsidiaries		(28,043)	(21,893)	(14,022)	(10,946)	(28,043)	(35,600)	(14,022)	(24,362)
Gain/loss on investments		-	-	-	-	(462)	37,296	-	36,329
		149,265	189,336	124,728	186,869	(27,243)	2,748	(13,401)	12,827
Operating income (expenses)									
Selling		(334)	101	(20)	734	(8,086)	(8,419)	(4,996)	(1,904)
General and administrative		(18,061)	(22,145)	(10,605)	(12,866)	(81,121)	(72,558)	(42,948)	(39,333)
Other operating income (expenses), net	31	11,455	(2,807)	3,601	(1,328)	1,626	5,672	(2,189)	(521)
		(6,940)	(24,851)	(7,024)	(13,460)	(87,581)	(75,305)	(50,133)	(41,758)
Operating profit before finance result		219,362	230,621	179,541	208,995	630,837	639,949	404,494	418,244
Finance costs	27	(105,239)	(97,460)	(43,846)	(53,759)	(561,152)	(548,696)	(280,184)	(280,942)
Finance income	27	37,475	57,128	18,266	32,347	82,684	105,722	37,008	58,689
		(67,764)	(40,332)	(25,580)	(21,412)	(478,468)	(442,974)	(243,176)	(222,253)
Operating profit before taxes and non-controlling interests		151,598	190,289	153,961	187,583	152,369	196,975	161,318	195,991
Provision for income tax and social contribution	10	-	(4,144)	-	(1,953)	(30,156)	(26,107)	(23,541)	(18,942)
Deferred income tax and social contribution	10	-	-	-	-	31,344	19,174	16,939	11,349
		-	(4,144)	-	(1,953)	1,188	(6,933)	(6,602)	(7,593)
Attributable to									
Owners of the Company		151,598	186,145	153,961	185,630	153,557	190,042	154,716	188,398
Non-controlling interests		-	-	-	-	(1,959)	(3,897)	(755)	(2,768)
Profit for the period		151,598	186,145	153,961	185,630	151,598	186,145	153,961	185,630
Earnings per share from continuing and discontinued operations attributable to the equity holders of the Company during the year (expressed in R$ per share)									
Basic earnings per share	29								
(In reais)									
Per common share		0.2220	0.2704	0.2255	0.2696	0.2220	0.2704	0.2255	0.2696
Diluited earnings per share	29								
(In reais)									
Per common share		0.2170	0.2653	0.2203	0.2646	0.2170	0.2653	0.2203	0.2646

As notas explicativas da administração são parte integrante das demonstrações financeiras.

The accompanying notes are an integral part of this quarterly information.

ALL – América Latina Logística S.A. and its subsidiaries

Statement of changes in equity

(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Share Capital		Capital reserves				Revenue reserves					Other				
	Subscribed	Unpaid	Tresuary shares	Cost of debentures issued	Stock options	Profit or loss from transactions with non-controlling interests	Legal	Tax incentives	For investments	Profit for the period	Advances for future capital increase	Cumulative translation adjustments	Carrying values adjustments	Total	Non-controlling interests	Total equity
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**
Profit for the period	-	-	-	-	-	-	-	-	-	186,145	-	-	-	186,145	15,779	201,924
Foreing exchange gains (losses) on investments abroad	-	-	-	-	-	-	-	-	-	-	-	(1,211)	-	(1,211)	-	(1,211)
Mark-to-market gains (losses) - hedge	-	-	-	-	-	-	-	-	-	-	-	-	5,069	5,069	-	5,069
Avaliable-for-sale investments mark-to-market	-	-	-	-	-	-	-	-	-	-	-	-	1,666	1,666	-	1,666
Company's reflecting adjustments	-	-	-	-	-	-	-	-	1,955	-	-	-	5,558	7,513	-	7,513
Non-controlling interests transactions P&L	-	-	-	-	-	41,740	-	-	-	-	-	-	-	41,740	-	41,740
Stock options:														-		-
Cost difference in the purchase of shares	-	-	-	-	12,488	-	-	-	-	-	-	-	-	12,488	-	12,488
Options exercise	-	-	1,853	-	(436)	-	-	-	(411)	-	2,294	-	-	3,300	-	3,300
Good will from capital transactions	-	-	-	-	-	(6,692)	-	-	-	-	-	-	-	(6,692)	-	(6,692)
Other	-	-	-	-	-	-	-	-	-	-	-	81	(81)	-	-	-
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**

	Share Capital		Capital reserves				Revenue reserves					Other				
	Subscribed	Unpaid	Tresuary shares	Cost of debentures issued	Stock options	Profit or loss from transactions with non-controlling interests	Legal	Tax incentives	For investments	Profit for the period	Advances for future capital increase	Cumulative translation adjustments	Carrying values adjustments	Total	Non-controlling interests	Total equity
At December 31, 2012	**3,448,283**	**(14,342)**	**(63,803)**	**(19,439)**	**90,390**	**55,853**	**65,860**	**134,551**	**329,693**	**-**	**12,295**	**(11,571)**	**(7,465)**	**4,020,305**	**67,256**	**4,087,561**
Profit for the semester	-	-	-	-	-	-	-	-	-	151,598	-	-	-	151,598	1,965	153,563
Foreing exchange gains (losses) on investments abroad	-	-	-	-	-	-	-	-	-	-	-	(992)	-	(992)	150	(842)
Mark-to-market gains (losses) - hedge	-	-	-	-	-	-	-	-	-	-	-	-	(28,113)	(28,113)	-	(28,113)
Avaliable-for-sale investments mark-to-market	-	-	-	-	-	-	-	-	-	-	-	-	4,470	4,470	-	4,470
Cost difference in the purchase of shares	-	-	2,800	-	-	-	-	-	(2,800)	-	-	-	-	-	-	-
Reserve for options granted	-	-	-	-	16,017	-	-	-	-	-	-	-	-	16,017	-	16,017
Options exercise	-	-	9,894	-	(5,739)	-	-	-	-	-	(4,155)	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	3,363	190	(190)	3,363	-	3,363
At June 30,2012	**3,448,283**	**(14,342)**	**(51,109)**	**(19,439)**	**100,668**	**55,853**	**65,860**	**134,551**	**326,893**	**151,598**	**11,503**	**(12,373)**	**(31,298)**	**4,166,648**	**69,371**	**4,236,019**

The accompanying notes are an integral part of this quarterly information.

ALL – América Latina Logística S.A. and its subsidiaries

Statement of cash flows
for the six months ended June 30, 2012 and 2011
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Parent		Consolidated	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Cash flows from operating activities				
Profit for the six-month period	151,598	186,145	151,598	186,145
Expenses (income) not affecting cash and cash equivalents				
Depreciation and amortization	1,894	2,026	208,350	198,257
Amortization of goodwill	28,043	21,893	28,043	22,460
Equity in the results of investees and gain/loss on investments	(196,347)	(214,157)	(800)	(25,466)
Provision for net capital deficiency	19,039	2,928	-	-
Deferred income tax and social contribution	-	-	(31,344)	(19,174)
Provision for unrealized profit	(372)	(371)	-	-
Realization of deferred revenue	-	-	(1,314)	(1,308)
Interest and foreign exchange variations on borrowings and debentures	6,417	9,544	3,867	5,043
Stock options	2,679	3,132	10,700	12,488
Non-controlling interests	-	-	1,959	3,897
	12,951	11,140	371,059	382,342
Change in assets				
Trade receivables	(10,353)	(34,459)	(85,590)	(84,371)
Inventories	2,290	-	(36,187)	8,125
Taxes recoverable	(5,171)	(2,516)	(58,860)	(44,652)
Dividends and interest on capital	-	795	338	-
Other assets	5,302	(22,947)	(3,539)	(27,209)
	(7,932)	(59,127)	(183,838)	(148,107)
Change in liabilities				
Trade payables	(1,548)	(5,048)	(44,311)	30,314
Salaries and social charges	(10,031)	6,058	(4,324)	(13,986)
Taxes and contributions	176	3,593	(17,359)	40,410
Leases and concessions payable	-	-	99,001	82,542
Other liabilities	(18,970)	25,649	(41,033)	(21,768)
	(30,373)	30,252	(8,026)	117,512
Net cash provided by (used in) operating activities	**(25,354)**	**(17,735)**	**179,195**	**351,747**
Cash flows from investing activities				
Purchases of property and equipment	(4,647)	(2,068)	(547,800)	(466,836)
Acquisition of (increase in) investments	-	(13,814)	-	-
Cash acquired from subsidiary	-	-	-	43,239
Net cash used in investing activities	(4,647)	(15,882)	(547,800)	(423,597)
Cash flows from financing activities				
New borrowings	-	875,477	401,648	888,590
Repayment of borrowings	(38,266)	(18,776)	(494,367)	(307,583)
Capital increase and advances for future capital increase	3,363	3,353	3,363	3,353
Dividends and interest on capital	(54,675)	(56,655)	(55,013)	(56,651)
Proceeds from debentures	93,117	(283,089)	-	-
Related parties	(231,208)	-	-	-
Net cash provided by (used in) financing activities	(227,669)	520,310	(144,369)	527,709
Net increase (decrease) in cash and cash equivalents	**(257,670)**	**486,693**	**(512,974)**	**455,859**
Cash and cash equivalents at the beginning of the period	714,753	591,702	2,099,738	1,974,560
Cash and cash equivalents at the end of the period	457,083	1,078,395	1,586,764	2,430,419
Increase (decrease) in cash and cash equivalents	**(257,670)**	**486,693**	**(512,974)**	**455,859**

The accompanying notes are an integral part of this quarterly information.

	Parent		Consolidated	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Revenue				
Services	85,849	75,775	2,006,266	1,822,661
Other revenue	8,692	797	98,179	66,642
Provision for impairment of trade receivables	(334)	101	(3,504)	(4,801)
	94,207	**76,673**	**2,100,941**	**1,884,502**
Inputs acquired from third parties				
Cost of services	(3,528)	(488)	(511,342)	(420,349)
Materials, electricity, outsourced services and others	(6,098)	(10,503)	(162,493)	(49,574)
Impairment/recovery of assets	(6,003)	(1,320)	(69,739)	(32,744)
Other	3,413	(126)	(4,525)	(51,948)
	(12,216)	**(12,437)**	**(748,009)**	**(554,615)**
Gross value added	**81,991**	**64,236**	**1,352,842**	**1,329,887**
Depreciation, amortization and depletion	(29,937)	(23,919)	(236,393)	(220,717)
Net value added generated by the entity	**52,054**	**40,317**	**1,116,449**	**1,109,170**
Value added received through transfer				
Results from investments/provision for net capital deficiency/gain on investments	175,677	211,229	800	38,348
Finance income	37,475	57,128	82,684	105,722
	213,152	**268,357**	**83,484**	**144,070**
Total value added to distribute	**265,206**	**308,674**	**1,199.933**	**1,253,240**
Distribution of value added				
Personnel				
Direct remuneration	5,049	10,519	118,314	117,259
Benefits	(22)	(17)	16,930	14,307
Government Severance Indemnity Fund for Employees (FGTS)	190	181	6,809	5,493
	5,217	**10,683**	**142,053**	**137,059**
Taxes and contributions				
Federal	3,950	12,648	188,974	216,199
State	-	-	39,118	44,699
Municipal	18	1,063	6,177	8,224
	3,968	**13,711**	**234,269**	**269,122**
Third-party capital remuneration				
Interest	105,239	97,460	561,152	548,696
Rentals	815	675	110,533	108,321
	106,054	**98,135**	**671,685**	**657,017**
Own capital remuneration				
Dividends				
Profits reinvested	149,967	186,145	149,967	186,145
Non-controlling interests in results	-	-	1,959	3,897
	151,598	**186,145**	**151,926**	**190,042**
Total value added distributed	**265,837**	**308,674**	**1,199.933**	**1,253,240**

The accompanying notes are an integral part of this quarterly information.

1 General information

(a) The Company

ALL - América Latina Logística S.A. (the "Company" or "Parent Company") was incorporated on December 31, 1997, and is headquartered in the city of Curitiba, state of Paraná.

The Company's main activities are:

- the investment in other companies, ventures and consortia, whose objective is related to transportation services, including railway transportation;
- the performance of transportation service related activities, such as logistics, intermodal transport, port operations, transfer and storage of goods, exploration and management of bonded and general warehouses;
- the acquisition, leasing or lending of locomotives, wagons and other railway equipment to third parties.

Since October 22, 2010, the Company's shares are traded in the "New Market" segment of Bovespa.

The Company operates railroad transportation in the Southern region of Brazil through ALL - América Latina Logística Malha Sul S.A., and in the Mid-West region and state of São Paulo through subsidiaries ALL - América Latina Logística Malha Paulista S.A., ALL - América Latina Logística Malha Norte S.A. 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), the holding company of ALL - América Latina Logística - Central S.A. (ALL Central) and ALL - América Latina Logística - Mesopotámica S.A. (ALL Mesopotámica), and also renders road transport services in Brazil through ALL - América Latina Logística Intermodal S.A. (ALL Intermodal).

The concession terms are as follows:

Companies	Concession period	Regions covered
ALL Malha Sul	February 2027	South of Brazil
ALL Malha Paulista	December 2028	State of São Paulo
ALL Malha Oeste	June 2026	Mid-West and state of São Paulo
ALL Malha Norte	May 2079	Mid-West and state of São Paulo
ALL Central	August 2023	Argentina
ALL Mesopotámica	October 2023	Argentina
Portofer	June 2025	Porto de Santos (port in the state of São Paulo)
Terminal XXXIX	August 2022	Porto de Santos (port in the state of São Paulo)
TGG - Guarujá Retail Terminal	August 2022	Porto de Santos (port in the state of São Paulo)
Termag - Guarujá Maritime Terminal	August 2022	Porto de Santos (port in the state of São Paulo)

A list of all the companies included in the ALL group is presented 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, parts and components, and importing, exporting, purchasing, selling, distributing, leasing and lending wagons, machinery, equipment and inputs, all related to railroad activities. Currently it only operates as a wagon servicing station.

ALL Overseas: a wholly-owned subsidiary acquired in December 1999. Its main business purpose is to carry out any activities that are in accordance with the legislation applicable 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, bonded warehouses upstate, as well 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 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, Brado Holding started to own an 80% interest in Brado Logística e Participação S.A.

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

Brado Logística S.A.: formerly Standard Logística e Distribuição S.A. It was acquired on April 1, 2011, and 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.

Ritmo Logística S.A.: this company was formed on July 1, 2011, through the combination of the highway operations of ALL Intermodal S.A. and the highway business of Ouro Verde Transportes e Locação S.A. This operation was carried out through the contribution of the dedicated assets of ALL Intermodal S.A. and Ouro Verde Transportes e Locação S.A., and through the transfer of the employees to the new company, with the objective of establishing a strategic association in the highway segment.

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

The companies are subject to compliance with certain conditions set forth in the privatization public notices in the concession agreements of the Railroad Networks.

The concession agreements of these subsidiaries will be terminated upon the following events: end of the contractual term; expropriation; forfeiture; termination; annulment and bankruptcy; or dissolution of the concessionaire.

Should any concessions cease to exist, the major effects will be as follows:

- Rights and privileges transferred to the companies will be returned to the Federal Government together with leased assets and those resulting from investments which revert to the Government for being necessary to continue to perform the related services.

- Assets which revert will be indemnified by the Federal Government for the residual carrying value, computed based on the companies' accounting records, after depreciation is deducted; this cost will be subject to technical and financial assessments by the Federal Government. All and any improvements made in the permanent railroad superstructure will not be considered as an investment for indemnification purposes.

2 Accounting policies

The accounting policies adopted by the Company in the preparation of this quarterly information are the same as those used in the preparation of the financial statements for the year ended December 31, 2011.

The issue of this quarterly information was authorized in the Executive Board Meeting held on July 16, 2012.

3 Basis of consolidation

3.1 Consolidated quarterly information

(a) Subsidiaries

The consolidated quarterly information comprises the quarterly information of ALL - América Latina Logística S.A. and its subsidiaries at June 30, 2012, as follows:

	Ownership interest - %	
	6/30/2012	**12/31/2011**
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. (former 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)	99.18	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 - América Latina Logística Rail Management Ltda (ALL Rail Management)	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
Ritmo Logística S.A	65.00	65.00
Investee of ALL Armazéns Gerais		
PGT Grains Terminal S.A. (PGT)	100.00	100.00
Investee of ALL Malha Paulista		
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. (former 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	100.00

At June 30, 2012, ALL Central and ALL Mesopotámica have the following non-controlling interests:

	Ownership 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 minority stockholder, Railroad Development Corporation, the acquisition of the latter's ownership interests of 6.45% and 2.74% in ALL Central and ALL Mesopotámica, respectively. The negotiation still depends on the approval of the transfer of the shares by the Argentine government.

Subsidiaries are fully consolidated from the date of their acquisition, which is the date on which the Company obtains control, and continue to be consolidated until control ceases. The quarterly information of the subsidiaries is prepared for the same reporting period as the Parent company, using consistent accounting policies. All intra-group balances, revenues and expenses and unrealized gains and losses arising from intra-group transactions are fully eliminated.

A change in interest held in a subsidiary not resulting in the loss of control of that subsidiary is recorded as a transaction between stockholders, in equity.

Profit or loss for the period and each component of other comprehensive income (recorded directly in equity) are attributed to the Company's owners and non-controlling interests. Losses are attributed to non-controlling interests, even if they result in a negative balance.

(b) Jointly-controlled subsidiaries

For the investment in Terminal XXXIX, which is jointly-controlled with other stockholders, assets, liabilities and profit or loss are consolidated proportionally to the interest held in that investee, line by line, in the consolidated quarterly information. The financial information of the investee is prepared for the same reporting period as the Company's, and adjustments are made, if necessary, to align the accounting policies with those of the Company, as well as to eliminate the Company's participation in intra-group transactions.

(c) Associates

The Company's investment in associates is recorded under the equity method. An associate is an entity in which the Company exercises significant influence.

Based on the equity method, the investment in the associate is recorded in the balance sheet at cost, plus changes after the acquisition of the interest in the associate.

The statement of income reflects a portion of the results of the associate's transactions. When a change is recorded directly in the associate's equity, the Company recognizes its portion of the variations and discloses this in the statement of changes in equity, when applicable. Unrealized gains and losses, arising from transactions between the Company and its associate, are eliminated according to the interest held in that associate.

The interest in the associate is presented in the statement of income as equity in the results of investees, representing the profit attributable to stockholders of the associate.

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

When significant influence in an associate is lost, the Company then assesses and records the investment at fair value. Any difference between the associate's carrying amount when significant influence is lost and the fair value of the remaining investment and revenue from disposals is recorded in the statement of income.

The associate's quarterly information is prepared for the same reporting period as the Company's. When necessary, adjustments are made to ensure the accounting policies are consistent with those adopted by the Company.

4 Business combinations

Acquisition of Standard Logística S.A.

On December 20, 2010, as disclosed to the market through a significant event notice, ALL created its indirect subsidiary Brado Logística e Participações S.A. (Brado LP) with which it entered into, in conjunction with its railroad concessionaires, operating agreements of transportation, investment and terminals.

On the same date, Brado LP disclosed its intention to enter into a partnership with Standard Logística S.A. (Standard), a leading company in the refrigerated container segment, with a strong know-how in rendering logistics services in the retail market, a segment that is little explored in railroad services.

On April 1, 2011, through an Extraordinary General Meeting of Brado LP, all Standard's shares were merged into Brado LP, in exchange for the transfer by Brado Holding S.A. - parent company of Brado LP - of 20% of Brado LP's common shares to Standard's stockholders, thus effectively acquiring it. On the same date, Standard Logística S.A. changed its corporate name to Brado Logística S.A. (Brado). The net assets acquired through this operation are as follows:

Fair value recognized on acquisition 04/01/2011	
Cash and cash equivalents	43,239
Trade receivables	12,088
Permanent (non-financial) assets	121,321
Other	8,036
	184,684
Trade payables	6,762
Borrowings	42,927
Advances from customers	18,412
Other liabilities	22,113
	90,214
Total identifiable net assets	**94,470**
Non-controlling interests	(18,894)
Gain on advantageous purchase	(33,836)
Consideration transferred	**41,740**

The acquisition cost is calculated as follows:

Number of shares exchanged (in thousands of shares)	2,000
Shares of Brado LP exchanged at fair value (reais per share)	20.87
Acquisition cost at fair value	**41,740**
Net assets of Standard at fair value (80%)	75,576
Gain on advantageous purchase	**33,836**

The fair value of Brado LP shares on April 1, 2011, 20% of which represents consideration to former Standard's stockholders, 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 new investments; ii) a discount rate of 13.4% p.a. and a growth rate of 9.5% in perpetuity, both denominated in reais, which the Company considers reasonable for the container business.

Preliminary estimates of fair value of identifiable assets acquired and liabilities assumed did not indicate material differences between fair value and carrying amount.

The costs relating to the acquisition, corresponding to professional and advisors' fees amounting to R$ 981, were recorded in the Company's statement of income, within "Other operating expenses".

Acquisition of the highway transportation business segment from Ouro Verde S.A.

On July 1, 2011, as disclosed to the market through a significant event notice, América Latina Logística ("ALL") and Ouro Verde S.A. ("OV") created Ritmo Logística S.A ("Ritmo"), by combining their then-existing highway businesses. As a result, the interest held by ALL and OV in Ritmo is 65% and 35%, respectively.

This transaction is considered a business combination under CPC 15, ALL being considered the acquirer by means of the wholly-owned subsidiary ALL Intermodal S.A., which now holds control over the road transportation business of the non-controlling stockholder with a 65% interest. The net assets acquired at fair value from the non-controlling stockholder are as follows:

Net assets acquired at fair value:		
Cash and cash equivalents		8,250
Permanent (non-financial) assets		46,346
Total		**54,596**
Interest acquired	65%	**35,488**

In turn, the non-controlling stockholder received a 35% interest in the highway business of ALL on that date, the fair value of which was measured by the discounted cash flow method, based on assumptions that represent the circumstances of ALL Intermodal before the combination. The main assumptions used were: i) projections for ten years, considering only investments in maintenance and renewal of the fleet, and not considering significant new investments; ii) discount rate of 12.9% per year, and growth rate of 6.5% in perpetuity, denominated in reais, which the Company considered reasonable for the road transportation business. The net present value determined for the business was R$ 95,799 and, as such, the 35% interest held by non-controlling stockholders would

correspond to R$ 33,530.

The acquisition cost is calculated as follows:

Fair value of transferred interest in road transportation business of ALL Intermodal	33,530
Acquisition cost at fair value	
Net assets of road transportation business of Ouro Verde at fair value (65%)	35,488
Gain on advantageous purchase	**1,958**

The preliminary estimates indicate an increase in the fair value of identifiable assets acquired of R$ 10,683 in permanent assets. However, estimates of the fair values of possible intangible assets are being carried out and these values have not been considered in the acquisition method determination.

Any adjustments identified after the date of the combination will be recognized by the Company during the permitted measurement period, pursuant to CPC 15 - "Business combinations".

Costs related to the acquisition, corresponding to professional and advisors' fees and amounting to R$ 562, were recorded in the Company's statement of income, within "Other operating expenses".

5 Argentine subsidiaries - relationship with Concession Authority

(a) Concession agreement renegotiation

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

As from the enactment of Law 25,561, a new concession renegotiation benchmark was created, and on April 10, 2002, a presentation was delivered to the Argentine Economy Ministry, through which the process continued.

In 2003, the National Executive Branch issued Decree 311, and created a special commission to renegotiate all concession agreements. This commission is jointly overseen by the Ministries of Economy and Federal Planning, Public Investments and Services. A change in the Argentine Government administration, 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 25,561 was successively extended through December 31, 2013, as is set forth in Law 26,729. After that date, ALL Central and ALL Mesopotámica were to be called to review a new model for the agreement, considering aspects such as the concession fee (Canon) and annual investment plans.

On July 18, 2005, Notices 18/2005 and 19/2005 of the Unit for Renegotiation and Analysis of Utility Service Agreements, regarding the letter of understanding arising from the concession agreement renegotiation for commitments between ALL Central and ALL Mesopotámica and the Argentine Government, were published in the Argentine Government Official Report. On October 20, 2006, ALL Central and ALL Mesopotámica signed new letters with the Unit for Renegotiation and Analysis of Utility Service Agreements to replace the previous one. The effects and commitments arising from these letters are reflected in the quarterly information, assuming that they will be approved by the President of Argentina, which did not occur up to the date of approval of this quarterly information. Such letters mainly establish the following:

(i) Annual investment plan

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

(ii) Concession fee (canon)

As from January 1, 2006, canon will be considered as the amount corresponding to 3% of the total net revenues of ALL Mesopotámica and ALL Central for the prior year. For the quarter ended June 30, 2012, these Companies recorded expenses amounting to R$ 2,722 (R$ 1,702 at June 30, 2011) and R$ 432 (R$ 380 at June 30, 2011), respectively, as lease agreements and concessions payable.

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

(iii) Rights and obligations comprising mutual claims

The renegotiation of concession agreements includes discussing amounts claimed by both the 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 the mutual claims balances, which totaled P$ 79,760 (R$ 35,629) and P$ 14,480 (6,468) for ALL Central and ALL Mesopotámica, respectively, in favor of the Argentine Government, was agreed, and the concessionaires 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$ 4,692 thousand and P$ 852 thousand, respectively. Up to date, the concessionaires have fully complied with the minimum investments required in the plan.

(b) Approval of transfer of shares

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

6 Cash and cash equivalents

		Parent		Consolidated	
		6/30/2012	12/31/2011	6/30/2012	12/31/2011
Cash and banks		7,704	6,534	55,892	51,730
Financial investments					
Bank Deposit Certificates (CDB)	(i)	369,087	586,516	1,059,368	1,548,806
Fixed rate	(ii)	-	-	116,177	109,675
Government bonds	(iii)	79,775	121,188	352,928	382,247
Funds	(iv)	517	515	2,399	7,280
		449,379	708,219	1,530,872	2,048,008
		457,083	714,753	1,586,764	2,099,738

Short-term, highly liquid investments subject to an insignificant risk of changes in value are as follows:

(i) investments in Bank Deposit Certificates (CDB) with rates linked to the Interbank Deposit Certificate (CDI) variation (average rate of 102% of CDI);

(ii) investments in fixed-rated CDBs;

(iii) investments in government bonds (average rate equivalent to the Special System for Settlement and Custody (SELIC));

(iv) investments in funds - mainly comprising government bonds.

7 Trade receivables - consolidated

	Consolidated	
	6/30/2012	12/31/2011
Trade receivables		
In Brazil	347,472	267,969
In Argentina	49,918	40,176
	397,390	308,145
(-) Provision for impairment of trade receivables		
In Brazil	(30,462)	(27,035)
In Argentina	(9,500)	(9,273)
	(39,962)	(36,308)
	357,428	271,837

The Company's trade receivables include related-party receivables for the sale of maintenance materials and services rendered.

The indirect ALL Central interrupted the recognition of the revenue related to the toll of the "Unidad Ejecutora del Programa Ferroviário Provincial – U.E.P.F.P" ("Unity) as of January 2002. This decision was based primarily on the lack of recognition of the services provided by ALL Central, by the Unity, and consequent the non-payment of these services. In 2004, the ALL Central initiated a lawsuit by the Federal Court Administrative Litigation Province of Buenos Aires, requiring the payment of the amounts of tolls, for the period between 1993 and 1996. Supported the opinion of its legal counsel, that the action for recovery of amounts, filed against UEPFP has a relatively high probability of success, the Administration has not made provisions for losses in the receivable recorded in Central ALL the historical value of approximately R$ 2,127 million (P$ 4.762 million). On the other hand, due to repayment agreements with shareholders prior to the Company, ALL Central recorded a liability equivalent to 50% of the amount recorded as accounts receivable. Additionally, these financial statements do not include revenues and related receivables arising from services related to the tolls of the Unit, provided by ALL Central since January 2002 until June 30, 2012.

At June 30, 2012 and December 31, 2011, the balance of trade receivables, by maturity, is as follows:

		Overdue amounts, with no impairment losses					
Periods	Amount falling due with no impairment losses	< 30 days	31 - 60 days	61 - 90 days	91 - 180 days	> 180 days	Total
6/30/2012	162,206	15,131	41,635	50,476	87,980	-	357,428
12/31/2011	160,455	39,167	20,911	37,584	13,720	-	271,837

Provision for impairment of trade receivables

The provision was calculated based on a credit risk analysis, which considers historical losses, the individual client situation, and the situation of the economic group in which it operates, as well as credits past due for more than 181 days, except for related-party receivables. The provision set up is considered sufficient to cover any losses on amounts receivable.

8 Lease prepayment - consolidated

	6/30/2012		12/31/2011	
	Current assets	Long-term receivables	Current assets	Long-term receivables
Leases				
ALL Malha Oeste	166	2,126	166	2,209
ALL Malha Paulista	2,025	27,714	2,025	28,727
ALL Malha Sul	2,733	37,370	2,734	38,737
Right-of-way prepayment				
ALL Malha Sul	1,262	18,052	1,261	18,682
	6,186	85,262	6,186	88,355

The amount paid in cash is being amortized over 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 rail segments 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.

The above lease agreements are recognized in the statement of income on a straight-line basis over the agreement term, and do not qualify as finance leases.

9 Taxes and contributions recoverable

	6/30/2012		12/31/2011	
	Current assets	**Long-term receivables**	**Current assets**	**Long-term receivables**
Parent				
Income Tax Withheld at Source (IRRF)	67,502	17,926	55,937	14,572
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS)	1,695	-	-	-
Income tax and social contribution recoverable - prepayment	3,953	-	7,223	-
Other	658	-	713	-
	73,808	17,926	63,873	14,572
Subsidiaries				
Value-added Tax on Sales and Services (ICMS)	129,718	75,687	116,686	70,826
Value-added Tax (IVA)	8,140	4,306	6,080	15,177
Income Tax Withheld at Source (IRRF)	85,007	5,046	65,173	5,390
Income tax and social contribution recoverable - prepayment	13,784	3,430	14,434	3,430
COFINS- increase in rate	-	-	-	-
Federal tax credits to be offset - PIS/COFINS	123,287	139,046	95,138	147,229
Excise Tax (IPI) (i)	-	110,940	-	104,908
Other	2,411	1,632	2,092	1,570
	362,347	340,087	299,603	348,530
Consolidated	436,155	358,013	363,476	363,102

(i) The companies ALL Malha Sul and ALL Intermodal have IPI premium credits 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 a credit assignment. The initial purpose of this acquisition was to offset these credits against other federal taxes. These offsets were disallowed by the tax authorities, which was being challenged in court. The taxes were updated to current values and included in the Tax Recovery Program (REFIS) in 2009.

The credit recorded, amounting to R$ 110,940 (R$ 104,908 at December 31, 2011), is net of the provision for the present value adjustment, considering the current history of realization through court-ordered debts of the Brazilian Federal Revenue Secretariat and the difference between the monetary restatement rate of these securities and the CDI at the balance sheet date.

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

10 Taxes on income - consolidated

The reconciliation of income tax and social contribution at the nominal rate to the effective rate for the periods ended June 30, 2012 and 2011 is as follows:

	Parent		**Consolidated**	
	6/30/2012	**6/30/2011**	**6/30/2012**	**6/30/2011**
Profit (loss) before taxation	151,598	190,289	152,369	196,975
Nominal rate	34%	34%	34%	34%
Taxes at nominal rate	(51,543)	(64,698)	(51,805)	(66,972)
Tax adjustments for:				
Equity in the results of investees and provision for net capital deficiency	60,284	71,818	429	358
Difference in rate in companies taxed under the deemed profit method	-	-	1,537	2,729
Taxes written off or not recorded for the period	1,705	(10,198)	22,242	31,276
Amortization of goodwill	(9,535)	-	(465)	-
Recording of stock options granted	(911)	(1,064)	(2,277)	(4,566)
Effect of rate decrease - Superintendency for the Development of the Amazon (SUDAM) incentive	-	-	31,400	30,241
Other permanent differences	-	(2)	127	1
Effective tax income (expense)	-	(4,144)	1,188	(6,933)
Current taxes	-	(4,144)	(30,156)	(26,107)
Deferred taxes	-	-	31,344	19,174

Effects of deferred income tax and social contribution on comprehensive income	**6/30/2012**	**12/31/2011**
Deferred income tax and social contribution related to items directly charged or credited to equity during the quarter:		
Mark-to-market gains (losses) - hedge	-	767
Mark-to-market gains (losses) - financial assets available for sale	-	4,738
Effect - hedge accounting - debentures	4,004	-
Effect - hedge accounting - debt	480	-
	4,484	**5,505**

Deferred tax credits on tax losses and temporary differences held by the Company, as well as the portion recorded in the balance sheet at June 30, 2012 and December 31, 2011, are as follows:

	Consolidated	
	6/30/2012	**12/31/2011**
Tax losses	892,364	880,251
Amortization of goodwill	-	102
Provision for variable remuneration	6,269	5,254
Provision for tax credits	39,613	25,016
Provision for tax issues	19,161	15,561
Provision for labor claims	33,003	32,772
Provision for civil claims	11,502	9,617
Provision for impairment of trade receivables	14,930	8,791
Provision for unrealized profit	3,911	4,037
Unsettled hedge transactions	1,198	(2,954)
Provisions	12,621	13,352
Adjustments to liabilities (RTT)	(23,884)	(17,719)
Adjustments to assets (RTT)	120,648	67,275
Total tax credits	**1,131,336**	**1,041,355**
(-) Unrecorded credits	589,018	531,738
(=) Net credits recorded	**542,318**	**509,617**

Reconciliation of deferred tax assets

	2012	**2011**
At December 31	509,617	457,392
Adjustment of balance of subsidiary	930	(4,062)
Acquisition of subsidiary	-	2,578
Tax income (expenses) recorded in the statement of income	31,344	53,526
Foreign exchange variation gain (loss) on deferred income tax	427	183
At June 30	**542,318**	**509,617**

Deferred tax assets are expected to be realized as follows:

	Consolidated	
	6/30/2012	**12/31/2011**
2,012	20,507	45,890
2,013	50,026	48,785
2,014	48,164	48,377
2,015	43,474	42,701
2,016	50,837	49,891
After 2017	329,309	273,973
Total	542,318	509,617

Income tax and social contribution losses generated in the parent company and its Brazilian subsidiaries may be carried forward indefinitely and will be offset against future taxable profit, in accordance with applicable tax legislation. These amounts are supported by a recoverability study approved by the Board of Directors.

The 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 assets amounting to R$ 11,372 thousand at June 30, 2012 (R$ 10,973 thousand at December 31, 2011). Tax losses, according to Argentine tax legislation, expire in five years, period considered sufficient by management for full recovery of deferred income tax.

For ALL Intermodal, ALL Malha Oeste, ALL S.A. and ALL Malha Sul, tax assets on losses have not been recognized considering the history of tax losses recorded in past years.

The Company and its subsidiaries record deferred tax assets on income tax and social contribution losses when the conditions of CVM Instruction 349/01 are met. For this purpose, the Company considers the existence of a profitability history and the expectation of future taxable profit for a period of no longer than ten years. Annually, management conducts a technical feasibility study and submits it for the Board of Directors' approval, which presents estimated taxable profit to serve as a basis for the tax assets recorded.

11 Private debentures

On June 21, 2010, the subsidiary ALL Malha Sul S.A. issued two series of 25,000 subordinated debentures not convertible into book-entry shares (first series), at a unit value of R$ 10 per debenture, of which only the first series, amounting to R$ 250,000, was subscribed by the Company.

On May 25, 2012, ALL Malha Sul S.A. settled these debentures:

					Long-term receivables	
Original amount	**Issue date**	**Final maturity**	**Annual remuneration**	**Effective rate**	**6/30/2012**	**12/31/2011**
250,000	6/1/2010	6/1/2013	102% of CDI	10.40%	-	296,819
					-	296,819

On April 30,2012, the subsidiary ALL Malha Norte S.A., issue two series of 10.000 subordinated debentures not convertible into book-entry shares, at a unit value of R$ 20,000.00 of the first series and R$ 10,000.00 of the second series, amounting R$ 3000,000.00.

Debenture balances are recorded in the Company as follows:

Malha Norte						Long-term receivables	
Series	**Issue date**	**Original ammount**	**Final maturity**	**Annual remuneration**	**Effective rate**	**6/30/2012**	**12/31/2011**
Privete debentures - Holding	04/30/12	200,000	05/12/16	CDI + 1,70%	11.33%	203,324	-
Privete debentures - Malha Oeste	04/30/12	100,000	05/12/16	CDI + 1,70%	11.33%	101,662	-
						304,986	-

12 Investments

(a) Interest in subsidiaries and associates

	Number of shares/quotas held				Interest %			
	Common shares/quotas		Preferred shares		Total		Voting	
	6/30/2012	12/31/2011	6/30/2012	12/31/2011	6/30/2012	12/31/2011	6/30/2012	12/31/2011
ALL Argentina	2,384,134	2,384,134	6,404,530	6,404,530	90.96%	90.96%	90.96%	90.96%
ALL Intermodal	90,320,767	90,320,767	-	-	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	445,086,795,011	119,732,540,853	677,152,595,245	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 Participacões	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 (former 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 Vagões	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	-	-	0.00%	99.99%	0.00%	99.99%
ALL Serviços (former ALL Tecnologia)	99,999	99,999	-	-	99.99%	99.99%	99.99%	99.99%
ALL Equipamentos	25,244,748	25,244,748	-	-	99.99%	99.99%	99.99%	99.99%
ALL Malha Paulista	1,616,472,395	1,616,472,395	2,989,050,282	2,989,050,282	100.00%	100.00%	100.00%	100.00%
ALL Malha Norte	690,110,714	690,110,714	11,665,403	11,665,403	99.18%	99.18%	99.90%	99.90%
Brado Holding	500	500	-	-	100.00%	100.00%	100.00%	100.00%
Track Logistica	1,000	1,000	-	-	100.00%	100.00%	100.00%	100.00%

		Parent								
		Subsidiaries/associates		Equity in the results of investee		Investment value		Goodwill		Dividends
		Equity	Profit/loss for the period	6/30/2012	6/30/2011	6/30/2012	12/31/2011	6/30/2012	12/31/2011	Received
Direct subsidiaries										
ALL Argentina		-	-	-	(22,355)	-	17,028	-	-	-
ALL Equipamentos		24,862	(90)	(90)	(59)	24,860	24,950	-	-	-
ALL Intermodal		155,859	(7,187)	(7,187)	3,043	155,859	163,047	-	-	-
ALL Malha Norte	(i)	1,314,691	176,771	175,321	199,810	1,305,502	1,128,188	1,995,461	2,010,282	-
ALL Malha Oeste		39,290	(29,680)	(29,680)	(14,379)	39,290	71,430	107,645	111,334	-
ALL Malha Paulista		402,277	87,001	87,001	32,326	402,277	314,284	320,928	330,433	-
ALL Malha Sul		538,679	(42,034)	(42,034)	(26,426)	538,679	340,408	-	-	-
ALL Overseas		4,298	309	309	(304)	4,298	3,989	-	-	-
ALL Rail Management		-	-	-	-	-	10	-	-	-
ALL Serviços		8,578	8,478	8,477	5,767	8,577	100	-	-	-
ALL Sisa		5	(1)	(1)	-	2	3	-	-	-
Boswells		13,089	826	826	(326)	13,089	12,263	-	-	-
Brado Holding		86,535	4,155	4,155	38,918	86,535	82,380	-	-	-
Rail Tec		164	375	191	-	83	-	-	-	-
Santa Fé Vagões		8,776	(941)	(941)	(1,858)	8,775	9,717	175	200	-
				196,347	214,157	2,587,826	2,167,797	2,424,209	2,452,249	-

The Company records goodwill paid for expected future profitability in the Investments subgroup, and as intangible assets in the consolidated balance sheet, as detailed in note 13.

(i) ALL Malha Norte has advances for future capital increase (AFAC) amounting to R$ 194,153 (R$ 194,143 at December 31, 2011) recorded in its equity, received from ALL Holding, which fully recognizes AFAC in its investment until it is used to increase capital.

The following changes in capital were approved during the fiscal year 2011 and the first half of 2012:

ALL Malha Paulista: At the Board of Directors' meeting held on June 30, 2011, the Board members approved a capital increase by private subscription of shares, in the amount of R$ 100,000, through issuing 914,196,441 new common shares and 1,690,458,271 new preferred shares at the price of R$ 0.0383928 per share, pursuant to article 170, paragraph 1, item II of Law 6,404/76, based on the net book value per share. Accordingly, capital was increased from R$ 1,388,238 to R$ 1,488,238, represented by 4,605,522,677 shares, of which 1,616,472,395 are common shares and 2,989,050,282 are preferred shares.

ALL Intermodal: At the Board of Directors' meeting held on December 22, 2011, the Board members approved a capital increase by private subscription of shares, in the amount of R$ 20,000, through the issue of 9,960,243 new common shares at the price of R$ 2.0079832 per share, pursuant to article 170, paragraph 1, item II of Law 6,404/76, based on the net book value per share. Accordingly, capital was increased from R$ 92,884 to R$ 112,844, represented by 90,320,767 registered common shares without par value.

ALL Malha Sul: At the Board of Directors' meeting held on February 28, 2012, the Board members approved a capital increase by private subscription of shares, in the amount of R$ 150,000, through issuing 117,849,451,920 new common shares and 179,295,506,203 new preferred shares at the price of R$ 0.0005048 per share, pursuant to article 170, paragraph 1, item II of Law 6,404/76, based on the net book value per share. Accordingly, capital was increased from R$ 696,615 to R$ 846,615, represented by 599,037,926,297 shares, of which 237,581,992,773 are common shares and 361,455,933,524 are preferred shares.

At the Board of Directors' meeting held on May 25, 2012, the Board members approved a capital increase by private subscription of shares, in the amount of R$ 250,000, through the issue of 207,504,802,238 new common shares and 315,696,661,721 new preferred shares at the price of R$ 0.00047783 per share, pursuant to article 170, paragraph 1, item II of Law 6,404/76, based on the net book value per share. Accordingly, capital was increased from R$ 846,615 to R$ 1,096,615, represented by 1,122,239,390,256 shares, of which 445,086,795,011 are common shares and 677,152,595,245 are preferred shares.

(b) Subsidiaries with net capital deficiency

For those subsidiaries with net capital deficiency, a provision was established and recorded in non-current liabilities in the balance sheet. Such provision was computed as follows:

		Subsidiaries				Parent	
				Changes in the provision for net capital deficiency in the period		Provision for net capital deficiency	
		Net capital deficiency	Profit/loss for the period	6/30/2012	6/30/2011	6/30/2012	12/31/2011
Direct subsidiaries							
ALL Participações		(11,580)	(1,669)	(1,669)	(2,223)	11,580	9,569
ALL Centro Oeste		-	-	-	(289)	-	-
ALL Argentina	(i)	(12,010)	(18,455)	(16,787)	-	409	-
ALL Rail Management		(1,146)	(1,166)	(583)	(19)	573	-
ALL Rail Tec		-	-	-	(397)	-	108
				(19,039)	(2,928)	12,562	9,677

(i) ALL Argentina has Advances for Future Capital Increase (AFAC) amounting to R$ 116,308 (R$ 113,522 at December 31, 2011) recorded in its equity, received from ALL Holding, which fully recognizes AFAC in its investment until it is used to increase capital.

Investments in the consolidated balance sheet

	Investment carrying amount	
Stated on the equity method of accounting	**6/30/2012**	**12/31/2011**
Rhall Terminais	2,596	2,255
TGG	8,574	7,631
	11,170	9,886

13 Intangible assets - consolidated

		6/30/2012			12/31/2011	Average annual amortization rates %
		Cost	Accumulated amortization	Net	Net	
Goodwill on acquisition of investments						
ALL Malha Oeste	(i)	125,277	(17,632)	107,645	111,335	3.54%
ALL Malha Paulista	(i)	350,904	(29,975)	320,929	330,433	1.96%
ALL Malha Norte	(i)	2,055,057	(59,598)	1,995,459	2,010,281	0.53%
Santa Fé		462	(287)	175	200	10.00%
		2,531,700	(107,492)	2,424,208	2,452,249	
Concession agreements	(ii)					
ALL Malha Oeste		3,118	(1,675)	1,443	1,495	3.33%
ALL Malha Paulista		12,252	(7,924)	4,328	4,459	3.33%
ALL Malha Sul		10,830	(5,565)	5,265	5,445	3.33%
		26,200	(15,164)	11,036	11,399	
Other		100,254	(44,613)	55,641	54,327	13.23%
		2,658,154	(167,269)	2,490,885	2,517,975	

Goodwill recorded in investments of the parent company is classified as intangible assets in the consolidated financial information.

(i) Goodwill on investment acquisitions is based on expected future profitability, and is amortized at the realization curve over the life of the concessions.

(ii) Refers to the concession agreements of subsidiaries ALL Malha Oeste, ALL Malha Paulista and ALL Malha Sul, amortized over the agreement term since this asset has a finite useful life.

	At December 31, 2011			Changes in the first six-month period of 2012				At June 30, 2012		
	Gross cost	Accumulated amortization	Net	Additions	Changes that do not affect cash	Write-offs	Amortization	Gross cost	Accumulated amortization	Net
Goodwill on acquisition of investments	2,531,700	(79,451)	2,452,249	-	-	-	(28,041)	2,531,700	(107,492)	2,424,208
Concession agreements	26,200	(14,801)	11,399	-	-	-	(363)	26,200	(15,164)	11,036
Other	95,234	(40,907)	54,327	1,070	4,320	(370)	(3,706)	100,254	(44,613)	55,641
	2,653,134	**(135,159)**	**2,517,975**	**1,070**	**4,320**	**(370)**	**(32,110)**	**2,658,154**	**(167,269)**	**2,490,885**

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:

North network

The recoverable value of the North network was determined in December 2011, by calculating the value in use from cash projections based on financial budgets approved by senior management for a five-year period and extended for the same period. The discount rate before taxes applied to cash flow projections is 12.2% p.a. and cash flows exceeding a ten-year period are estimated at a growth rate of 1.0%, which the Company considers conservative in relation to the growth projected for 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$ 2,424,033 (R$ 2,452,049 at December 31, 2011) is allocated.

Argentine network

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

At June 30, 2011, management reviewed the estimates of the recoverable value of the goodwill balance allocated to ALL Argentina and the remaining balance on that date, in the amount of R$ 12,883, was written off against the result for the period.

14 Property and equipment - consolidated

			6/30/2012	12/31/2011	Average annual depreciation rates %
	Cost	Accumulated depreciation	Net	Net	
Leasehold improvements					
Locomotives	1,249,942	(344,965)	904,977	800,486	4.00%
Wagons	755,235	(192,529)	562,706	499,416	3.33%
Track	2,334,548	(442,852)	1,891,696	1,750,665	4.42%
Other	263,885	(110,790)	153,095	170,104	5.34%
	4,603,610	(1,091,136)	3,512,474	3,220,671	
Own property and equipment in use					
Locomotives	608,542	(155,972)	452,570	434,552	4.00%
Wagons	379,120	(108,289)	270,831	274,719	3.33%
Track	1,197,589	(148,632)	1,048,957	872,533	1.48%
Warehouses	83,665	-	83,665	50,264	
Land	36,653	-	36,653	45,704	
Buildings	82,909	(29,916)	52,993	48,104	5.20%

			6/30/2012	12/31/2011	Average annual depreciation rates %
	Cost	Accumulated depreciation	Net	Net	
Furniture and fittings	15,625	(12,263)	3,362	3,647	10.00%
Road vehicles	85,113	(13,716)	71,397	63,384	14.54%
Data processing equipment	95,082	(70,877)	24,205	28,902	19.71%
Telecommunication and signal equipment	61,528	(40,240)	21,288	21,667	9.70%
Equipment for track and railroad transportation maintenance	101,217	(58,407)	42,810	47,919	9.94%
Aircraft	9,981	(328)	9,653	-	10.00%
Machinery and equipment	74,150	(32,286)	41,864	17,517	10.00%
Other	163,961	(54,011)	109,950	108,368	10.00%
	2,995,135	(724,937)	2,270,198	2,017,280	
Finance leases					
Locomotives	271,429	(86,082)	185,347	198,243	9.80%
Wagons	1,049,832	(297,021)	752,811	783,542	10.21%
Trucks	-	-	-	-	21.43%
Civil construction	19,503	(5,707)	13,796	14,636	9.09%
Equipment	17,290	(5,567)	11,723	12,587	10.00%
	1,358,054	(394,377)	963,677	1,009,008	
Construction in progress					
Locomotives	47,349	-	47,349	53,264	
Wagons	64,605	-	64,605	68,624	
Track	782,731	-	782,731	843,912	
Civil construction	-	-	-	29,110	
Other	72,111	-	72,111	20,012	
	966,796	-	966,796	1,014,922	
	9,923,595	(2,210,450)	7,713,145	7,261,881	

Summary of changes in property and equipment:

	At December 31, 2011			Changes in the first six-month period of 2012					At June 30, 2012		
Classes of property and equipment	**Cost**	**Accumulated depreciation**	**Net**	**Additions**	**Changes that do not affect cash**	**Disposals**	**Transfers**	**Net depreciation**	**Accumulated cost**	**Accumulated depreciation**	**Net**
Locomotives	1,710,848	(475,810)	1,235,038	-	33,689	(2,015)	115,962	(25,127)	1,858,484	(500,937)	1,357,547
Wagons	1,063,108	(288,973)	774,135	-	1,235	(55)	70,067	(11,845)	1,134,355	(300,818)	833,537
Track	3,158,021	(534,823)	2,623,198	-	1,857	-	372,259	(56,661)	3,532,137	(591,484)	2,940,653
inance leases	1,338,594	(329,586)	1,009,008	-	19,460	-	-	(64,791)	1,358,054	(394,377)	963,677
Construction in progress	1,014,922	-	1,014,922	524,595	27,953	(6,874)	(593,800)	-	966,796	-	966,796
Other	982,360	(376,780)	605,580	37,333	23,748	(5,184)	35,512	(46,054)	1,073,769	(422,834)	650,935
Total	**9,267,853**	**(2,005,972)**	**7,261,881**	**561,918**	**107,942**	**(14,128)**	**-**	**(204,478)**	**9,923,595**	**(2,210,450)**	**7,713,145**

During the period ended June 30, 2012, R$ 61,509 (R$ 134,879 in 2011) was capitalized as construction in progress, regarding financial charges generated by loans used to finance this construction, with no effect on cash flows. The financial cost of capitalizing interest on qualifying property and equipment was 128.1% of the CDI per annum.

Leases and construction in progress

The carrying amount of property and equipment held under finance lease agreements at June 30, 2012 was R$ 963,677 (R$ 1,338,888 in December 2011). Over the period, additions were recorded in property and equipment amounting to R$ 47,413 (R$ 423,545 in 2011) regarding items under finance lease agreements and construction in progress under long-term contracts, with 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 items.

15 Borrowings

	Annual charges	Effective rate	Maturity	6/30/2012	12/31/2011
Parent					
In local currency					
Commercial banks	107.5% of the CDI	10.22%	July 2015	208,342	210,524
Investments - BNDES	TJLP + +1.8%	7.80%	Quarterly/monthly up to June 2017	48,342	53,195
In local currency					
Swap transactions				(15,188)	(10,260)
Total parent company				**241,497**	**253,459**
Subsidiaries					
In local currency					
ALL Malha Sul				**1,582,490**	**1,581,859**
CCB	CDI + 1.25%	10.84%	September 2015	329,552	330,545
	CDI + 1.23%	10.82%	October 2014	126,896	120,496
BNDES (investments)	TJLP + 1.4%	7.40%	Quarterly up to July 2022	435,478	407,835
	TJLP + 2.5%	8.50%	Quarterly/monthly up to June 2017	209,497	230,460
	TJLP + 1.5%	7.50%	Quarterly/monthly up to June 2022	6,999	7,351
	TJLP + 1.8%	7.80%	Quarterly/monthly up to June 2017	106,137	116,775
BNDES (FINAME)	TJLP + 3.75%	9.75%	January 2017	914	1,014
NCC	105.9% of the CDI	10.06%	July 2015	39,133	45,170
	107.0% of the CDI	10.17%	March 2013	204,307	205,375
NCE	11.77% Fixed BRL	11.77%	June 2013	87,420	82,678
NCE	12.07% Fixed BRL	12.07%	October 2012	36,157	34,160

	Annual charges	Effective rate	Maturity	6/30/2012	12/31/2011
ALL Intermodal					
Ritmo					
Investments - BNDES FINAME				**14,328**	**1,254**
	TJLP + +1.8%	7.80%	Monthly up to March 2016	14,328	1,254
ALL Malha Paulista					
				373,973	**350,382**
Investments - BNDES	TJLP + 1.4%	7.40%	Quarterly/monthly up to June 2022	282,905	250,953
	TJLP + 1.5%	7.50%	Quarterly/monthly up to October 2022	4,405	4,620
	TJLP + 2.5%	8.50%	Quarterly/monthly up to October 2017	86,662	94,809

ALL Malha Norte	Annual charges	Effective rate	Maturity	6/30/2012	12/31/2011
				803,606	**813,751**
Investments - BNDES	TJLP + 1.5%	7.50%	Quarterly/monthly up to September 2016	297,983	352,286
	TJLP + 3%	9.00%	Quarterly/monthly up to January 2016	112,786	128,554
	TJLP + 2.71%	8.71%	Quarterly/monthly up to June 2029	311,113	251,541
	TJLP +1.4%	7.40%	Quarterly/monthly up to June 2022	81,724	81,370
ALL Malha Oeste					
Investments - BNDES				**68,307**	**66,217**
	TJLP + 1.4%	7.40%	Quarterly/monthly up to June 2020	68,307	66,217
Terminal XXXIX				-	7
Investments - BNDES	TJLP + 6%	12.00%	Quarterly/annual up to December 2010		7
Brado Holding				**69,663**	**51,085**
Commercial banks	107% of the CDI	10.94%	July 2021	37,404	19,522
Investments - BNDES	TJLP + +1.8%	7.80%	Quarterly/monthly up to June 2017	32,259	31,563
				2,912,367	**2,864,555**
Foreign currency (in US$, with swap to CDI)					
ALL Malha Sul					
Swap transactions				-	(1,844)
ALL Malha Paulista					
Swap transactions				(4,326)	75
				(4,326)	**(1,769)**
In local currency					
ALL Malha Sul					
Swap transactions				29,329	12,640
ALL Malha Oeste					
Swap transactions				4,664	(1,421)
				33,993	**11,219**

Foreign currency (in Argentine pesos - P$)

	Annual charges	Effective rate	Maturity	6/30/2012	12/31/2011
ALL Argentina				**127,838**	**81,284**
Commercial banks	16.50%	16.80%	August 2012	14,180	9,748
Patagonia	17.00%	17.00%	August 2012	7,745	7,004
Santander	19.75%	19.75%	December 2012	14,330	13,248
Citibank	18.75%	18.75%	January 2013	22,515	30,025
Citibank	17.25%	17.25%	August 2012	4,139	3,589
Citibank	16.65%	16.65%	June 2012	-	2,195
HSBC	22.00%	22.00%	January 2013	15,917	15,475
ITAU	18.90%	18.90%	September 2012	3,854	-
ITAU	17.90%	17.90%	July 2012	6,018	-
ITAU	23.60%	23.60%	September 2012	13,410	-
ITAU	22.75%	22.75%	September 2012	2,024	-
ITAU	22.75%	22.75%	September 2012	2,024	-
ITAU	17.75%	17.75%	August 2012	15,094	-
ITAU	18.50%	18.50%	September 2012	3,630	-
ITAU	18.90%	18.90%	August 2012	2,950	-
Total subsidiaries				**3,069,872**	**2,955,289**
Total consolidated				**3,311,369**	**3,208,748**
Current portion				789,593	457,534
Long-term portion				2,521,776	2,751,214

Breakdown of long-term liabilities by maturity year:

	Consolidated	
	6/30/2012	**12/31/2011**
2013	370,694	782,766
2014	707,610	659,147
2015	449,027	434,757
2016	231,008	216,895
As from 2017	763,437	657,649
Total	**2,521,776**	**2,751,214**

Acronyms:

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

Borrowing and debenture balances are stated net of initial transaction expenses.
Borrowings 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.

Effective rates were calculated on an annual basis by reference to an average CDI rate of 9.47%, TJLP of 6% and IPCA of 4,92%.

Financing agreements with BNDES, for investment purposes, are guaranteed by bank surety, according to each agreement, with cost between 1.0% and 2.0% p.a. or real guarantees (assets) and escrow account.

When the Company obtains borrowings in a foreign currency, swap transactions are also contracted to hedge against Real x US dollar currency risks.

Some agreements include covenants with financial limits for the Company. These limits are computed on a quarterly basis on the quarterly information issue date, using the consolidated results, and are being met.

The covenant regarding Net Debt to EBITDA is calculated based on consolidated net indebtedness (borrowings and debentures, less cash and cash equivalents), divided by consolidated EBITDA accumulated for the past four quarters. The following amounts correspond to covenant upper 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 to Finance Income/Costs is calculated based on consolidated EBITDA accumulated for the past four quarters, divided by Consolidated Finance Income/Costs. For finance income/costs computation purposes, this covenant only considers interest on debentures, borrowings, hedge transactions and foreign exchange variation of the Company's foreign subsidiary "ALL Argentina". The following amounts correspond to covenant lower limits for the period:

Year	2011	2012	2013	2014	2015
EBITDA/consolidated finance income/costs	2.0	2.0	2.0	2.0	2.0

Loan agreement covenants and penalties:

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

As can be seen from the chart below, covenants have been fulfilled by the Company.

	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12
Net debt / EBITDA	2.29	2.26	2.32	2.36	2.62	2.72
EBITDA / finance income and costs	3.10	3.01	3.01	2.96	2.86	2.82

Not meeting financial limits is considered an event triggering early payment of the debentures, irrespective of prior notice, call or legal notification.

16 Debentures - consolidated

The debentures issued by the Company and its subsidiaries are as follows:

						6/30/2012		12/31/2011	
Series	**Date**	**Amount**	**Final maturity**	**Annual remuneration**	**Effective rate**	**Current liabilities**	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
Parent									
5th issue	9/1/2005	200,000	9/1/2014	CDI + 2.40%	12.10%	28,376	40,662	15,438	51,702
6th issue	7/1/2006	700,000	7/1/2014	CDI + 2.40%	12.10%	77,343	132,974	79,750	132,036
7th issue - (i)	11/17/2009	5	10/2/2012	IPCA + 3%	8.06%	7	-	6	-
8th issue - 1st	4/15/2011	539,160	3/15/2016	CDI + 1.65%	11.28%	11,292	541,763	13,034	536,621
8th issue - 2nd	4/15/2011	270,840	4/15/2018	IPCA + 8.4%	13.73%	4,564	287,104	16,196	279,512
9th issue - 1st	8/22/2011	145,769	7/15/2016	CDI + 1.65%	11.28%	8,267	146,379	6,833	142,918
9th issue - 2nd	8/22/2011	219,150	7/15/2016	CDI + 1.65%	11.28%	9,426	212,444	8,877	215,008
						139,275	1,361,326	140,134	1,357,797
Direct subsidiaries									
ALL Malha Sul									
3rd issue	9/8/2008	166,666	7/31/2018	108% of CDI	10.27%	8,259	184,950	22,551	159,134
						8,259	184,950	22,551	159,134
ALL Malha Norte									
1st issue	7/1/1997	100,000	6/30/2016	TJLP + 1.5%	7.50%	45,645	186,736	45,739	186,737
2nd issue	4/10/2000	60,000	5/1/2015	TJLP + 4%	10.00%	12,502	31,254	11,900	35,701
3rd issue	1/14/2002	40,000	5/1/2015	TJLP + 4%	10.00%	8,015	20,036	7,629	22,887
6th issue	9/8/2008	166,666	7/31/2018	108% of the CDI	10.27%	6,072	163,805	7,914	163,523
Debentures	7/1/1997	100,000	6/30/2016	% RL		15,834	63,337	-	89,906
						88,068	465,168	73,182	498,754
ALL Malha Paulista									
1st issue	9/10/2008	166,666	7/31/2018	108% of the CDI	10.27%	7,795	163,806	7,914	163,523
						7,795	163,806	7,914	163,523
Consolidated						243,397	2,175,250	243,781	2,179,208

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

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

At the Board of Directors' meeting held on November 17, 2009, the directors approved the 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) At the Board of Directors' meetings held on March 2, 2011 and March 15, 2011, the 8th public issue of 60,000 registered, book-entry subordinated non-convertible debentures was approved, which may increase by up to 35% in the event of additional demand, reaching 81,000 debentures at a unit value of R$ 10. Debentures were issued in accordance with Law 6,385, of December 7, 1976, Brazilian Corporation Law and Brazilian Securities Commission (CVM) Instruction 400 observing the simplified process to list public offers of marketable securities placements set forth in CVM Instruction 471, of August 8, 2008 and the CVM - ANBIMA 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.

(iii) At the Board of Directors' meeting held on June 28, 2011, the directors approved the 9th public issue of 41,432 simple and subordinated debentures in two series, with guarantee, not convertible into shares, totaling R$ 359,676,286.88, issued solely and exclusively to enable 5th and 6th issue debentures to be exchanged.

In the 1st series, 13,376 debentures were placed with holders of 5th issue debentures, with a unit value of R$ 10,741.24 and a premium of 2.16% on the number of debentures of each holder of 5th issue debentures.

In the 2nd series, 28,056 debentures were placed with holders of 6th issue debentures, with a unit value of R$ 7,698.94 and a premium of 2.09% on the number of debentures of each holder of 6th issue debentures. The issue was made in compliance with Law 6,404, of December 15, 1976, and CVM Instruction 476, of January 16, 2009.

Repricing, covenants and guarantee clauses:

There is no repricing scheduled for any of the issues.

The covenants of the issues include financial limits detailed in note 15 "Borrowings" and are related to the Company's consolidated profit or loss. Failure to comply with these limits automatically causes early maturity.

Some issues of the Company and its subsidiaries have guarantees provided by related parties, as detailed in note 20 "Related-party transactions".

17 Lease agreements - consolidated

17.1 Finance leases

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

The Company and its subsidiaries include in their property and equipment those rights relating to assets used in their business activities, or exercised for that purpose. These include rights arising from transactions transferring benefits, risks and control over these asset items to the Company, irrespective of ownership thereof.

Financial charges incurred for the quarter were recorded as finance costs. There were no direct initial costs to be capitalized, nor any contingent payments and sub-leases related to the corresponding agreements.

Lease agreement-related balances are as follows:

	6/30/2012		12/31/2011	
Assets	**Current liabilities**	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
ALL Malha Sul				
Wagons	67,358	204,092	67,358	230,619
ALL Malha Norte				
Rolling stock	72,584	508,724	72,584	511,753

ALL Malha Paulista				
Rolling stock	106,413	271,929	95,141	289,189
Brado Logística				
Reach Stacker/IT equipment	1,245	8,550	776	906
	247,600	993,295	235,859	1,032,467

Minimum future lease payments, under the finance lease and lease commitments, as well as the present value of the minimum lease payments, are as follows:

	Total future payments - years		
Assets	**Up to 1**	**From 1 to 5**	**Over 5**
ALL Malha Sul			
Wagons	88,994	298,098	15,349
ALL Malha Norte			
Rolling stock	113,144	572,697	189,508
ALL Malha Paulista			
Rolling stock	79,706	313,210	29,464
Brado Logística			
Reach stocker	1,660	9,289	-
	283,503	1,193,293	234,322

	Present value of payments - years		
Assets	**Up to 1**	**From 1 to 5**	**Over 5**
ALL Malha Sul			
Wagons	84,559	227,824	8,148
ALL Malha Norte			
Rolling stock	107,524	413,619	96,145
ALL Malha Paulista			
Rolling stock	75,742	238,761	15,164
Brado Logística			
Reach stocker	1,577	8,826	-
	269,402	889,030	119,457

Lease agreements have various maturities, the last of which terminates in July 2021. Amounts are subject on an annual basis to adjustment based on the IGP-M, plus TJLP. In order to state payments at present value, an average CDI rate of 10% was considered.

17.2 Operating leases

The payments of the installments of the operating leases (rental) are recognized as expenses on a straight-line basis over the life of the corresponding agreement. These agreements include leased vehicles, software, wagons and properties. The Company and its subsidiaries have no sub-lease or contingent payment arrangements in connection with the agreements.

Operating leases

		Total future minimum payments		
Assets		**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**
Vehicles	(i)	1,396	-	-
Properties	(iii)	169	-	-
		1,565	-	-

(i) Vehicle lease contracts are effective for two years (beginning April 1, 2012) and may be renewed for the same period, if mutually agreed by the parties. Prices are adjusted by the annually IGP-M index, beginning April 2013.

(ii) Property lease agreements are effective for one year. Prices are annually adjusted by the IGP-M index.

18 Leases and concessions - consolidated

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

The balance of concessions payable is equivalent to the updated grant amount, net of payments made up to the balance sheet date.

	6/30/2012		12/31/2011	
	Current liabilities	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
Leases				
ALL Malha Sul	13,025	33,043	12,616	33,927
ALL Argentina	24,121	-	10,768	-
ALL Malha Paulista	-	721,122	-	642,152
ALL Malha Oeste	-	549,440	-	512,306
Concessions				
ALL Malha Sul	3,238	19,509	3,237	19,802
ALL Malha Paulista	-	20,496	-	52,007
ALL Malha Oeste	-	38,069	-	36,247
	40,384	1,381,679	26,621	1,296,441

Lease and concession agreement conditions are as follows:

	Leases and concession agreements						
	Term in years	Agreement value	Amount paid in cash	Balance	Quarterly installments	Payment beginning	Financial cost
Leases							
ALL Malha Oeste	30	56,440	4,969	51,471	112	1/15/1998	IGP-DI + interest 12% p.a.
ALL Malha Paulista	30	230,160	52,793	177,367	112	12/15/2000	IGP-DI + interest 12% p.a.
ALL Malha Sul	30	202,112	82,032	120,080	112	1/15/1999	IGP-DI + interest 12% p.a.
Concessions							
ALL Malha Oeste	30	3,118	409	2,709	112	1/15/1998	IGP-DI + interest 12% p.a.
ALL Malha Paulista	30	12,252	2,917	9,335	112	12/15/2000	IGP-DI + interest 12% p.a.
ALL Malha Sul	30	10,830	4,510	6,320	112	1/15/1999	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 profit or loss, over the life of the corresponding agreement, plus IGP-DI variation and interest at agreed-upon rates. Installments for the grace period (1997 to 1999) are being paid, with corresponding monetary restatement, over the remaining concession agreement term.

ALL Malha Paulista - On August 29, 2005, ALL Malha Paulista was partially spun off to Ferrovia Centro Atlântica S.A. (FCA), and FCA assumed responsibility for 35.6% of the total concession and lease amounts.

In 2005, the subsidiary ALL Malha Paulista suspended lease payments to RFFSA - in liquidation. This was legally supported by a preliminary decision to make judicial deposits in the name 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 payments. For more information, see note 19.

Considering that ALL Malha Norte needs the 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$ 113,523 at June 30, 2012 (R$ 113,191 at December 31, 2011).

In order to comply with the investment agreement with shareholders, entered into on May 5, 2005, the ALL Malha Paulista operations in the Bauru-Mairinque segment were transferred to ALL Malha Oeste as from October 1, 2005, in connection with a Memorandum of Understanding dated September 23, 2005.

The National Agency for Land Transport (ANTT) approved this transfer through Resolution 1,010, published in the Federal Official Gazette on July 28, 2005.

ALL Malha Norte - On May 19, 1989, direct subsidiary ALL Malha Norte entered into a Concession Agreement with the Federal Government to establish a cargo railroad transportation system, including the construction, operation, use and maintenance of the railroad between Cuiabá (state of Mato Grosso) and: a) Uberaba/Uberlândia (state of Minas Gerais), b) Santa Fé do Sul (state of São Paulo), c) Porto Velho (state of Rondônia) and d) Santarém (state of Pará). This 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 the contract termination.

The agreement does not provide for payments in respect of the Concession. However, it sets forth certain responsibilities for the company, such as: a) not making a sub-concession, b) being subject to permanent inspection by the Federal Government, c) complying with the rules, technical specifications and standards of the Ministry of Transportation, and d) complying with all legal provisions applicable to concession services, particularly those related to environment preservation.

Concessions 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) the end of the agreement effective term; c) expropriation or redemption, in the public interest after the Concession, through appropriate indemnification; d) annulment of the Concession or agreement due to illegality; e) severe and continued infractions by one of the parties, which cause damage to service quality and efficiency; and f) expropriation by the Federal Government of concession services or a Law that makes the agreement formally or materially impossible. In the event of expropriation, indemnification of the stockholders will be calculated based on the fair value of concession-related net assets, computed at the time of expropriation.

ALL Malha Oeste - Due to a lawsuit, this direct subsidiary has suspended concession and lease payments. Quarterly installments are guaranteed by bank sureties as they fall due.

19 Refundable deposits, restricted amounts and provision for lawsuits - consolidated

			Contingent losses			
	Judicial deposits		Probable		Possible and remote	
	6/30/2012	12/31/2011	6/30/2012	12/31/2011	6/30/2012	12/31/2011
Labor claims						
In Brazil	209,905	217,335	96,640	116,632	909,009	868,237
Civil, regulatory and environmental claims						
In Brazil	127,939	126,958	34,108	28,627	562,279	445,401
In Argentina	-	-	8,475	8,863		-
Tax						
In Brazil	9,820	9,656	66,433	55,559	1,601,896	1,500,967
	347,664	353,949	205,656	209,681	3,073,184	2,814,605

	12/31/2011	Additions	Payments	Reversals	6/30/2012
Labor claims	116,632	46,460	(62,021)	(4,431)	96,640
Civil, regulatory and environmental claims	37,490	8,639	(2,792)	(754)	42,583
Tax	55,559	12,428	(27)	(1,527)	66,433
Total	209,681	67,527	(64,840)	(6,712)	205,656

The subsidiaries are parties to various lawsuits arising in the normal course of their businesses. The Company's management believes that the outcome of these lawsuits will not have an effect significantly different from the amount provided for, which corresponds to the amounts of lawsuits considered as "probable losses".

(a) Labor claims

The subsidiaries are parties to several labor claims and, at June 30, 2012, recorded a consolidated provision amounting to R$ 96,640 (R$ 116,632 at December 31, 2011), to cover claims for which the likelihood of an unfavorable outcome was considered as probable. The decrease in the provision amount in comparison to the prior period is principally due to settlement agreements entered into by the Company.

Of all proceedings pending judgment, key claims refer to overtime, the recognition of non-stop work shifts, standby hours, salary differences, differences in FGTS 40% fines arising from understated inflation, risk premiums, health hazard allowances, allowances for relocation, differences in variable compensations, and others.

(a) Civil, regulatory and environmental claims

Civil

The subsidiaries are parties to several civil disputes, mostly involving claims and actions for damages in general, such as: collisions in level crossings, rail accidents, traffic accidents, possessory actions in general, actions for enforcement of extrajudicial instruments and others. Based on the opinion of its legal advisors and prior court decisions, management maintains provisions for claims for which the likelihood of an unfavorable outcome has been considered as probable.

Regulatory

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

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

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

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

Environmental

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

(b) Tax

Key tax-related discussions involve "Export ICMS" (Value-added Tax on Sales and Services (ICMS) on the transportation of goods to be exported), differential of ICMS on interstate transportation, Social Integration Program (PIS)/Social Contribution on Revenues (COFINS) on mutual traffic operations, and Corporate Income Tax (IRPJ)/Social Contribution on Net Income (CSLL) on financial transactions carried out in Austria and Spain.

No provision was set up for tax claims for which the likelihood of an unfavorable outcome has been rated as possible or remote. For those considered as probable, a provision was set up amounting to R$ 66,433 (R$ 55,559 at December 31, 2011).

Export ICMS - The São Paulo Finance Department issued tax assessments against ALL Malha Sul, the current value of which is approximately R$ 83,153, due to the non-payment of ICMS related to railroad transportation services rendered for goods to be exported, and the use of ICMS credits supposedly not authorized by legislation. In the second quarter of 2010, an initial favorable decision was awarded by the São Paulo Tax Court, in order to annul the payment of ICMS on export operations. In the fourth quarter of 2010, two of the discussions shifted from an administrative to a judicial level, with the filing of the Stay of Tax Proceedings 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, currently amounting to approximately R$ 29,921. All tax assessments are being challenged at the judicial level with surety letter to serve as a guarantee for the court. It is worth noting that the Higher Court of Justice (STJ) has already established that ICMS tax should not be levied on the transportation of goods to be exported, considering a provision in article 155 of Brazilian Federal Constitution, and in article 3, item II, of Law 87/1996.

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

In June 2011, Mato Grosso State issued a new tax assessment against ALL Malha Norte, originally amounting to R$ 120,687, referring to the transportation of goods to be exported, for the 2006 period. ALL Malha Norte challenged the new claim, since it understands that these operations are not subject to ICMS taxation on the transportation of goods to be exported, as set forth in article 155 of the Brazilian Federal Constitution. In August 2011, ALL Malha Norte was informed of the first level administrative decision, reducing the assessment to R$ 29,404. ALL Malha Norte appealed against this decision at the Court of Administrative Tax Appeals. This appeal is pending judgment.

ICMS - on property and equipment credits - In April 2005, ALL Malha Sul was awarded a favorable decision at the Rio Grande do Sul State Court of Justice regarding a tax notice served by the Rio Grande do Sul State Department contesting the use of ICMS tax credits on the acquisition of assets and equipment intended for property and equipment renovation and refurbishment. Based on this decision, Rio Grande do Sul State filed an Extraordinary Appeal with the Federal Supreme Court (STF), which is now pending judgment. Tax assessments discussed in court amount to approximately R$ 20,017, of which ALL has already paid R$ 11,192 to the Rio Grande do Sul State public treasury and has suspended payment of the remaining R$ 8,825 as a result of the aforementioned favorable decision of the Rio Grande do Sul Court of Justice, which has already been confirmed by Higher Courts. In addition, Supplementary Law 87/96 authorized the full use of tax credits arising from the acquisition of fixed asset items.

PIS/COFINS - Mutual traffic - ALL Malha Paulista was served a tax assessment for the non-payment of PIS and COFINS regarding revenues from mutual traffic and right of way, and is challenging the restated amount of R$ 77,327, for the period of 1999 to 2006 (cumulative PIS and COFINS). The company understands that the likelihood of an unfavorable outcome is remote, since the amounts challenged have already been paid by concessionaires in charge of transportation upon shipment. Decisions awarded to date have already reduced the assessments by approximately R$ 43,000.

IRPJ/CSLL, PIS and COFINS - ALL Malha Sul was served a tax assessment amounting to R$ 620,383 for the exclusion from the tax base of interest on investments made in Austria and Spain, and finance costs considered as non-deductible. The tax authorities have also issued PIS and COFINS tax notices on swap transactions taken out for borrowings in foreign currency. The company understands that the likelihood of an unfavorable outcome is remote, since the investments were made in countries with which Brazil has an agreement determining the non-taxation of such operations, and PIS and COFINS taxation on hedge transactions was ruled out by Decree 5,442/2005. In March 2011, ALL Malha Sul became aware of the first-level administrative decision (Federal Revenue Regional Office), which reduced the tax assessment to R$ 335,913. ALL Malha Sul filed a voluntary appeal with the Administrative Board of Federal Tax Appeals (CARF), which is pending judgment.

Municipal Real Estate Tax (IPTU) - ALL Malha Sul and ALL Malha Paulista have approximately R$ 6,121 relating to IPTU taxation on Federal Government-owned properties, which, due to the concession granted, are held 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 companies have already been awarded several favorable decisions.

Serviced Tax (ISS) - Portofer was served three tax assessments currently amounting to approximately R$ 2,740. These were issued by the Santos City tax authorities, which disregarded the legal form of Portofer (special purpose entity aiming to apportion expenses among

concessionaires), and served a tax notice to the company as though it were a local service provider. The company considers the likelihood of an unfavorable outcome to be remote since the matter has already been awarded a favorable decision by the São Paulo Court of Justice, in similar cases in Guarujá, determining that tax assessments be annulled, since Portofer is a non-profit entity, and only apportions expenses.

IRPJ/CSLL - In November 2010, ALL Intermodal was served a tax assessment by the Brazilian Federal Revenue Secretariat originally amounting to R$ 52,772 regarding IRPJ and CSLL. These amounts relate to the disallowance of expenses of variable installments of property, equipment, machinery and vehicle lease agreements entered into by ALL Intermodal. These expenses were considered non-deductible and, therefore, were disallowed by the Brazilian IRS. The company considers the risk of this tax assessment to be remote, since the asset lease agreements were necessary, usual and normal to ALL Intermodal activities. The voluntary appeal is pending judgment with CARF.

Social security contributions - In June 2011, ALL Malha Paulista was served a tax assessment originally amounting to R$ 35,610, regarding the non-payment of social security contributions on labor indemnification amounts. The company filed an administrative challenge, since it alleges that there is a legal provision supporting non-payment of these amounts, given their nature and ad hoc payment. The São Paulo Federal Tax Appeals Division (DRF) issued a decision maintaining the tax assessment in full. The company filed a voluntary appeal against this decision.

IRPJ/CSLL - ALL S.A - A tax assessment was served by the Brazilian Federal Revenue Secretariat in the amount of R$ 327,186, referring to the following alleged violations: disallowance of goodwill from operations based on future profitability, disallowance of finance costs and capital gains from the disposal of interest in companies of the same economic group, in view of partial recognition of the goodwill amount. ALL S.A. filed an appeal in September 2011. A decision by the Curitiba Federal Tax Appeals Division (DRF) partially upheld the appeal filed by the Company, reducing the tax assessment amount to R$ 272,271. The Company filed a Voluntary Appeal with CARF to partially change this decision that maintained part of the tax debt.

Social security contributions - Stock Options - A tax assessment was served by the Brazilian Federal Revenue Secretariat in the updated amount of R$ 27,906 with reference to alleged social security contributions on the Company's Stock Option Plans, considered as compensation by the Federal Revenue Service. The Company presented a defense claiming that the Stock Option Plans are merely of a commercial nature. The Curitiba Federal Tax Appeals Division (DRF) issued a decision maintaining the tax debt in full. The Company filed a Voluntary Appeal, which is awaiting judgment by CARF.

IRRF - ALL Malha Paulista requested the offset referring to credits from the negative balance of income tax for 2009, computation period from January 1, 2008 to December 31, 2008. The Brazilian Federal Revenue Service, after judging the offsets carried out, decided to partially approve the claim and disallow a portion of the tax credit because it understands that "the corresponding revenue was not considered for taxation purposes". The debt arising from the disallowance currently totals R$ 49,224. The Brazilian Federal Revenue Service understands that the Company does not have the right to offset the IRRF on income arising from swap transactions. The Company filed an objection against the decision, alleging that the income tax withheld on any financial investment, including hedge operations, may be offset against the income tax due upon the

calculation of taxable income, according to article 76 of Law 8,981/1995. Consequently, the Company is claiming the totality of the credit rights from the negative balance of IRPJ indicated in the Payment Receipts and/or Requests for Offset (PER/DCOMP), which is the subject matter of the proceeding. Currently, the Company is waiting for a decision regarding the objection filed.

20 Related-party transactions

Entities considered related parties are reported in note 3.

	Parent							
	Long-term receivables		Non-current liabilities		Revenue		Expenses/Costs	
	6/30/2012	12/31/2011	6/30/2012	12/31/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Subsidiaries								
ALL Argentina	91,933	78,683	5,057	5,597	-	-	-	-
ALL Armazéns Gerais	-	-	1	11,249	-	-	-	-
ALL Centro-Oeste	-	-	-	-	-	-	-	-
ALL Equipamentos	98	58	-	-	-	-	-	-
ALL Intermodal	-	-	-	-	-	-	-	15
ALL Malha Norte	-	11,904	-	-	5,603	-	-	-
ALL Malha Oeste	-	-	18,321	146	-	-	-	-
ALL Malha Paulista	-	-	-	-	23,914	14,504	-	-
ALL Malha Sul	-	-	-	12	549	-	-	-
ALL Overseas	212	196	-	-	-	-	-	-
ALL Participações	-	-	11	11	-	-	-	-
ALL Rail Tec	4,882	4,099	-	-	-	-	-	-
ALL Rail Management	200	60	-	-		-	-	-
ALL Serviços	-	1,097	6,923	-	-	-	738	166
Santa Fé	4,686	4,216	-	-	-	-	-	-
Associates							-	
PGT	-	-	77	77	-	-	-	-
Portofer	-	-	-	-	-	-	-	-
	102,011	100,313	30,390	17,092	30,066	14,504	738	181

Related-party transaction terms and conditions

Related-party transactions are carried out strictly in accordance with agreed-upon conditions and at adequate prices.

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

Outstanding balances at the period end are free from interest, and some transactions have no specified maturity date. Part of these transactions is settled within the financial year, always in cash or by offsetting accounts.

There is no insurance coverage for related-party transactions.

For the period ended June 30, 2012, there was no contingency with respect to related-party receivables. This assessment is made every financial year, by examining related-party financial positions and the market where each of them operates. The Company did not record a provision for impairment of trade receivables on existing balances.

Agreements with related parties are as follows:

Related party	Relation with Company	Transaction date	Agreement subject matter	Amount involved - in thousands of reais	At 6/30/2012	Effective through	Events of termination
Company with subsidiaries:							
América Latina Logística Argentina S.A.	Subsidiary	9/26/1983	Mutual traffic operations	-	-	Indefinite	Contract delinquency
América Latina Logística Central S.A.	Indirect subsidiary	2009 sundry	Foreign loan agreements	3,321	3,763	2012 sundry	Total or partial delinquency
América Latina Logística Central S.A.	Indirect subsidiary	2010 sundry	Foreign loan agreements	3,321	27,746	2012 sundry	Total or partial delinquency
América Latina Logística Mesopotâmica S.A.	Indirect subsidiary	2010 sundry	Foreign loan agreements	8,862	9,078	2012 sundry	Total or partial delinquency
América Latina Logística Central S.A.	Indirect subsidiary	2011 sundry	Foreign loan agreements	27,722	33,424	2013 sundry	Total or partial delinquency
América Latina Logística Mesopotâmica S.A.	Indirect subsidiary	2011 sundry	Foreign loan agreements	5,007	5,843	2013 sundry	Total or partial delinquency
América Latina Logística Central S.A.	Indirect subsidiary	2012 sundry	Foreign loan agreements	3,321	6,881	2014 sundry	Total or partial delinquency
América Latina Logística Mesopotâmica S.A.	Indirect subsidiary	2012 sundry	Foreign loan agreements	1,603	2,739	2014 sundry	Total or partial delinquency
América Latina Logística Mesopotâmica S.A.	Indirect subsidiary	12/30/2009	Foreign loan agreements	1,475	1,817	2/6/2013	Total or partial delinquency
América Latina Logística Malha Norte S.A	Subsidiary	9/1/2011	Lease of 28 locomotives to be used in São Paulo	61,387	55,272	10/1/2016	Non-compliance with contract, bankruptcy, wind-up or court recovery
América Latina Logística Malha Paulista S.A	Subsidiary	3/1/2008	Lease of wagons	66,263	12,157	3/1/2013	Non-compliance with contract, bankruptcy, wind-up or court recovery
América Latina Logística Malha Sul.A	Parent	1/1/2012	Lease of locomotives	6,017	5,720	12/31/2016	Non-compliance with contract, bankruptcy, wind-up or court recovery
ALL - América Latina Logística Rail Tec	Subsidiary	1/11/2011	Intercompany loan agreement	3,500	4,372	6/11/2012	Total or partial delinquency
ALL América Latina Logística Serviços Ltda and other companies of the economic group	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or court recovery, court and/or administrative order and changes in equity control of parties.
América Latina Logística Malha Norte S.A	Associate	1/1/2008	COE - Share of assets and use of railroad infrastructure, right of way and mutual traffic	-	-	5/31/1979	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and changes in equity control of parties.
Among subsidiaries:							
América Latina Logística Malha Paulista S.A and América Latina Malha Sul S.A,	Subsidiary	1/1/2009	Reciprocal use of the railroad networks under the right-of-way and mutual traffic systems, as well as the sharing of assets and reciprocal provision of operating services.	-	-	2/28/2027	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	1/1/2009	Reciprocal use of the railroad networks under the right-of-way and mutual traffic systems, as well as the sharing of assets and reciprocal provision of operating services.	-	-	6/30/2026	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	1/1/2009	Reciprocal use of the railroad networks under the right-of-way and mutual traffic systems, as well as the sharing of assets and reciprocal provision of operating services.	-	-	12/31/2028	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	1/1/2009	Reciprocal use of the railroad networks under the right-of-way and mutual traffic systems, as well as the sharing of assets	-	-	2/28/2027	Non-compliance with contract, bankruptcy, wind-up, court recovery, court and/or administrative order and

Related party	Relation with Company	Transaction date	Agreement subject matter	Amount involved - in thousands of reais	At 6/30/2012	Effective through	Events of termination
			and reciprocal provision of operating services.				changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and ALL - América Latina Logística Equipamentos S.A	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or 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 Intermodal S.A	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or court recovery, court and/or administrative order and changes in equity control of parties.
ALL América Latina Logística Serviços Ltda. and Portofer Transporte Ferroviário Ltda.	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or 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 Malha Norte S.A	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or 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 Malha Sul S.A	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or 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 Malha Oeste S.A	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or 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 Malha Paulista S.A	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or 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 Malha Oeste S.A	Subsidiary	9/16/2011	Administrative service agreement	-	-	9/16/2016	Non-compliance with contract, bankruptcy, wind-up or court recovery, court and/or administrative order and changes in equity control of parties.
Brado Logistica e Participações S.A. and others	Subsidiary	12/20/2010	Railroad transportation service and railroad investment	-	-	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 others	Subsidiary	12/20/2010	Assignment of terminals for container services	-	-	Concession agreement effective term	Non-compliance with contract, bankruptcy, wind-up or court recovery; total or partial delinquency
Ritmo Logística S.A. and others	Subsidiary	7/1/2011	Operating Road Transport Services Agreement and Other Covenants	-	-	Concession agreement effective term	Non-compliance with contract, bankruptcy, wind-up or court recovery; total or partial delinquency

In addition, the subsidiary ALL Malha Norte has with BNDES Participações S.A. (a stockholder of ALL Holding) a debenture transaction, bearing market interest, amounting to R$ 311,552 at June 30, 2012, maturing through June 2016.

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

	Guaranteed entity				
	ALL S.A.	ALL Malha Sul	ALL Malha Paulista	ALL Malha Norte	Total
Guarantors					
ALL S.A. (parent company)					
Debentures	-	173,302	173,302	173,302	519,906
BNDES	-	216,496	93,020	455,728	765,244
CCB	-	826,422	-	-	826,422
	-	1,216,220	266,322	629,030	2,111,572
ALL Malha Sul					
Debentures	1,502,812	-	-	-	1,502,812
ALL Malha Norte					
Debentures	1,220,893	-	-	-	1,220,893
ALL Malha Paulista					
Debentures	1,220,893	-	-	-	1,220,893
ALL Malha Oeste					
Debentures	1,220,893	-	-	-	1,220,893
ALL Intermodal					
Debentures	281,919	-	-	-	281,919
CCB	-	331,455	-	-	331,455
	281,919	331,455	-	-	613,374

The Company did not record a provision for impairment of trade receivables on existing balances.

The Company adopts the corporate governance practices recommended and/or required by applicable legislation, including those established in the Differentiated Corporate Governance Practices Regulation - New Market, published by the São Paulo Futures, Commodities and Securities Exchange (BM&FBOVESPA S.A.).

The decision regarding all the Company's transactions is submitted to the Board of Directors, the Executive Board or the Statutory Audit Committee, according to the attributes described in the bylaws. Accordingly, all the transactions, especially those with related parties, were submitted to the Company's decision-making bodies to which they were subordinated, according to the rules in force. Moreover, in conformity with Law 6,404/76, any member of the Company's Board of Directors, who has conflicts of interest with those of the Company, cannot vote in any meeting of the Board or participate in any transaction or business involving these interests.

21 Provision for unrealized profit

At December 31, 2001, the Company sold to its subsidiary ALL Malha Sul the right to use the rail segments from Presidente Epitácio to Rubião Junior and Pinhalzinho / Apiaí to Iperó, for the market value of R$ 22,387. This was supported by an appraisal report prepared by an independent appraising company at the same date. At December 31, 2001, the Company set up a provision for unrealized profit amounting to R$ 19,312 for this transaction, recorded in long-term liabilities. Up to June 30, 2012, R$ 7,810 (R$ 7,438 up to December 31, 2011) was realized. Realization of profit is recognized on a straight-line basis over the period of the right of use.

22 Advances on real estate credits (CRI) - consolidated

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

		6/30/2012		12/31/2011	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
ALL S.A. (parent company)	(i)	43,375	146,559	29,967	75,794
ALL Malha Norte	(ii)	107,656	253,639	121,644	346,443
		151,031	400,198	151,611	422,237

The balance is composed of two CRI operations:

(i) CRI I: On February 29, 2008, the Company entered into an agreement with CIBRASEC assigning credits arising from the leasing of the Terminal Intermodal de Tatuí. CIBRASEC, in turn, issued Real Estate Receivables Certificates (CRI) which are remunerated at the rate of 12.38% p.a., from the issue date to the 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. The financial charges of this transaction are allocated on a monthly basis to the statement of income.
(ii) CRI II: On November 28, 2008, ALL Malha Norte executed with CIBRASEC an agreement assigning credits arising from the leasing of the Terminal de Alto Araguaia (Mato Grosso). CIBRASEC, in turn, issued Real Estate Receivables Certificates (CRI) which are remunerated based on CDI + 2.6% p.a., from the issue date to the 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. The financial charges of this transaction are allocated on a monthly basis to the statement of income.

23 Deferred revenue - consolidated

		6/30/2012		12/31/2011	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Subsidiaries					
ALL Intermodal	(i)	34	421	34	447
ALL Malha Norte	(ii)	1,528	10,542	1,528	11,306
ALL Malha Paulista	(iii)	858	12,925	858	13,354
ALL Malha Sul	(iii)	191	2,490	191	2,585
		2,611	26,378	2,611	27,692

(i) This refers to deferred revenue arising from capital contributions through free lease of land (up to 2025) made 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 the sale of 28 locomotives, and subsequent 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 2028), and is allocated to the statement of income on a straight-line basis over the remaining concession period.

24 Taxes and social security contributions payable in installments - consolidated

	6/30/2012		12/31/2011	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Law 11,941/09 (i)	34,072	169,393	33,202	176,948
Education allowance	343	-	343	-
Services Tax (ISS)	814	580	810	1,025
National Institute of Social Security (INSS)	736	-	884	-
ICMS / Value-added Tax (IVA)	-	-	-	4,806
	35,965	169,973	35,239	182,779

(i) In order to reduce their exposure to tax risks, the Company and its subsidiaries during the 4th quarter of 2009 enrolled with the Program for Debt Payment in Installments of the General Counsel to the National Treasury (PGFN) and Federal Revenue Secretariat (SRF), created through Law 11,941/09, which was approved in June 2011.

The Company has been paying the corresponding installments on a timely basis.

25 Equity

(a) Share capital

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

	Number of shares	
	6/30/2012	12/31/2011
Common shares	687,664,312	687,664,312

The Company is authorized to increase capital, irrespective of a change in its bylaws, up to the limit of 820,000,000 common shares.

On August 4, 2011, the capital increase approved on December 22, 2010 was changed at the Board of Directors' meeting, and was reduced from R$ 24,170 to R$ 2,417.

On December 28, 2011, the capital increase approved on December 22, 2010 was further changed at the Board of Directors' meeting, with the reduction in subscribed shares from 1,620,000 shares to 162,000.

(b) Treasury shares

In the first six-month period of 2012, 1,387,864 shares were used (110,574 at December 31, 2011) to settle share options exercised during the period. The transfers were recorded at the weighted average cost of treasure shares (R$ 9.15).

In the first six-month period of 2012, the Company did not buy back any shares (at December 31, 2011, 6,518,910 shares were bought, at the total cost of R$ 56,138).

At June 30, 2012, the Company held 5,591,610 common shares in treasury (6,979,474 at December 31, 2011), at an average cost of R$ 9.15 (R$ 9.15 at December 31, 2011).

(c) Distribution of dividends and interest on capital

Stockholders are entitled to a minimum mandatory dividend of 25% on profit adjusted under the terms of article 202, Law 6,404/76, as amended and revoked by Law 11,638, of December 28, 2007, and Law 11,941, of May 27, 2009.

(d) Revenue reserves

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

A reserve for investments is set up based on the bylaws and supported by the Company's investment plan represented by uses and sources approved by the Board of Directors and pursuant to article 194 of Law 6,404/76, which determines that this reserve shall not exceed subscribed capital. An amount not less than 25% and not exceeding 75% of profit for the year, adjusted under article 202 of Law 6,404/76, is transferred to this reserve with a view to financing the expansion of the Company's and its subsidiaries' activities, including through the subscription of capital increases or the development of new ventures.

(e) Advances for future capital increase

The amounts received as advances for future capital increase, arising from contributions to the Stock Option Plan, described in note 26, are recorded in Equity.

(f) Tax incentives - SUDAM

On September 26, 2007, ALL - Malha Norte filed with the Superintendency for the Development of the Amazon (SUDAM) a claim for the right to reduce IRPJ (corporate income tax) and non-refundable surcharges computed on operating profit (as defined), 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 4,212 of April 26, 2002.

The benefit was granted by the Federal Revenue Secretariat (SRF) through Executive Declaratory Act 504, of November 28, 2008, after SUDAM issued certificate of income tax reduction 135/2008, whereby ALL Malha Norte was granted the tax benefit of a 75% reduction in IRPJ and non-refundable surcharges on the operating profit for a 10-year period, as of 2008 and expiring in 2017. The legal grounds for benefit recognition was created by Provisional Measure 2,199-14, in its article 1 of August 24, 2001 and with the wording set forth in Law 11,196, of November 21, 2005. The effect of the 75% reduction in IRPJ and non-refundable surcharges calculated up to June 30, 2012 on profits from tax incentive operations was R$ 31,707 (R$ 29,910 at June 30, 2011), recorded as a reduction in IRPJ and CSLL expense for the subsidiary ALL Malha Norte, according to CPC 07 issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by CVM Resolution 555, of November 12, 2008.

The tax incentives received aim to increase and maintain investments in the Legal Amazon region, by fostering the development of that region through increased employment, income and production levels, and contributing to an increase in the collection of local, state and federal taxes.

Should the beneficiary company fail to comply with the objectives and provisions of the program, which may be characterized as a misuse of funds, the SUDAM decision-making board will cancel the approved incentives, and the beneficiary company will have to pay the bank involved those amounts received, restated at the same index used for federal taxes, as of receipt date, plus a 10% fine and monthly interest on arrears of 1%, less, in the case of investments in debentures, installments already amortized (Law 8,167/91, article 12, paragraph 1, items I and II, the latter including the wording set forth by Provisional Measure 1,740-31, of May 6, 1999).

The Company has duly fulfilled the conditions related to incentives and there are no other contingencies related to these incentives.

26 Share-based compensation

Expenses recorded for employee services during the periods, arising from share-based payment transactions to be settled by delivery of equity instruments, amounted to R$ 10,700 at June 30, 2012 (R$ 12,498 at June 30, 2011).

Stock option plan:

At the Extraordinary General Meeting of April 1, 1999, the stockholders approved the Company's Stock Option Plan ("Plan"), for its management, employees and service providers ("Beneficiaries"). The Plan establishes general parameters among which are the following:

The Board of Directors, at its sole discretion, assigned the administration of the Plan to a Stock Options Management Committee ("Committee"), which is comprised of all Board members and was created exclusively for this purpose. Plan managers are responsible for periodically implementing stock option plans, and establishing, among eligible individuals, those to whom options will be granted and specific applicable rules, considering general Plan rules ("Program").

The volume of stock options is subject to an annual limit of 1.5% of the Company's capital for the granting of options, and up to 5% of the Company's capital stock for the total options granted.

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 from the "2006 Program").
Under "Agreement A", a beneficiary must pay 10% of the share amount, upon execution of the agreement, as a condition for joining the stock option plan, to acquire the right to make yearly contributions for the acquisition of 18% of total shares, so that, by the end of the 5th year, the beneficiary will have made contributions for the acquisition of 100% of the shares. The contribution amount (option price) is adjusted by the IGP-M variation.

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

(i) the acquisition of the right to make contributions for share acquisitions changes from 10% on the grant date and 18% in subsequent years, as in Agreement A, to 10% on the 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 the event that the beneficiary of Agreement B is dismissed from the Company without cause, the Committee may, at its discretion, change the acquisition schedule of the right to make contributions for share acquisitions to 18% per year, as per the schedule of Agreement A.

The exercise price is defined by the Committee based on the stock market price. Options granted expire ten years from the vesting date.

The Plan neither provides for settlement of the options in cash, nor is there a history of this practice being used by the Company. As a result, the fair value of options is estimated on the grant date by means of the Black & Scholes option pricing model, considering the applicable terms and conditions under which the options were granted.

The following table shows the number (No.) and weighted average exercise price in reais (MPPE) of stock options and the corresponding changes for the period:

	2012		2011	
	No.	**MPPE**	**No.**	**MPPE**
Opening balance	8,310,924	12.55	10,126,175	12.55
New grants	5,490,000	9.30	-	
Lost	-	-	(1,704,677)	15.73
Exercised [1]	(819,605)	5.11	(110,574)	9.09
Closing balance	**12,981,319**	11.85	**8,310,924**	12.73

[1] The weighted average price of shares on the exercise date of these options was R$ 9.75 at June 30, 2012 (R$ 13.99 at December 31, 2011).

On August 3, 2009, the Stock Options Management Committee canceled the 2007 and 2008 Programs, and exchanged options unexercised by plan beneficiaries for a new 2009 Program, at the ratio of nine to five. Thus, for each nine options included in canceled tranches (2007 and 2008 Programs), beneficiaries received five 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 reset to 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 the remaining stock option contractual term was 7.2 years at June 30, 2012. The minimum and maximum option exercise price at June 30, 2012 were R$ 16.29 and R$ 9.58, respectively.
On February 6, 2012, the Committee approved the 2012 Program, which also differs from the general rule since the beneficiary must contribute 10% of the share amount upon execution of the agreement as a condition to being entitled to the right to purchase shares, therefore being entitled to make gradual contributions; 5% in the first year, 15% in the second year, 20% in the third year, 25% in the fourth year and 25% in the fifth and last year. Another difference of this Program in relation to the previous ones is that beneficiaries shall be subject to a lock-up period of two years from each option exercise date.
If the issue of new shares is necessary, the Company records the contributions in its books, based on the individual controls of each beneficiary, as an advance for future capital increase, under equity. Upon approval at the General Meeting, this amount is recorded as capital. For the specific case of contributions of approximately 30% for option acquisitions, the Company records a capital increase as from the second base date, in compliance with Law 6,404/76.

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

	2012
Expected volatility (%)	36.4%
Interest rate free from risk (%)	5% + IGPM
Expected option life (years)	USD 5
Weighted average share price (R$)	USD 5
Pricing model used	Black & Scholes

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

Restricted Share Option Program

In the meeting held on September 1, 2010, the Committee approved the Restricted Share Option program. This program consists in granting options, equivalent to 3,000,000 shares, to a certain group of employees and managers of the Company, on a non-transferable basis, whose exercise is cumulatively subject to (i) maintaining their employment relationship with the Company through December 31, 2012; (ii) meeting their individual operating goals; and (iii) the Company succeeding in meeting its EBITDA goals.
Options are not entitled to dividends prior to their exercise. They can be exercised six months after the vesting period, which ends on December 31, 2012. The exercise price is R$ 0.01 per share. As the exercise price is close to zero, fair value of the option is equivalent to the market value of the share on the program grant date (R$ 16.50).

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

Finance result, net

	Parent				Consolidated			
	Period ended in		quarterly ended in		Period ended in		quarterly ended in	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Interest on indebtedness/debentures/sureties	(104,102)	(93,540)	(48,721)	(51,049)	(362,174)	(352,095)	(176,569)	(190,460)
Fines/Interest - Tax/Suppliers/Wagons	(1,060)	(1,407)	4,931	(599)	(76,859)	(72,060)	(40,843)	(27,996)
Interest on leases and concessions	-		-	-	(119,977)	(118,975)	(61,726)	(57,469)
Customers/PVA/Other	(77)	(2,513)	(56)	(2,111)	(2,142)	(5,566)	(1,046)	(5,017)
Total finance costs	(105,239)	(97,460)	(43,846)	(53,759)	(561,152)	(548,696)	(280,184)	(280,942)
Income from financial investments	29,324	39,829	12,565	15,130	78,111	103,847	34,431	57,847
Remuneration on debentures	7,652	17,181	5,653	17,181	-	-	-	-
PVA/Other	499	118	48	36	4,573	1,875	2,577	842
Total finance income	37,475	57,128	18,266	32,347	82,684	105,722	37,008	58,689
Finance result, net	(67,764)	(40,332)	(25,580)	(21,412)	(478,468)	(442,974)	(243,176)	(222,253)

27 Statement of comprehensive income (loss)

Pursuant to CPC 26 - "Presentation of financial statements", the changes in comprehensive income (loss) for the periods ended June 30, 2012 and 2011 are as follows:

	Parent				Consolidated			
	Period ended in		quarterly ended in		Period ended in		quarterly ended in	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Profit for the period	151,598	186,145	153,961	185,630	151,598	186,145	153,961	185,630
Foreign exchange variations on foreign investment	(992)	(1,211)	(992)	(484)	(992)	(1,211)	(992)	(484)
Investments marked-to-market	4,470	1,666	(3,012)	178	4,470	1,666	(3,012)	178
Mark-to-market effects on hedge instruments	(28,113)	5,069	(15,491)	(4,128)	(28,113)	5,069	(15,491)	(4,128)
Parent company adjustments	(190)	5,477	(190)	(81)	(190)	5,477	(190)	(81)
Total comprehensive income (loss), net of taxes	**126,773**	**197,146**	**134,276**	**181,115**	**126,773**	**197,146**	**134,276**	**181,115**
Attributable to:								
Owners of the Company	126,773	197,146	134,276	181,115	128,732	201,043	135,031	183,883
Non-controlling interests	-	-	-	-	(1,959)	(3,897)	(755)	(2,768)
	126,773	**197,146**	**134,276**	**181,115**	**126,773**	**197,146**	**134,276**	**181,115**

28 Earnings (loss) per share

The following table details the earnings (loss) per share calculation (in thousands, except amounts per share):

	Parent				Consolidated			
	Period ended in		quarterly ended in		Period ended in		quarterly ended in	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Basic earnings per share								
Numerator								
Profit attributed to the Company's stockholders	151,598	186,145	153,961	185,630	151,598	186,145	153,961	185,630
Denominator (in thousands of shares)								
Weighted average number of common shares	682,752	688,525	682,752	688,525	682,752	688,525	682,752	688,525
Basic earnings:								
Per common share	0.2220	0.2704	0.2255	0.2696	0.2220	0.2704	0.2255	0.2696
Diluted earnings per share								
Numerator								
Profit attributed to the Company's stockholders	151,598	186,145	153,961	185,630	151,598	186,145	153,961	185,630
Denominator (in thousands of shares)								
Weighted average number of common shares	682,752	688,525	682,752	688,525	682,752	688,525	682,752	688,525
Dilution effect:								
Stock options	15,981	13,050	15,981	13,050	15,981	13,050	15,981	13,050
Weighted average number of common shares adjusted by the dilution effect	698,733	701,575	698,733	701,575	698,733	701,575	698,733	701,575
Diluted earnings:								
Per common share	0.2170	0.2653	0.2203	0.2646	0.2170	0.2653	0.2203	0.2646

29 Segment information

Information per business segment, for the six months ended June 30, 2012 and 2011, is as follows:

	Agricultural commodities (i)		Manufactured products (ii)		Argentina		Brado		Ritmo		Total	
Description	**6/30/2012**	**6/30/2011**	**6/30/2012**	**6/30/2011**	**6/30/2012**	**6/30/2011**	**6/30/2012**	**6/30/2011**	**6/30/2012**	**6/30/2011**	**6/30/2012**	**6/30/2011**
Net revenue	1,098,134	1,056,906	324,826	346,983	109,498	82,840	109,956	94,287	115,535	102,218	1,757,949	1,683,261
Cost of services	(532,431)	(525,888)	(181,590)	(192,478)	(100,312)	(73,333)	(90,814)	(76,136)	(107,141)	(93,202)	(1,012,288)	(961,033)
Gross profit	565,703	531,016	143,236	154,505	9,186	9,507	19,142	18,151	8,394	9,016	745,661	722,228
EBIT	497,513	499,631	117,993	141,929	(1,359)	(11,741)	10,617	8,973	6,073	7,584	630,837	646,405

The Company is organized into business units based on the major markets in which it operates. The Company's operations are divided into four business units, three for the Brazilian operations and one for the Argentine operations. In Brazil, the three business units are:

(i) agricultural commodities - comprising 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 the transportation of steel products, wood, paper, pulp, food, containers, fuels, vegetable oil, products for civil construction, among others.

Segment performance is assessed based on the operating margin, which, in the table above, differs from that presented in the consolidated quarterly information.

The Company's financing and investments (including finance income and costs) and taxes on income are managed at a consolidated level, and are not allocated to operating segments.

30 Other operating income/expenses

Other operating income	Parent				Consolidated			
	Period ended in		quarterly ended in		Period ended in		quarterly ended in	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Disposal of unusable assets	-	797	-	797	82,649	11,557	81,998	7,139
Sale of property and equipment	8,320	-	640	-	12,086	-	5,368	-
Other	3,788	-	3,602	(334)	-	-	(125)	(2,443)
Total	**12,108**	**797**	**4,242**	**463**	**94,735**	**11,557**	**87,241**	**4,696**

Other operating expenses	Parent				Consolidated			
	Period ended in		quarterly ended in		Period ended in		quarterly ended in	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Customs fees	13	26	1	14	628	468	564	281
Fuels not consumed in the operation	-	-	-	-	1,230	553	800	345
Deductible donations	-	-	-	-	-	396	-	297
Disposal of property and equipment	640	3,578	640	1,832	8,428	4,417	8,428	4,417
Write-off of unusable assets	-	-	-	-	80,959	-	77,880	-
Other	-	-	-	(55)	1,864	51	1,758	(123)
Total	**653**	**3,604**	**641**	**1,791**	**93,109**	**5,885**	**89,430**	**5,217**
Net	**11,455**	**(2,807)**	**3,601**	**(1,328)**	**1,626**	**5,672**	**(2,189)**	**(521)**

31.1 Depreciation, amortization and fuels includedin the consolidated statement of income

	Parent				Consolidated			
	Period ended in		quarterly ended in		Period ended in		quarterly ended in	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Fuel	-	-	-	-	258,444	229,661	131,874	116,459
Outsourced services	2,082	1,448	2,082	1,448	103,805	56,299	103,805	48,695
Depreciation and amortization	29,937	23,919	14,969	11,973	236,393	220,717	117,452	116,707

31.2 Net revenue

	Parent				Consolidated			
	Period ended in		quarterly ended in		Period ended in		quarterly ended in	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Gross revenue	85,849	75,775	67,228	40,141	2,006,266	1,822,661	1,115,857	1,061,369
(-) Deductions (taxes, discounts and cancellations)	(3,095)	(7,149)	(1,355)	(3,809)	(248,317)	(229,816)	(126,427)	(129,686)
Net revenue	**82,754**	**68,626**	**65,873**	**36,332**	**1,757,949**	**1,592,845**	**989,430**	**931,683**

31 Insurance - consolidated

At June 30, 2012, the insurance contracted by the Company's management to cover damages and civil liability is summarized as follows:

Line	Coverage by events	Amount insured	Insurance period
Operating railroad risks	Assets - material damage and loss of profits	R$ 60,000	8/1/2011 to 8/1/2012
Civil liability - railroad operations	Operations, pollution, employer, vehicles (contingencies) and port activities	R$ 10,000	4/30/2012 to 4/30/2013
Railroad cargo insurance	Civil liability of the railroad cargo carrier (RCTF-C); railroad risk (RF) - per shipment;	R$ 2,200	6/30/2012 to 6/30/2013

The scope of work of our independent auditors did not include a review of the adequacy of the insurance coverage. The adequacy was assessed and evaluated by management.

32 Financial instruments

At June 30, 2012 and December 31, 2011, the Company and its subsidiaries had the following financial instruments:

	Carrying amount		Fair value	
	6/30/2012	12/31/2011	6/30/2012	12/31/2011
Financial assets				
Cash and cash equivalents	1,586,764	2,099,738	1,586,764	2,099,738
Trade receivables	360,029	271,837	360,029	271,837
Intercompany loans receivable	589	1,639	589	1,639
Advances and other receivables	98,184	80,913	98,184	80,913
Refundable deposits and restricted amounts	347,664	353,949	347,664	353,949
Total	**2,393,230**	**2,808,076**	**2,393,230**	**2,808,076**
Financial liabilities				
Debentures	2,418,647	2,422,989	2,418,647	2,422,989
Intercompany loans payable	1,035	2,370	1,035	2,370
Advances from customers	81,392	96,277	81,392	96,277
Finance leases	1,240,895	1,268,326	1,240,895	1,268,326
Borrowings	3,311,368	3,208,748	3,321,361	3,212,245
Advances on real estate credits	551,229	573,848	551,229	573,848
Trade payables	408,341	462,896	408,341	462,896
Total	**8,012,907**	**8,035,454**	**8,022,900**	**8,038,951**

The fair value of financial assets and liabilities represents the amount for which the instrument could be exchanged between willing parties in an arm's length transaction, rather than in a forced sale or liquidation. The following methods and assumptions were used in the fair value estimate:

- cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their corresponding carrying amount, mainly due to the short-term maturity of these instruments;

- the fair value of securities held for trading and debentures is based on the prices quoted at the quarterly information date. The fair value of instruments not held for trading, bank loans and

other financial debts, finance lease agreements, as well as other non-current financial liabilities, is equivalent to their carrying amount, which corresponds to the settlement value;

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

- the Company enters into derivative financial instruments with several counterparties, particularly financial institutions with an investment level rating. Derivatives valued using techniques based on data observable in the market mainly refer to interest rate swaps and forward foreign exchange agreements. Valuation techniques used more frequently include swap and forward contract pricing models, with present value calculations. Models utilize various data, including counterparty credit quality, forward and spot 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 their trade receivables or investments with financial institutions. Procedures adopted to minimize commercial risks include selecting customers, through proper credit risk analysis, as well as setting sales limits and short-term maturity of receivables. A provision has been made for the full amount of the estimated losses related to the receivables. As regards short-term investments, the Company and its subsidiaries make it their practice to invest only in low credit-risk financial institutions, according to the risk classification of recognized rating agencies. Management sets a maximum limit for investments, according to the equity and risk classification of each institution.

(b) Interest rate risk

The Company has certain liabilities subject to floating interest rates, which generates exposure to floating market interest rate risks.

In order to avoid the effect of interest rate fluctuations on the results of the Company floating to fixed rate swap agreements were made, so as to set fixed interest rates for part of liabilities previously indexed to CDI. The 3rd issue of debentures of ALL - América Latina Logística Malha Sul S.A., NCC maturing in 2013, CCB maturing in 2014, CCB maturing in 2015 and the 9th issue of debentures of ALL - América Latina Logística S.A. are now at fixed interest rates. These swaps ensure that the interest rate effect on the Company's profit or loss is mitigated. These instruments are recorded as hedges

An interest rate risk sensitivity analysis is presented below, showing the estimated effects of changes in scenarios on profit or loss for the following twelve months, for swaps and corresponding hedged items, as indicated in item 5.2 of this quarterly information. Management considered the CDI projected for 2012 as the probable scenario, according to bank projections available from the Focus Bulletin of the Brazilian Central Bank:

Interest rate appreciation risk

Operation	Risk	Notional amount	Fair value at 6/30/2012	Probable scenario	25%	50%
FINANCIAL ASSETS AND LIABILITIES						
3rd issue debentures	CDI	166,666	23,334	13,850	17,313	20,775
Asset position swap - Counterparty HSBC	CDI	(166,666)	(23,334)	(13,850)	(17,313)	(20,775)
NCC	CDI	211,119	3,945	16,203	20,253	24,304
Asset position swap - Counterparty HSBC	CDI	(211,119)	(3,945)	(16,203)	(20,253)	(24,304)
CCB	CDI	90,489	19,649	11,095	13,477	15,860
Asset position swap - Counterparty Santander	CDI	(90,489)	(19,649)	(11,090)	(13,471)	(15,853)
CCB	CDI	340,736	5,735	28,977	35,186	41,395
Asset position swap - Counterparty Santander	CDI	(340,736)	(5,735)	(28,977)	(35,185)	(41,394)
9th issue debentures	CDI	367,590	7,176	34,608	41,704	48,799
Asset position swap - Counterparty Morgan Stanley	CDI	(367,590)	(7,176)	(35,113)	(42,312)	(49,511)
1st issue debentures	CDI	166,667	1,723	13,850	17,313	20,775
Asset position swap - Counterparty Bradesco	CDI	(166,667)	(1,723)	(13,850)	(17,313)	(20,775)
8th issue debentures	CDI	539,160	5,679	50,474	60,823	71,171
Asset position swap - Counterparty Santander	CDI	(539,160)	(5,679)	(50,473)	(60,821	(71,169)
6th issue debentures	CDI	205,219	2,085	21,374	25,433	29,491
Asset position swap - Counterparty Morgan Stanley	CDI	(205,219)	(2,085)	(21,374)	(25,433)	(29,491)
Taxes payable in installments	CDI		(205,454)	(15,204)	(19,004)	(22,805)
References						
Average CDI (p.a.)				7.40%	9.25%	11.10%

Probable scenario relates to the following twelve months, based on bank macroeconomic projections.

The effect of exposure to changes in other interest rates is presented in item "d" below.

(c) Currency risk

This arises from the possibility of incurring losses due to fluctuations in foreign exchange rates, increasing liabilities related to trade payables or supply agreements in foreign currencies, as well as fluctuations reducing the value in reais of investments or other asset balances.

The Company uses derivative instruments solely to mitigate effects related to foreign exchange losses in reais in its forward purchases of a foreign currency. Therefore, the Company takes out "dollar-real" swaps in the same amount and with the same maturity date as those items being hedged. The Company regularly monitors its currency risk exposure so as to ensure that the profit or loss on hedge transactions annuls the currency effect on its cash flows.

Below is the currency risk sensitivity analysis, showing the estimated effects of changes in profit or loss scenarios for the following twelve months. Management considered foreign exchange rates projected for 2012 as the probable scenario, according to macroeconomic projections.

Foreign currency appreciation risk

Operation	Risk	Notional amount	Fair value at 6/30/2012	Probable scenario	+25%	+50%
FINANCIAL ASSETS AND LIABILITIES						
Foreign currency appreciation risk - Effect on investments:						
Financial investments	US$	12,602	26,086	(1,008)	5,261	11,531
Net effect on financial investments		**12,602**	**26,086**	**(1,008)**	**5,261**	**11,531**
Foreign currency appreciation risk - effect on trade payables/imports:						
Long-term trade payables	US$	(22,598)	12,843	3,654	(19,071)	(41,796)
Asset position swaps by counterparty:						
Counterparty HSBC	US$	1,644	(11,358)	(266)	1,387	3,040
Counterparty Citibank	US$	20,922	(1,485)	(3,383)	17,656	38,695
Net effect on trade payables / imports		**(32)**	**-**	**5**	**(28)**	**(61)**
References						
Dollar US$/R$				1.99	2.49	2.99

Probable scenario relates to the following twelve months, based on bank macroeconomic projections.

(d) Net debt finance costs deterioration risk

This risk arises from the possibility of the Company incurring losses due to changes in interest rates and other indexes on its borrowings which increase its finance costs, or on its investments, which reduce its finance income. In the parent 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 swaps, as mentioned in item "b" of the Interest rate risk table. The Company continues to monitor these indexes so as to assess any need to contract derivatives and mitigate the risk of changes in these rates.

Below is the finance costs deterioration sensitivity analysis, showing the estimated effects of changes in profit or loss scenarios for the following twelve months, considering rates projected for 2012 as the probable scenario. As alternative scenarios, an increase in rates was simulated, considering that the Company has a net debt position:

Operation	Risk	Probable scenario	+25%	+50%
Financial assets and liabilities				
Cash				
Investments indexed at CDI	CDI	99,233	124,041	148,850
Fixed income investments	FIXED	-	-	-
Borrowings				
Financing indexed at TJLP	Long-term Interest Rate (TJLP)	153,875	182,685	211,495
Financing indexed at CDI	CDI	149,462	183,547	217,633
Financing fixed / floating through swap, as in item b	FIXED / FLOATING	49,245	16,846	(15,554)
Debentures indexed at CDI	CDI	118,357	143,109	167,861
Debentures fixed through swap, as in item b	FIXED	22,630	11,969	1,307
Debentures indexed at IPCA	IPCA	40,213	44,107	48,002
Advances on real estate receivables indexed at CDI	CDI	54,120	64,742	75,364
Taxes payable in installments	CDI	(15,204)	(19,004)	(22,805)
Average CDI (p.a.)		7.40%	9.25%	11.10%
Long-term Interest Rate (TJLP)		5.50%	6.88%	8.25%
IPCA		4.90%	6.13%	7.35%

Probable scenario relates to the following twelve months, based on bank macroeconomic projections.

(e) CVM Instruction 475

The consolidated position of derivative financial instruments is as follows:

Fair value of derivative instruments by maturity

	Reference value		Fair value		Accumulated effect (current period)	
Description	**6/30/2012**	**12/31/2011**	**6/30/2012**	**12/31/2011**	**Amount receivable/ received**	**Amount payable/ paid**
Swap contracts:						
Net position						
Currency risk	US$	US$	R$	R$	R$	R$
Maturity USD x %CDI:						
1Q12	-	41,369	-	1,844	-	-
1Q12	-	10,504	-	(75)	-	-
4Q12	22,318	-	4,326	-	4,326	-
INTEREST RATE RISK	R$	R$	R$	R$	R$	R$
FIXED/FLOATING RATES - MATURITY:						
1Q13*	1,890,722	1,014,445	(28,012)	(2,847)	-	(28,012)
2Q13*	107,409	107,409	(4,664)	1,421	-	(4,664)
4Q14*	75,000	75,000	(19,649)	(10,960)	-	(19,649)
1Q18*	150,000	150,000	16,856	10,471	16,856	-
3Q18*	166,667	166,667	(23,334)	(10,248)	-	(23,334)
TOTAL			**(54,477)**	**(10,394)**	**21,182**	**(75,659)**

** Transactions with derivatives characterized as hedge ("hedge documentation")*

The swap transactions of the USD x % CDI table above are carried out at an average liability position cost of 110% of the CDI and an asset position cost of foreign exchange variations, plus an average spread of 1%.

The fair value of derivatives is recorded as current and non-current borrowings, in liabilities, against: i) profit or loss, should derivatives have no hedge documentation, and ii) carrying value adjustments (Equity), should derivatives have hedge documentation. In the second case, the fair value effect is recorded as borrowings in current liabilities. All derivatives are used as hedges.

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

The fair value of derivatives was estimated based on foreign exchange rate curves and current BM&F interest rates at June 30, 2012, for future value projection, as well as DI future rates of BM&F to bring these flows to their present value. There are no margin deposits or guarantees of any type or amount for any of these derivatives.

The effect on the Company's profit or loss at June 30, 2012 for hedging derivative financial instruments is a debit balance of R$ 10,228 (a debit balance of R$ 19,633 at June 30, 2011). Gains and losses from swaps related to the hedge structure recorded in equity amount to a debit balance of R$ 2,138 at June 30, 2012 (a debit balance of R$ 15,221 at December 31, 2011).

33 Private pension plan

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

Contributions are made, on average, in the proportion of 67% for the sponsor and 33% for active plan participants. Contributions related to minimum benefits are fully made by the sponsor, as defined in an actuarial technical note, and are remeasured 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 made for December 31, 2011. The base date used in the assessment was October 2011.

	6/30/2012	12/31/2011
Participants	44	44
Net assets	9,345	9,345
Sponsor's contributions (% payroll)	0.16%	0.16%
Participation payroll	821	821

The plan also has a defined benefit portion in the concession phase, whose actuarial liability refers to monthly life annuities granted to its participants. The present value of the actuarial liability of Sponsored Participants, calculated based on mortality table AT-83 and on a financial discount rate of 10.54% p.a., amounts to R$ 6,135 at October 31, 2011, and is fully covered by the Plan's Net Assets.

In addition to the total financial coverage of actuarial liabilities, the plan has a surplus recorded in its reserves amounting to R$ 3,260, at June 30, 2012. This reserve relates to the remaining balances of the sponsor's contributions, arising from participants leaving the plan who partially redeemed their benefits, and who are no longer eligible for any plan benefits.

* * *









ALL REPORTS 2Q12 AND 1H12 RESULTS

Curitiba, Brazil, August 14, 2012 – América Latina Logistica S.A. – ALL (BM&FBovespa: ALLL3; OTCQX: ALLAY), the Latin America's largest independent logistics company, announces its results for the second quarter and first half of 2012 (2Q12 and 1H12). The Company offers a full range of logistics services, including domestic and international rail and trucking transportation, distribution, warehousing, container customized transportation combined with fractioned distribution and intermodal door-to-door transportation. ALL Consolidated comprises four main business: (i) ALL Rail Operations, (ii) Brado Logística, (iii) Ritmo Logística and (iv) Vetria Mineração.

In the discussions of ALL results by each business, with the creation of Ritmo Logística on July 1st 2011 and to make the results of 2Q11 comparable, unless otherwise stated, results of ALL Rail Operations and Ritmo in 2Q11 are presented in a pro forma basis, as if Ritmo had already been created in that period. Moreover, the results of ALL Rail Operations, Brado and Ritmo in 1H11 are also presented in a pro forma basis, as if Brado and Ritmo had already been created in 1Q11.

Conference Calls:

English
August 15, 2012
Wednesday
10:30 a.m. US EST

Portuguese
August 15, 2012
Wednesday
9:00 a.m. US EST

Meeting with Analysts and Investors:

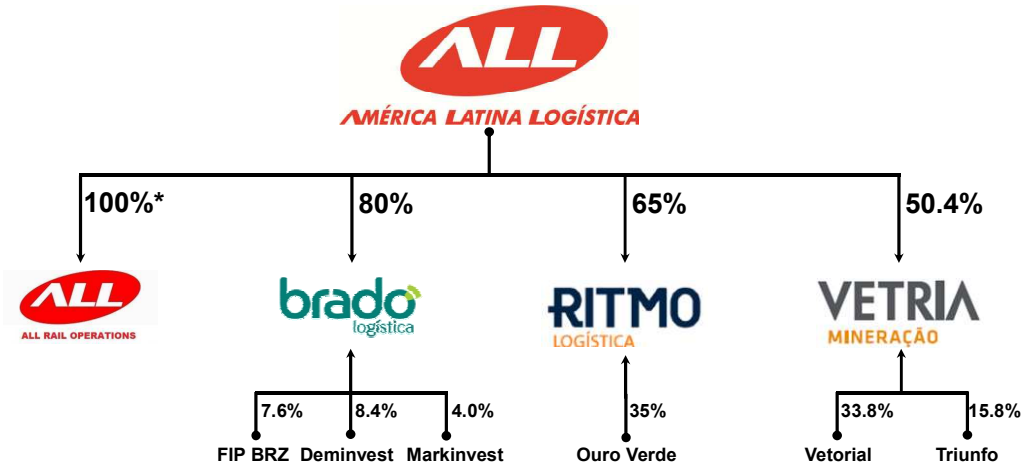
August 22, 2012
Wednesday
11:00 a.m. (Brasília)

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

OPERATING AND FINANCIAL HIGHLIGHTS

- ✓ **ALL's consolidated EBITDA in 2Q12 reached R$499.6 million, 2.2% above 2Q11.** EBITDA was positively affected by the results of Brado Logística and by a good cost performance in ALL Rail Operations in Brazil, partially offset by Ritmo's results. In 1H12, EBITDA went up 3.8%, reaching R$820.4 million.
- ✓ **ALL rail volumes in Brazil increased 2.3% in 2Q12 and 4.6% in 1H12, despite the very unfavorable market conditions in both agricultural and industrial segments.** The volume growth was mainly driven by strong market share gains in agricultural segment and improvements in our rolling stock productivity, which increased the total transportation capacity in our rail network.
- ✓ **ALL's average rail yield in Brazil, measured in R$/000'RTK, went down 2.7% in 2Q12 and 3.1% in 1H12.** The reduction reflects the pressured freight prices in the spot market. As the grain production in our region in 1H12 felt 15.6%, the transportation demand reduced in all stages of the agricultural logistic chain, affecting the freight prices in spot market. As our capacity is 70% locked in take-or-pay agreements, we are exposed to spot market prices in approximately 30% of our volumes.
- ✓ **Brado's containers volumes grew 18.1% in 2Q12 and 17.4% in 1H12.** This result was pushed by a strong growth in Wide Gauge and Rio Grande corridors, partially offset by a decrease in Mercosur volumes. Brado's EBITDA grew 14.6% in 2Q12 to R$9.6 million and grew 16.4% in 1H12, reaching R$18.7 million.
- ✓ **Volumes in Ritmo, measured in driven kilometers, grew 15.4% in 2Q12 and 13.1% in 1H12.** Volume growth was driven by the intermodal business unit volumes, which grew 100% as compared to 1Q12, and by a good performance in Specialized Assets operations, partially offset by a reduction in Automotive segment. Ritmo's EBITDA reached R$5.8 million in 2Q12, decreasing 13.7% when compared to a pro forma EBITDA of R$6.7 million in 2Q11. In 1H12, EBITDA reached R$11.4 million.
- ✓ **Market and yield scenarios are expected to recover in 2H12.** The second corn crop ("safrinha") is expected to grow 70% when compared to last year, recovering part of the losses registered in the first crop. In the sugar segment, the harvest progress should speed up and exports are expected to increase in 2H12. Moreover, spot market freight prices should recover from the depressed levels registered in 1H12, driven by the improvement in transportation demand and by the announcement of diesel price increase in July.

ALL's Business Structure



ALL Rail operations is composed of 6 rail concessions in Brazil and Argentina, totaling 21.3 thousand km of rail tracks, through which the Company transports agricultural commodities and industrial products. The rail network serves an area that accounts for approximately 65% of Mercosur's GDP, where seven of the most active ports in Brazil and Argentina are located, through which approximately 78% of all South America's grain exports are shipped annually.

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Brado Logística is a company created by ALL in association with Standard Logística which is developing the intermodal logistic of containers, focusing on rail transportation, storage, operation of terminals and other logistics services. Brado provides 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 it by railroad, in a very cost effective model.

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Ritmo Logística is a trucking based logistic company created by the merger of ALL Highway Services Business Unit and Ouro Verde highway operations. The company provides a variety of logistics solutions for several industrial segments in Brazil and Argentina, through its Dedicated Operations unit. Furthermore, Ritmo is well positioned to develop the Intermodal Highway Services, providing logistics for an unexplored market of more than 40 million tons that has its origin or destination in ALL's railway, with a low-capital-intensive model through the use of third party and outsourced fleet.

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Vetria Mineração is a company created through a partnership between ALL, Triunfo and Vetorial Mineração, which aims to develop an integrated solution for the extraction, logistics and commercialization of iron ore from the Urucum Massif, located in the region of Corumbá-MS. Vetria will have an integrated system with its own mine in Corumbá, railway logistics through a long-term operational agreement with ALL and a private port terminal in Santos. Vetria still depends on suspensive and resolutive conditions to start its operations.

Disclaimer on discussion by business Unit

In this section, where we discuss the results by each company´s business, unless otherwise stated and to make the results of 2Q11 and 1H11 comparable, 2Q11 and 1H11 numbers are pro forma. This adjustment should be made by the following reasons:

(i) On April 1st 2011, we created Brado Logística, through a merger with Standard Logística. In order to evaluate Brado´s performance we have to compare 1H12 Brado´s results with a 1H11 results which considers that Brado already existed since 1Q11. In order to do that, we must (a) carve out the part of the results of ALL which is now part of Brado and (b) add Standard 1Q11 results;

(ii) On July 1st 2011, we created Ritmo Logística, through a merger with Ouro Verde. In order to evaluate Ritmo´s performance we have to compare 2Q12 and 1H12 Ritmo´s results with 2Q11 and 1H11 results which considers that Ritmo already existed in that period. In order to do that, we must (a) carve out ALL Highway Based Services Unit results which started to be part of Ritmo and (b) add Ouro Verde 2Q11 and 1H11 results.

Therefore, pro forma results for 2Q11 and 1H11 differ from 2Q11 and 1H11 released results because they are calculated as if Brado and Ritmo had already been created in that period. Consolidated pro forma results in 2Q11 and 1H11 are the simple sum of ALL Rail Operations in Argentina and the pro forma results of ALL Brazil Rail Operations, Brado and Ritmo.

Moreover, in order to be comparable, pro forma 2011 results are calculated as if Brado and Ritmo had already been created since 1Q11.

** Only on ALL Malha Norte, ALL holds 99.9% stake.*

Table 1 - Financial Highlights (R$ million)	2Q12	2Q11	% Change	1H12	1H11	% Change
ALL Consolidated						
Net Sales	989.4	931.7	6.2%	1,757.9	1,592.8	10.4%
EBITDA	499.6	489.0	2.2%	820.4	790.6	3.8%
EBITDA Margin [2]	50.5%	52.5%	-2.0%	46.7%	49.6%	-3.0%
Net Income	154.0	185.6	-17.1%	151.6	186.1	-18.6%
EPS (R$/ Share)	0.22	0.27	-17.1%	0.22	0.27	-18.6%
Consolidated Balance Sheet Indicators						
Total Assets	14,288.3	13,915.0	2.7%	14,288.3	13,915.0	2.7%
Shareholders Equity	4,236.0	4,093.8	3.5%	4,236.0	4,093.8	3.5%
EBITDA (Trailing 12 months)	1,523.9	1,399.6	8.9%	1,523.9	1,399.6	8.9%
Net Debt	4,143.3	3,160.1	31.1%	4,143.3	3,160.1	31.1%
Net Debt / EBITDA (Trailing 12 months)	2.7	2.3	20.4%	2.7	2.3	20.4%
Net Debt/ Equity	1.0	0.8	26.7%	1.0	0.8	26.7%

Table 2 - Pro Forma Financial Highlights* (R$ million)	2Q12	2Q11 [1]	% Change	1H12	1H11 [1]	% Change
ALL Rail Operations - Brazil						
Net Sales	809.9	813.4	-0.4%	1,423.0	1,403.9	1.4%
EBITDA	475.9	467.9	1.7%	780.7	763.0	2.3%
EBITDA Margin [2]	58.8%	57.5%	1.2%	54.9%	54.4%	0.5%
Net Income	160.8	198.0	-18.8%	165.4	204.7	-19.2%
ALL Rail Operations - Argentina						
Net Sales	63.8	46.7	36.5%	109.5	82.8	32.2%
EBITDA	8.3	8.9	-6.9%	9.7	10.0	-3.6%
EBITDA Margin [2]	13.0%	19.1%	-6.1%	8.8%	12.1%	-3.3%
Net Income	(8.7)	(16.7)	-48.1%	(18.5)	(24.6)	-25.0%
ALL Rail Operations [3]						
Net Sales	873.6	860.1	1.6%	1,532.5	1,486.7	3.1%
EBITDA	484.2	476.8	1.5%	790.3	773.0	2.2%
EBITDA Margin [2]	55.4%	55.4%	0.0%	51.6%	52.0%	-0.4%
Net Income	152.1	181.3	-16.1%	146.9	180.1	-18.4%
Brado						
Net Sales	55.6	47.4	17.1%	110.0	94.3	16.6%
EBITDA	9.6	8.4	14.6%	18.7	16.1	16.4%
EBITDA Margin [2]	17.3%	17.7%	-0.4%	17.0%	17.1%	0.0%
Net Income**	2.6	3.2	-20.8%	4.2	4.8	-14.2%
Ritmo						
Net Sales	60.2	51.9	16.1%	115.5	102.2	13.0%
EBITDA	5.8	6.7	-13.7%	11.4	12.3	-7.9%
EBITDA Margin [2]	9.6%	12.9%	-3.3%	9.8%	12.1%	-2.2%
Net Income**	(0.7)	1.0	na	0.5	1.2	-57.3%
ALL Consolidated						
Net Sales	989.4	959.4	3.1%	1,757.9	1,683.2	4.4%
EBITDA	499.6	491.9	1.6%	820.4	801.5	2.4%
EBITDA Margin [2]	50.5%	51.3%	-0.8%	46.7%	47.6%	-0.9%
Net Income**	154.0	185.6	-17.0%	151.6	186.1	-18.5%
EPS (R$/ Share)	0.22	0.27	-17.0%	0.22	0.27	-18.5%

[1] Results of 2Q11 ans 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in since 1Q11

[2] For EBITDA margin change means percentage points gained/lost

[3] Includes results of ALL Rail Operations in Brazil and Argentina

** In this table, as well as in the discussion of the results by business, to make the results of 2Q11 and 1H11 comparable, unless otherwise stated, results of ALL Rail Operations, Ritmo and consolidated in 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created since 1Q11. (For more details in pro forma calculation see page 2 of this release)*

*** Refers to ALL's stake, after minorities*

Earnings per share calculation based on number of existing shares as of June 30th of 2011 and 2012

Values may not add up due to rounding

Comments from Eduardo Pelleissone, CEO

We are announcing 1H12 results showing a 10.4% increase in consolidated net revenues and a 3.8% growth in consolidated EBITDA, in one of the toughest market and yield environments we already faced. Net income reached R$151.6 million, in line with 1H11 when excluding the R$34 million non-cash gain we had with the creation of Brado in 2Q11.

Brazilian rail operations in 2Q12 were marked by very unfavorable market conditions in both agricultural commodities and industrial products segments. In agricultural, the poor weather conditions severely affected the first crop and the grain production in ALL's coverage area was 15.6% lower in 1H12, especially in the south, where crop decreased over 28.0%. Additionally, sugar cane harvest progress was 30% delayed in 2Q when compared to 2011, due to the rain density. In industrial products, market environment was also challenging as industrial production in Brazil felt 4% in 1H12, when compared to 2011.

Given the lower grain production, spot market freight prices plunged in 1Q12 and 2Q12 compared to 2011. During the harvest season the freight price is usually pushed up by the increase in transportation demand in all stages of the agricultural logistic chain. As the crop dropped, the usual pressure on spot freight prices smoothed.

Despite the unfavorable market, ALL rail volumes in Brazil increased 2.3% in 2Q12 mainly driven by a material market share gain in agricultural segment and by productivity improvements, as we grew volumes with marginal additions of railcars and locomotives. Our market share in the ports we serve increased 5 p.p. reaching 73%, led by Port of Santos, where our share was 83%. In 2Q12, net revenues in Brazil remained stable at R$809.9 million as volume growth was offset by a 2.7% decrease in average rail yields. As we managed to reduce substantially our costs as percentage of revenues, EBITDA grew 1.7% even in a scenario of margins pressured by lower yields.

In agricultural commodities, volumes increased 6.2% in 2Q12 pushed by market share gains, as overall transported volumes in export flows to the ports we serve decreased 10%. The quarter was also marked by operational restrictions in our main ports. Port of Santos was affected by the high rain density and two strikes in the period. In Paranaguá Port, the high rain density and the draft restrictions reduced ships productivity. Despite the unfavorable scenario, agricultural volumes grew 8.1% in 1H12.

In industrial products we had a challenging quarter. Transported volumes decreased 8.4% in 2Q12 driven by a 14.7% volume decrease in pure rail flows, impacted by lower demand in fuel and construction segments. In construction, the drop reflects (i) the redesign of the distribution structure of an important client, eliminating one of our main transportation flows in the region of Paraná, and (ii) lower demand in inbound flows (clinker) to the industry. In fuel products, volumes were affected by the weak ethanol market and the lower crop in the countryside, reducing the diesel consumption. The high market share we have in pure rail flows leaves us subject to market's performance. In intermodal flows volumes were stable in 2Q12, driven by a good performance in steel products and containers, but offset by decreases in pulp and paper and food products.

In Argentina volumes decreased 9.3% in 2Q12, when compared to 2011, and EBITDA dropped 6.9% to R$8.3 million. In Argentina, as well as in Brazil, the weather problems have severely affected the crop, and the soy production should decrease 17% this year. In 1H12, volume decreased 6.9% to 1,554 million RTK and EBITDA decreased 3.6%, to R$9.7 million.

Brado Logística had another positive quarter. Volumes grew 18.1% in 2Q12 pushed by market share gains in Rio Grande and Wide Gauge corridors, supported by the additional fleet added in previous quarters. The volume growth was partially offset by a decrease in Mercosur corridor, where the customs restrictions in Argentina continued to affect volumes. Brado's EBITDA grew 14.6% in 2Q12 to R$9.6 million with stable margin.

Ritmo Logística continues its volumes ramp up in the intermodal unit with total volumes increasing by 15.4% in 2Q12. The volume growth reflects the 100% increase in intermodal volumes over 1Q12, a good quarter in Specialized Assets operations, and partially offset by a reduction in Automotive segment. Ritmo's EBITDA reached R$5.8 million in 2Q12, decreasing 13.7% when compared to a pro forma EBITDA of R$6.7 million in 2Q11.

For 2H, market and yield environment is expected to recover as compared to 1H12. The second corn crop ("safrinha"), which started to be harvested in July, should grow 70% when compared to last year, recovering part of the losses registered in the first crop. In the sugar segment, the harvest progress should speed up and exports are expected to increase in 2H12. Additionally, spot market freight prices should recover from the depressed levels registered in 1H12, driven by the improvement in transportation demand and by the announcement of diesel price increase in July. However, given the tough market environment and marginal volume growth in 1H12, we expect a volume growth for 2012 lower than our long term guidance.

Moreover, the new rail network construction from Alto Araguaia to Rondonópolis is well underway to be finished by the end of 2012, an important step for ALL to become free cash flow positive next year.

DISCUSSION ON ALL CONSOLIDATED RESULTS

Table 3 - ALL Consolidated Financial Highlights (R$ million)	2Q12	2Q11	% Change*	1H12	1H11	% Change
Net Sales	989.4	931.7	6.2%	1,757.9	1,592.8	10.4%
EBITDA	499.6	489.0	2.2%	820.4	790.6	3.8%
EBITDA Margin	50.5%	52.5%	-2.0%	46.7%	49.6%	-3.0%
Net Income	154.0	185.6	-17.1%	151.6	186.1	-18.6%
EPS (R$/ Share)	0.22	0.27	-17.1%	0.22	0.27	-18.6%

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

ALL Consolidated net revenues increased 6.2%, from R$931.7 million in 2Q11 to R$989.4 million in 2Q12, mainly driven by (i) the 1.4% rail volume growth, from 11,963 million RKT in 2Q11 to 12,129 million RTK, and (ii) the contribution of our new businesses created in 2011, Brado and Ritmo.

EBITDA grew 2.2% in 2Q12, from R$489.0 million in 2Q11 to R$499.6 million, driven by (i) higher volumes and lower yields in Brazil Rail Operations, (ii) Brado's EBITDA, which reached R$9.6 million, and (iii) by a 13.7% reduction in Ritmo's EBITDA, to R$5.8 million. EBITDA margin decreased 2.0 percentage points, from 52.5% in 2Q11 to 50.5% in 2Q12, reflecting (i) the new businesses we created in 2011, which have lower margins when compared to the rail business, and (ii) better margins in ALL Rail Operations in Brazil.

In 1H12, consolidated net revenues grew 10.4%, from R$1,592.8 million in 1H11 to R$1,757.9 million, pushed by increases in net revenues of (i) 3.1% in ALL Rail Operations, (ii) 16.6% in Brado, and (iii) 13.0% in Ritmo. Consolidated EBITDA increased 3.8% in 1H12, from R$790.6 million in 1H11 to R$820.4 million, mainly driven by Brazil's and Brado's operations, in which EBITDA augmented 2.3% and 16.4%, respectively.

Table 4 - EBITDA (R$ million)	2Q12	2Q11	Change	% Change	1H12	1H11	Change	% Change
ALL Consolidated	499.6	489.0	10.6	2.2%	820.4	790.6	29.8	3.8%
ALL Rail Operations	484.2	480.6	3.6	0.7%	790.3	782.2	8.1	1.0%
ALL Brazil	475.9	471.7	4.2	0.9%	780.7	772.2	8.4	1.1%
ALL Argentina	8.3	8.9	(0.6)	-6.9%	9.7	10.0	(0.4)	-3.6%
Brado Logística	9.6	8.4	1.2	14.6%	18.7	8.4	10.3	122.7%
Ritmo Logística	5.8	0.0	5.8	na	11.4	0.0	11.4	na

Table 5 - EBITDA Margin %	2Q12	2Q11	Change *	1H12	1H11	Change *
ALL Consolidated	50.5%	52.5%	-2.0%	46.7%	49.6%	-3.0%
ALL Rail Operations	55.4%	54.4%	1.1%	51.6%	50.6%	1.0%
ALL Brazil	58.8%	56.3%	2.4%	54.9%	52.8%	2.1%
ALL Argentina	13.0%	19.1%	-6.1%	8.8%	12.1%	-3.3%
Brado Logística	17.3%	17.7%	na	17.0%	17.7%	-0.7%
Ritmo Logística	9.6%	0.0%	na	9.8%	0.0%	9.8%

**Indicates percentage points gained / lost*

ALL Rail Operations

ALL Rail Operations faced unfavorable market conditions along 2Q12 in both Brazil and Argentina. In Brazil, the poor weather conditions severely affected the first crop and the grain production in ALL's coverage area was 15.6% lower in 1H12. Moreover, Brazilian industrial production felt 4% in 1H12 when compared to 2011. In Argentina, as well as in Brazil, the weather problems had severely affected the crop, and the soy production should decrease 17% this year.

Given the lower grain production in Brazil, spot market freight prices plunged in 1Q12 and 2Q12 compared to 2011. During the harvest season the freight price is usually pushed up by the increase in transportation demand in all stages of the agricultural logistic chain. As the crop dropped, the usual pressure on spot freight prices smoothed.

In spite of the market scenario, ALL Rail operations volumes in 2Q12 grew 1.4% due to a 2.3% growth in Brazil and a 9.3% decrease in Argentina. The quarter in ALL Rail Operations was marked by:

(i) A 2.3% volume increase in Brazil, pushed by a good performance in agricultural commodities and a challenging quarter in industrial products. In agricultural commodities, even in a tough market environment, volumes grew 6.2% mainly driven by market share gains. In industrial segment, volumes decreased 8.4% reflecting a weak performance in pure rail flows;

(ii) Improvements in our rolling stock productivity, which increased the total transportation capacity in our network;

(iii) Yields in Brazil, measured in R$/000'RTK, went down 2.7% in 2Q12 reflecting freight prices decrease in the spot market in 2Q;

(iv) A good cost performance in Brazil, as we managed to reduce substantially our costs as percentage of revenues, and EBITDA margin improved 1.2 percentage point even in a scenario of margins pressured by lower yields;

(v) Another tough quarter in Argentina, as volumes were affected by (i) the new import restrictions set in the country in 1Q, which substantially decreased volumes in Mercosur flows, and (ii) the lower crop.

As a result of the facts discussed above, revenues grew 1.6% in 2Q12, from R$860.1 million in 2Q11 to R$873.6 million, and EBITDA increased 1.5%, from R$476.8 million in 2Q11 to R$484.2 million. EBITDA margin remained stable in 2Q, reflecting a good cost performance in Brazil and weak margins in Argentina. In 1H12, net revenues increased 3.7% to R$1,532.5 million and EBITDA grew 2.2%, reaching R$790.3 million.

Table 6 - ALL Rail Operations	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (million RTK)	12,129	11,963	1.4%	22,094	21,302	3.7%
Net Revenues	873.6	860.1	1.6%	1,532.5	1,486.7	3.1%
Net Yield (R$/'000 RTK)	72.0	71.9	0.2%	69.4	69.8	-0.6%
EBITDA	484.2	476.8	1.5%	790.3	773.0	2.2%
EBITDA Margin	**55.4%**	**55.4%**	**0.0%**	**51.6%**	**52.0%**	**-0.4%**

** For EBITDA Margin indicates percentage points gained / lost*
*** Results of 2Q11 and 1H11 are presented in a pro-forma basis*

Brado Logística

Brado container's volumes grew 18.1% in 2Q12, from 10.2 thousand containers in 2Q11 to 12.1 thousand containers, and net yields measured in R$000'/Container remained stable at R$4.6. The volume growth reflects (i) the positive performance in Wide Gauge (51.4% growth) and Rio Grande (125.3% growth) corridors, supported by the additional fleet we added in previous quarters, and (ii) the 25.9% decrease in Mercosur corridor. Brado's EBITDA increased 14.6% in 2Q12 to R$9.6 million, as compared to an EBITDA of R$8.4 million in 2Q11.

In 1H12 volumes increased 17.4%, pushed by Wide Gauge and Rio Grande corridors, and EBITDA grew 16.4% reaching R$18.7 million.

Table 7 - Brado Logística	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (Thousand Containers)	12.1	10.2	18.1%	24.2	20.6	17.4%
Net Revenues	55.6	47.4	17.1%	110.0	94.3	16.6%
Net Yield (Thousand R$/Container)	4.6	4.6	-0.8%	4.6	4.6	-0.7%
EBITDA	9.6	8.4	14.6%	18.7	16.1	16.4%
EBITDA Margin	**17.3%**	**17.7%**	**-0.4%**	**17.0%**	**17.1%**	**0.0%**

** For EBITDA Margin indicates percentage points gained / lost*
*** Results of 1H11 are presented in a pro-forma basis*

Ritmo Logística

Ritmo's volumes, measured in driven kilometers (km), increased 15.4% in 2Q12 from 15.8 million km in 2Q11 to 18.3 million km. The volume growth reflects the 100% increase in intermodal volumes over 1Q12, a good quarter in Specialized Assets operations, and partially offset by a reduction in Automotive segment. Despite the higher volumes, Ritmo's EBITDA decreased 13.7%, to R$5.8 million, as margins reduced 3.3 percentage points. The margin decrease reflects the higher share of Intermodal volumes. In this business unit, margins are lower as we operate in an asset light model, through the use of third party and outsourced fleet. In addition, as the unit's new fixed cost structure is in place and volumes still small, EBITDA remained marginal in 2Q12. Along the year, as new volumes are captured, the operational leverage should take place and the margins are expected to improve in this unit.

In 1H12 Ritmo's volumes increased 13.1%, pushed by intermodal and specialized assets, and EBITDA reached R$11.4 million.

Table 8 - Ritmo Logística	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (million Driven KM)	18.3	15.8	15.4%	35.1	31.1	13.1%
Net Revenues	60.2	51.9	16.1%	115.5	102.2	13.0%
Net Yield (R$/Driven KM)	3.3	3.3	0.6%	3.3	3.3	-0.1%
EBITDA	5.8	6.7	-13.7%	11.4	12.3	-7.9%
EBITDA Margin	**9.6%**	**12.9%**	**-3.3%**	**9.8%**	**12.1%**	**-2.2%**

** For EBITDA Margin indicates percentage points gained / lost*
*** Results of 2Q11 and 1H11 are presented in a pro-forma basis*

Vetria Mineração

In Vetria's Project, we are working since January to address the three main fronts: (i) governmental authorizations and environmental licenses, (ii) mine certification and (iii) capitalization. The drilling process in the mine certification (Jorc) is well under way and we already initiated the approval process with governmental departments and agencies. Moreover, in 1H12 we received the CADE's approval (Brazilian Antitrust Council) for the deal and IBAMA (Brazilian Institute for Environment and Natural Renewable Resources) reinforced the Port's preliminary license. This license was originally for operate bulk solids, bulk liquids and containers and now is also valid for operate iron ore.

ALL CONSOLIDATED RESULTS

Table 9 - ALL Consolidated Results (R$ million)	2Q12	2Q11*	% Change	1H12	1H11*	% Change
Net Revenue	**989.4**	**931.7**	**6.2%**	**1,757.9**	**1,592.8**	**10.4%**
ALL Rail Operations	873.6	884.2	-1.2%	1,532.5	1,545.4	-0.8%
Brado Logística	55.6	47.4	17.1%	110.0	47.4	131.8%
Ritmo Logística	60.2	0.0	na	115.5	0.0	na
EBITDA	**499.6**	**489.0**	**2.2%**	**820.4**	**790.6**	**3.8%**
ALL Rail Operations	484.2	480.6	0.7%	790.3	782.2	1.0%
Brado Logística	9.6	8.4	14.6%	18.7	8.4	122.7%
Ritmo Logística	5.8	0.0	na	11.4	0.0	na
EBITDA Margin	**50.5%**	**52.5%**	**-2.0%**	**46.7%**	**49.6%**	**-3.0%**
ALL Rail Operations	55.4%	54.4%	1.1%	51.6%	50.6%	1.0%
Brado Logística	17.3%	17.7%	-0.4%	17.0%	17.7%	-0.7%
Ritmo Logística	9.6%	na	na	9.8%	na	na
Net Income	**154.0**	**185.6**	**-17.1%**	**151.6**	**186.1**	**-18.6%**
ALL Rail Operations	152.1	182.4	-16.6%	146.9	182.9	-19.7%
Brado Logística**	2.6	3.2	-20.8%	4.2	3.2	28.4%
Ritmo Logística**	(0.7)	0.0	na	0.5	0.0	na
Earnings per Share (R$/share)	**0.22**	**0.27**	**-17.1%**	**0.22**	**0.27**	**-18.6%**

** Numbers are presented as previously released in 2Q11 and 1H11*
*** Refers to ALL's stake, after minorities*

In 2Q12, ALL Consolidated net revenues grew 6.2%, from R$931.7 million in 2Q11 to R$989.4 million, pushed by higher volumes in ALL Rail Operations and the contribution of our new businesses. Consolidated EBITDA increased from R$489.0 million in 2Q11 to R$499.6 million in 2Q12, or 2.2%. In 1H12, net revenues increased 10.4% and EBITDA increased 3.8%.

Table 10 - ALL Consolidated Cash Flow (R$ million)	2Q12	2Q11*	% Change	1H12	1H11*	% Change
Operating Activities	**242.9**	**305.0**	**-20.3%**	**176.9**	**352.7**	**-49.9%**
ALL Rail Operations	233.1	305.3	-23.6%	179.1	353.0	-49.3%
Brado Logística	10.1	(0.3)	-3313.4%	(3.9)	(0.3)	1157.5%
Ritmo Logística	(0.3)	0.0	na	1.7	0.0	na
Investing Activities	**(247.0)**	**(205.6)**	**20.1%**	**(547.8)**	**(467.8)**	**17.1%**
ALL Rail Operations	(226.1)	(201.0)	12.5%	(509.5)	(463.2)	10.0%
Brado Logística	(18.0)	(4.6)	291.9%	(23.7)	(4.6)	416.2%
Ritmo Logística	(2.9)	0.0	na	(14.6)	0.0	na
Free Cash Flow	**(4.1)**	**99.4**	**-104.1%**	**(370.9)**	**(115.1)**	**222.3%**
ALL Rail Operations	7.1	104.3	-93.2%	(330.4)	(110.2)	199.9%
Brado Logística	(7.9)	(4.9)	na	(27.6)	(4.9)	na
Ritmo Logística	(3.2)	0.0	na	(12.9)	0.0	na
Financing Activities	**(26.4)**	**658.8**	**-104.0%**	**(142.0)**	**527.7**	**-126.9%**
ALL Rail Operations	(39.1)	660.5	-105.9%	(183.8)	529.4	-134.7%
Brado Logística	10.5	(1.7)	na	27.7	(1.7)	na
Ritmo Logística	2.2	0.0	na	14.1	0.0	na
Change in Cash	**(30.4)**	**758.2**	**-104.0%**	**(513.0)**	**412.6**	**-224.3%**
ALL Rail Operations	(32.0)	764.8	-104.2%	(514.2)	419.3	-222.6%
Brado Logística	2.6	(6.6)	na	0.1	(6.6)	na
Ritmo Logística	(1.0)	0.0	na	1.2	0.0	na
Closing Balance in Cash	**1,586.8**	**2,430.4**	**-34.7%**	**1,586.8**	**2,430.4**	**-34.7%**
ALL Rail Operations	1,574.0	2,393.8	-34.2%	1,574.0	2,393.8	-34.2%
Brado Logística	6.6	36.6	-82.1%	6.6	36.6	-82.1%
Ritmo Logística	6.2	0.0	na	6.2	0.0	na

** Numbers are presented as previously released in 2Q11 and 1H11*

In 2Q12, ALL Consolidated cash flow from operating activities worsened from an inflow of R$305.0 million in 2Q11 to an inflow of R$242.9 million, driven by higher working capital needs and partially offset by the improvement in operational results. Cash outflow from investments increased from an outflow of R$205.6 million to an outflow of R$247.0 million due to higher investments in the period. Cash flow from financing activities changed from an inflow of R$658.8 million in 2Q11 to an outflow of R$26.4 million in 2Q12, reflecting the R$810 million debenture issued in 2Q11. The overall cash variation changed from a positive variation of R$758.2 in 2Q11 to a negative variation of R$30.4 million in 2Q12.

Table 11 - ALL Consolidated Balance Sheet (R$ million)	2Q12	2Q11*	% Change
Total Assets	**14,288.3**	**13,915.0**	**2.7%**
ALL Rail Operations	13,929.7	13,714.2	1.6%
Brado Logística	242.2	200.8	20.6%
Ritmo Logística	116.5	0.0	na
Shareholders Equity	**4,236.0**	**4,093.8**	**3.5%**
ALL Rail Operations	4,040.1	3,993.0	1.2%
Brado Logística	108.2	100.8	7.3%
Ritmo Logística	87.8	0.0	na
EBITDA (Trailing 12 months)	**1,523.9**	**1,399.6**	**8.9%**
ALL Rail Operations	1,457.9	1,391.2	4.8%
Brado Logística	40.2	8.4	378.6%
Ritmo Logística	25.8	0.0	na
Net Debt	**4,143.3**	**3,160.1**	**31.1%**
ALL Rail Operations	4,072.1	3,150.8	29.2%
Brado Logística	63.1	9.2	583.9%
Ritmo Logística	8.1	0.0	na
Net Debt / EBITDA (Trailing 12 months)	**2.7**	**2.3**	**20.4%**
ALL Rail Operations	2.8	2.3	23.3%
Brado Logística	1.6	1.1	42.9%
Ritmo Logística	0.3	na	na
Net Debt / Shareholders Equity	**1.0**	**0.8**	**26.7%**
ALL Rail Operations	1.0	0.8	27.7%
Brado Logística	0.6	0.1	537.5%
Ritmo Logística	0.1	na	na

** Numbers are presented as previously released in 2Q11 and 1H11*

ALL RAIL OPERATIONS – BUSINESS DESCRIPTION

ALL Rail operations is composed by 6 rail concessions in Brazil and Argentina, totaling 21.3 thousand km of rail tracks, 1,095 locomotives and 31,650 rail cars, through which the Company transports agricultural commodities and industrial products. The rail network serves an area that accounts for approximately 65% of Mercosur's GDP, where seven of the most active ports in Brazil and Argentina are located, through which approximately 78% of all South America's grain exports are shipped annually. Results are shown separately among Argentina and Brazil operations. In Brazil, results are divided in two business units: Agricultural Commodities and Industrial Products.

The Agricultural Commodities business unit consists in three mainly flows of transportation: (i) Export flows, which ship soy bean, soy meal, corn, sugar and wheat, from the countryside terminals to the ports of Santos, Paranaguá, Rio Grande and São Francisco do Sul, (ii) Import flows, transporting mainly fertilizers and wheat from the ports to the countryside and (iii) for internal market distribution, through which agricultural commodities are transported to attend production demands among different regions in Brazil.

In Industrial Products, there are two different segments: Intermodal Products and Pure Rail Products. Intermodal Products comprises products which were not historically transported by railroad in Brazil because of the level of service needed in those operations, which was much higher than railroad offered in the past. As we improved our operational indicators along the years, we start to be able to capture those volumes, usually in a partnership model with our clients, where the needed investment is shared between both. The growth dynamic in this unit is based in the company's capacity of adding new projects or by further expansions of existing projects. The unit is composed by steel products, wood products, food products and containers.

In Pure Rail Products we have a different situation, as even before the privatization those volumes were highly transported by rail. The unit consists in construction, vegetal oil and fuel products transportation, which today are shipped almost exclusively by rail in our area of operation. The high market share we have in this segment leave us subject to market's performance, and we expect that growth in this unit should be aligned to Brazilian GPD in the long term.

Regarding ALL Rail Operation in Brazil's strategy, the company expects to grow its organic business volumes in a rate of 10% per year, on average, over the next 5 years. The growth is mainly sustained by market share gains and productivity improvements, as Capex level should remain stable at R$650 million per year, decreasing as a percentage of revenues through the years. In addition, in 2012 we are investing the remaining R$154 million to conclude, until the end of the year, the construction of our new rail network from Alto Araguaia to Rondonópolis, a R$700 million project which started in 2009.

ALL Rail Operations Technical Sheet			
ALL Rail Op.	**Brazil**	**Argentina**	**Consolidated**
Rail Network ('000 Km)	12.9	8.4	21.3
Locomotives	966	129	1,095
Railcars	27,688	3,962	31,650
Employees	8,249	2,119	10,368
Business Units	Agricultiral Commodities Industrial Products Argentina		
Ports	Santos Paranaguá Rio Grande São Francisco	Buenos Aires (ARG) Zárate (ARG) Rosário (ARG)	
Concessions	ALL Malha Norte (MS/MT) – 2079 ALL Malha Oeste (MS) – 2026 ALL Malha Sul (SP/PR/SC/RS) – 2027 ALL Malha Paulista (SP) – 2028	Central (ARG) – 2023 Mesopotâmica (ARG) – 2023	

DISCUSSION ON ALL RAIL OPERATIONS RESULTS

ALL Rail Operations faced unfavorable market conditions along 2Q12 in both Brazil and Argentina. In Brazil, the poor weather conditions severely affected the first crop and the grain production in ALL's coverage area was 15.6% lower in 1H12. Moreover, Brazilian industrial production felt 4% in 1H12 when compared to 2011. In Argentina, as well as in Brazil, the weather problems had severely affected the crop, and the soy production should decrease 17% this year.

Given the lower grain production in Brazil, spot market freight prices plunged in 1Q12 and 2Q12 compared to 2011. During the harvest season the freight price is usually pushed up by the increase in transportation demand in all stages of the agricultural logistic chain. As the crop dropped, the usual pressure on spot freight prices smoothed.

In spite of the market scenario, ALL Rail operations volumes in 2Q12 grew 1.4% due to a 2.3% growth in Brazil and a 9.3% decrease in Argentina. The quarter in ALL Rail Operations was marked by:

(i) A 2.3% volume increase in Brazil, pushed by a good performance in agricultural commodities and a challenging quarter in industrial products. In agricultural commodities, even in a tough market environment, volumes grew 6.2% mainly driven by market share gains. In industrial segment, volumes decreased 8.4% reflecting a weak performance in pure rail flows;

(ii) Improvements in our rolling stock productivity, which increased the total transportation capacity in our network;

(iii) Yields in Brazil, measured in R$/000'RTK, went down 2.7% in 2Q12 reflecting freight prices decrease in the spot market in 2Q;

(iv) A good cost performance in Brazil, as we managed to reduce substantially our costs as percentage of revenues, and EBITDA margin improved 1.2 percentage point even in a scenario of margins pressured by lower yields;

(v) Another tough quarter in Argentina, as volumes were affected by (i) the new import restrictions set in the country in 1Q, which substantially decreased volumes in Mercosur flows, and (ii) the lower crop.

Table 12 - ALL Rail Operations (R$ million)	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (million RTK)	12,129	11,963	1.4%	22,094	21,302	3.7%
Net Revenues	873.6	860.1	1.6%	1,532.5	1,486.7	3.1%
Net Yield (R$/'000 RTK)	72.0	71.9	0.2%	69.4	69.8	-0.6%
EBITDA	484.2	476.8	1.5%	790.3	773.0	2.2%
EBITDA Margin	**55.4%**	**55.4%**	**0.0%**	**51.6%**	**52.0%**	**-0.4%**

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

As a result of the facts discussed above, revenues grew 1.6% in 2Q12, from R$860.1 million in 2Q11 to R$873.6 million, and EBITDA increased 1.5%, from R$476.8 million in 2Q11 to R$484.2 million. EBITDA margin remained stable in 2Q, reflecting a good cost performance in Brazil and weak margins in Argentina. In 1H12, net revenues increased 3.1% to R$1,532.5 million and EBITDA grew 2.2%, reaching R$790.3 million.

Table 13 - Balance Sheet Indicators (R$ million)	2Q12	1Q12	% Change
Cash, Banks and Financial Investments	1,574.0	1,606.0	-2.0%
Trade Accounts Receivable	282.0	261.2	8.0%
Property, Plant and Equipment	7,512.0	7,305.1	2.8%
Total Assets	13,929.7	13,656.7	2.0%
Suppliers	386.4	399.1	-3.2%
Loans, Financing and Debentures	5,646.0	5,492.8	2.8%
Shareholders' Equity	4,040.1	3,897.9	3.6%
Net Debt	4,072.1	3,886.9	4.8%
EBITDA (Trailing 12 Months)	1,457.9	1,454.3	0.2%
Net Debt/EBITDA (Trailing 12 Months)	2.8	2.7	4.5%
Net Debt/Equity	1.0	1.0	1.1%

Brazilian Operations

Brazilian rail operations in 2Q12 were marked by unfavorable market conditions in both agricultural commodities and industrial products segments. In agricultural, the poor weather conditions severely affected the first crop and grain production in ALL's coverage area was 15.6% lower in 1H12, especially in the south, where crop decreased 28.0%. In industrial products, market environment was also challenging as industrial production in Brazil felt 4% in 1H12 when compared to 2011.

In this market scenario, spot freight prices plunged as compared to 1H11. During the harvest season, the freight price is usually pushed up by the increase in transportation demand in all stages of the agricultural logistic chain: (i) from the farms to the countryside warehouses, (ii) in internal consumption flows and (iii) in agricultural exports flows. As the crop dropped, the usual pressure on spot freight prices smoothed. As our capacity is 70% locked in take-or-pay agreements, we are exposed to spot market freight prices in approximately 30% of our expected volumes.

Despite the very tough market environment we faced along 2Q12, volumes in Brazil grew 2.3% pushed by a good performance in agricultural commodities and a challenging quarter in industrial products. In agricultural commodities, volumes increased 6.2% in 2Q12 pushed by market share gains, as overall transported volumes in export flows to the ports we serve decreased 10%. The quarter was also marked by operational restrictions in our main ports. Port of Santos was affected by the high rain density and two strikes in the period. In Paranaguá Port, the high rain density and the draft restrictions reduced ships productivity. Despite the unfavorable scenario, agricultural volumes grew 8.1% in 1H12.

In industrial products transported volumes decreased 8.4% in 2Q12 driven by a 14.7% volume decrease in pure rail flows, impacted by lower demand in fuel and construction segments. In construction, the drop reflects (i) the redesign of the distribution structure of an important client, eliminating one of our main transportation flows in the region of Paraná, and (ii) lower demand in inbound flows (clinker) to the industry. In fuel products, volumes were affected by the weak ethanol market and the lower crop in the countryside, reducing the overall diesel consumption. The high market share we have in pure rail flows leaves us subject to market's performance. In intermodal flows volumes were stable in 2Q12, driven by a good performance in steel products and containers, but offset by decreases in pulp and paper and food products.

Table 14 - ALL Brazil (R$ million)	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (million RTK)	11,292	11,041	2.3%	20,539	19,632	4.6%
Net Revenues	809.9	813.4	-0.4%	1,423.0	1,403.9	1.4%
Net Yield (R$/'000 RTK)	71.7	73.7	-2.7%	69.3	71.5	-3.1%
EBITDA	475.9	467.9	1.7%	780.7	763.0	2.3%
EBITDA Margin	**58.8%**	**57.5%**	**1.2%**	**54.9%**	**54.4%**	**0.5%**

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

Net Revenues in Brazil decreased 0.4% to R$809.9 million, reflecting higher volumes but by a 2.7% decrease in average yield. Brazilian EBITDA grew 1.7% in 2Q12, from R$467.9 million in 2Q11 to R$475.9 million, driven by a good cost performance as EBITDA margin increased 1.2 p.p., to 58.8%. In 1H12, revenues grew 1.4% and EBITDA increased 2.3%, reflecting higher volumes (4.6% increase) and lower yields (3.1% reduction).

For 2H, market and yield environment is expected to recover as compared to 1H12. The second corn crop ("safrinha"), which started to be harvested in July, should grow 70% when compared to last year, recovering part of the losses registered in the first crop. In the sugar segment, the harvest progress should speed up and exports are expected to increase in 2H12. Additionally, spot market freight prices should recover from the depressed levels registered in 1H12, driven by the improvement in transportation demand and by the announcement of diesel price increase in July. However, given the tough market environment and marginal volume growth in 1H12, we expect a volume growth for 2012 lower than our long term guidance.

Moreover, the new rail network construction from Alto Araguaia to Rondonópolis is well underway to be finished by the end of 2012, an important step for ALL to become free cash flow positive next year.

Brazilian Operations - Agricultural Commodities

Agricultural commodities volumes increased 6.2% in 2Q12, from 8,065 million RTK in 2Q11 to 8,568 million RTK, driven by (i) market share gains, especially in soy and sugar segments and (ii) productivity improvements, as we did not add rolling stock materially in 2012. Volume growth was pushed by soy (15.9% growth), soy meal (17.3% growth) and corn (51.6% growth), partially offset by decreases in fertilizers (-15.8%) and sugar (-27.8%).

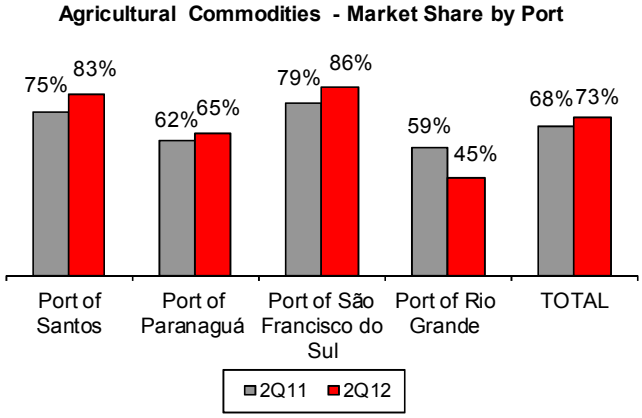
Table 15 - Agricultural Commodities Products (million RTK)	2Q12	2Q11	% Change	1H12	1H11	% Change
Soy	4,829.2	4,168.4	15.9%	9,126.3	6,790.5	34.4%
Soy Meal	1,450.8	1,236.9	17.3%	2,444.2	2,112.5	15.7%
Fertilizers	583.6	693.2	-15.8%	1,026.7	1,149.7	-10.7%
Sugar	1,072.5	1,485.3	-27.8%	1,480.4	2,164.7	-31.6%
Corn	565.2	372.9	51.6%	662.8	1,044.7	-36.6%
Wheat	36.6	28.7	27.3%	276.2	495.8	-44.3%
Rice	30.2	79.2	-61.9%	72.3	198.8	-63.6%
Total	**8,568.0**	**8,064.8**	**6.2%**	**15,088.9**	**13,956.8**	**8.1%**

The volume growth was achieved despite the 15.6% grain crop drop in our coverage area in 1H12, especially in the south, where crop decreased 28.0%. Moreover, in 2Q our most important ports suffered with operation restrictions, as Santos was affected by the high rain density and the strikes (OGMO and Customs), and at the Paranaguá port the high rain density and draft restrictions reduced ships productivity. The higher than expected rain density also affected the sugar cane harvest progress in 2Q, as at the end of June the harvest was 30% delayed when compared to 2011, according to Industry Union of Sugar Cane (UNICA).

ALL's total market share at the ports we serve leaped from 68% in 2Q11 to 73% in 2Q12. In Port of Santos, where sugar exports decreased 2% in 2Q12, our share increased sharply from 75% to 83%.

As a result of the facts discussed above, Agricultural Commodities net revenues increased 2.4% in 2Q12, from R$636.9 million in 2Q11 to R$652.4 million, and net yield went down 3.6% to R$76.1 per '000 RTK, strongly impacted by the reduction in freight prices in spot market.

As our capacity is 70% locked in take-or-pay agreements, we are exposed to spot market freight prices in approximately 30% of our expected volumes.



Despite the scenario of margin pressured by lower yields, agricultural commodities EBITDA grew 5.0% in 2Q12 reaching R$379.6 million, as margin improved 1.4 percentage points due to a good cost performance. In 1H12, volumes grew 8.1%, revenues increased 3.9% and EBITDA augmented 5.0%.

Table 16 - Agricultural Commodities (R$ million)	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (million RTK)	8,568	8,065	6.2%	15,089	13,957	8.1%
Net Revenues	652.4	636.9	2.4%	1,098.1	1,056.9	3.9%
Net Yield (R$/'000 RTK)	76.1	79.0	-3.6%	72.8	75.7	-3.9%
EBITDA	379.6	361.5	5.0%	611.3	582.0	5.0%
EBITDA Margin	**58.2%**	**56.8%**	**1.4%**	**55.7%**	**55.1%**	**0.6%**

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

Brazilian Operations - Industrial Products

In industrial products we had a challenging quarter. Volumes decreased 8.4% in 2Q12 driven by a 14.7% volume decrease in pure rail flows, which were impacted by lower demand in fuel and construction segments. In intermodal flows, volumes remained stable in 2Q12 driven by a good performance in steel products and containers, but offset by decreases in pulp and paper and food products. In 1H12, volumes decreased 4.0%, from 5,675 million RTK in 1H11 to 5,451 million RTK.

In intermodal flows, volumes remained stable in 2Q12 driven by (i) a good performance in steel products (15.7% growth), in which we increased substantially the transportation of iron products between Corumbá and the State of São Paulo, (ii) another positive quarter in containers with Brado's volumes (9.8% growth), and (iii) lower a decrease in wood and food products. The wood products volumes were affected by the stoppage of an important client's plant for one month. In food products, the delay in the sugar cane harvest postponed the exports of bagged sugar in 2Q. In intermodal products business unit, we still have small market share and, in the long term, we expect to see intermodal flows accounting for a larger portion of total industrial flows.

Table 17 - Intermodal Industrial Products (million RTK)	2Q12	2Q11	% Change	1H12	1H11	% Change
Steel Products	524.5	453.1	15.7%	1,094.6	795.2	37.6%
Wood Products	250.7	298.0	-15.9%	498.9	627.1	-20.4%
Food Products	154.3	174.7	-11.7%	397.4	349.8	13.6%
Containers	296.7	270.2	9.8%	562.0	511.7	9.8%
Others	69.7	104.8	-33.5%	116.2	175.9	-33.9%
Total	**1,295.9**	**1,300.8**	**-0.4%**	**2,669.1**	**2,459.8**	**8.5%**

In pure rail flows, volumes decreased 14.7% in 2Q12, as compared to last year, mainly driven by a 20.3% volume decrease in construction segment and a 12.2% reduction in fuel products volumes. In construction, the drop reflects (i) the redesign of the distribution structure of an important client, eliminating one of our main transportation flows in the region of Paraná, and (ii) lower demand in inbound flows (clinker) to the industry. In fuel products, volumes were affected by the weak ethanol market and the lower crop in the countryside, which reduces the overall diesel consumption. The high market share we have in pure rail flows leaves us subject to market's performance.

Table 18 - Pure Rail Industrial Products (million RTK)	2Q12	2Q11	% Change	1H12	1H11	% Change
Fuel Products	1,101.8	1,254.9	-12.2%	2,156.1	2,410.9	-10.6%
Vegetal Oil	22.9	38.8	-41.0%	44.9	63.2	-29.0%
Construction	303.9	381.2	-20.3%	580.5	740.9	-21.7%
Total	**1,428.5**	**1,675.0**	**-14.7%**	**2,781.5**	**3,215.0**	**-13.5%**

As a result of the facts discussed above, Industrial Products net revenues decreased 10.8%, from R$176.4 million in 2Q11 to R$157.5 million in 2Q12, and net yield reduced 2.5% to R$57.8 per '000 RTK, impacted by the reduction in freight prices in spot market. Despite the freight price pressure has been originated in agricultural segment, much of industrial sector doesn't need special logistics assets to be served, allowing the trucks to change between agricultural and industrial markets looking for the best conditions. As our capacity is 70% locked in take-or-pay agreements, we are exposed to spot market freight prices in approximately 30% of our expected volumes. In 2Q12, EBITDA decreased 9.6% to R$96.3 million, reflecting lower volumes and better margins.

Table 19 - Industrial Products (R$ million)	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (million RTK)	2,724	2,976	-8.4%	5,451	5,675	-4.0%
Net Revenues	157.5	176.4	-10.8%	324.8	347.0	-6.4%
Net Yield (R$/'000 RTK)	57.8	59.3	-2.5%	59.6	61.1	-2.5%
EBITDA	96.3	106.4	-9.6%	169.3	181.0	-6.4%
EBITDA Margin	**61.1%**	**60.3%**	**0.8%**	**52.1%**	**52.2%**	**0.0%**

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

Argentina Operations

In Rail Operations in Argentina volumes decreased 9.3% in 2Q12, when compared to 2Q11, and EBITDA dropped 6.9% to R$8.3 million. In Argentina, as well as in Brazil, the weather problems have severely affected the crop, and the soy production should decrease 17% this year. In addition, the new import restrictions set in the country in 1Q affected substantially the volumes in Mercosur flows. In 1H12, volume decreased 6.9% to 1,554 million RTK.

Table 20 - ALL Argentina (R$ million)	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (million RTK)	837	922	-9.3%	1,554	1,670	-6.9%
Net Revenues	63.8	46.7	36.5%	109.5	82.8	32.2%
Net Yield (R$/'000 RTK)	76.2	50.6	50.5%	70.4	49.6	42.0%
EBITDA	8.3	8.9	-6.9%	9.7	10.0	-3.6%
EBITDA Margin	**13.0%**	**19.1%**	**-6.1%**	**8.8%**	**12.1%**	**-3.3%**

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

Denominated in Reais, yields in Argentina increased 50.4% in 2Q12 due to the inflation pass through and a 15% exchange rate variation. Argentina's net revenues rose 36.5% in 2Q12, from R$46.7 million in 2Q11 to R$63.8 million, and EBITDA decreased 6.9% to R$8.3 million. In 1H12, net revenues rose 32.1%, from R$82.9 million in 1H11 to R$109.5 million, and EBITDA decreased 3.6% reaching R$9.7 million.

ALL RAIL OPERATIONS RESULTS

Table 21 - ALL Rail Operations (R$ million)	2Q12	2Q11*	% Change	1H12	1H11*	% Change
Net Revenues	**873.6**	**860.0**	**1.6%**	**1,532.5**	**1,486.7**	**3.1%**
COGS	**(418.3)**	**(425.5)**	**-1.7%**	**(814.3)**	**(791.7)**	**2.9%**
Brazil	(362.8)	(387.7)	-6.4%	(714.0)	(718.4)	-0.6%
Fuel	(131.7)	(132.9)	-0.9%	(239.9)	(237.5)	1.0%
Outsourced and contracted fleet	(7.0)	(20.5)	-66.1%	(22.9)	(40.9)	-44.0%
Labor	(62.0)	(60.3)	2.8%	(116.9)	(109.0)	7.2%
Maintenance	(28.2)	(27.6)	2.2%	(45.2)	(47.8)	-5.3%
Depreciation and Amortization	(91.0)	(96.7)	-5.9%	(185.2)	(184.5)	0.4%
Other Costs	(23.2)	(35.7)	-34.8%	(66.4)	(72.2)	-8.0%
Railcar Rental	(19.7)	(14.0)	40.4%	(37.5)	(26.4)	42.2%
Argentina	(55.6)	(37.7)	47.2%	(100.3)	(73.3)	36.8%
Operating income (expenses)	**(45.6)**	**(35.9)**	**27.2%**	**(77.2)**	**(68.0)**	**13.6%**
Selling, General and Administrative	(42.2)	(41.6)	1.5%	(76.8)	(73.7)	4.3%
Other	(3.4)	5.7	na	(0.4)	5.7	na
Equity Earnings (Loss)	**(13.4)**	**12.8**	**na**	**(26.8)**	**2.7**	**na**
Operating Profit	**396.2**	**411.5**	**-3.7%**	**614.1**	**629.8**	**-2.5%**
Net Financial Expenses	(236.7)	(221.7)	6.8%	(469.8)	(442.5)	6.2%
IR/Minorities/Others	(7.4)	(8.4)	-11.8%	2.6	(7.2)	na
Net Income	**152.1**	**181.3**	**-16.1%**	**146.9**	**180.1**	**-18.4%**

** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in that period*

Net revenues from Services

ALL Rail Operations net revenues went up 1.6% in 2Q12, from R$860.1 million in 2Q11 to R$873.6 million, due to a 0.4% decrease in Brazilian operations' net revenues, from R$813.4 million to R$809.9 million, and a 36.5% rise in Argentina operations' net revenues, from R$46.7 million to R$63.8 million. In 1H12, net revenues increased 3.1% pushed by increases of 1.4% in Brazil and 32.1% in Argentina.

In Brazil, the 1.4% growth in net revenues in 1H12 reflects higher volumes which were partially offset by lower yields. In Argentina, the revenue increase reflects (i) higher yields, due to inflation pass through, (ii) lower volumes and (iii) exchange rate variation.

Cost of Sales

ALL Rail Operations costs of sales decreased 1.7% in 2Q12, from R$425.5 million in 2Q11 to R$418.3 million, reflecting an expansion of 47.2% in Argentinean operations' cost of sales, from R$37.7 million in 2Q11 to R$55.6 million, and partially offset by a 6.4% decrease in Brazilian operations' cost of sales, from R$387.7 million in 2Q11 to R$362.8 million.

In Brazil, total costs decreased 6.4% in 2Q12 even with volumes growing 2.3%. The decrease in costs mainly reflects (i) a good quarter in terms of diesel consumption, (ii) a 5.9% reduction in depreciation and amortization costs, (iii) a decrease of 66.1% in drayage services costs and (iv) a 34.8% reduction in other logistics costs, due to lower industrial volumes. In 1H12, total costs in Brazil decreased 0.6%, from R$718.4 million in 1H11 to R$714.0 million.

In Argentina, total costs increased by 47.2% in 2Q12, reflecting the inflation pass through in the country and a 15% exchange rate variation. In 1H12, costs increased 36.8% reaching R$100.3 million.

SG&A/Other Expenses

ALL Rail Operations operating expenses increased 27.2% or R$9.8 million in 2Q12, from R$35.9 million in 2Q11 to R$45.6 million. The higher expense in 2Q reflects a marginal increase of 1.5% in SG&A, and others expenses worsening from an income of R$5.7 million in 2Q11 to an expense of R$3.4 million in 2Q12.

In 1H12, operating expenses increased 13.6%, from R$68.0 million in 1H11 to R$77.2 million, mainly driven by others expenses, which worsened from an income of R$5.7 million to an expense of R$0.4 million, and a 4.3% increase in SG&A expenses.

Equity Earnings (Loss)

ALL Rail Operations Equity Earnings worsened R$26.2 million, from a gain of R$12.8 million in 2Q11 to a loss of R$13.4 million in 2Q12. The result in 2Q11 reflects the R$34 million non-cash gain we had with the creation of

Brado, once we incorporate 80% of Standard Logística accounts without any cash payment. In 1H12, equity earnings worsened R$29.5 million, from an income of R$2.7 million in 1H11 to an expense of R$26.8 million.

Financial Result

ALL Rail Operations financial result rose 6.8% in 2Q12, from R$221.7 million in 2Q11 to R$236.7 million, due to a 5.2% expansion in Brazil and a 64.5% expansion in Argentina. In Brazil, the higher financial expenses reflect the increase in net debt, partially offset by the decrease in interest rates in the period. In Argentina, the increase in financial costs reflects a higher net debt and a 15% exchange variation. In 1H12, financial result increased 6.2%, from R$442.5 million in 1H11 to R$469.8 million.

Net Income

As an effect of the results discussed above, ALL Rail Operations net income worsened 16.1% in 2Q12, from R$181.4 million in 2Q11 to R$152.1 million. In 1H12, net income reduced 18.4% to R$146.9 million, in line with 1H11 when excluding the R$34 million non-cash gain we had with the creation of Brado in 2Q11.

CAPEX

ALL Rail Operations investments increased 12.5% in 2Q12, from R$201.0 million in 2Q11 to R$226.1 million, reflecting higher investments in Brazil, from R$193.7 million in 2Q11 to R$213.6 million in 2Q12, and in Argentina, from R$7.3 million in 2Q11 to R$12.5 million in 2Q12. In 1H12, Brazilian investments increased from R$448.3 million in 1H11 to R$486.9 million and Argentina CAPEX augmented from R$14.9 million in 1H11 to R$22.7 million in 1H12, leading to a consolidated increase of 10.0% in ALL Rail Operation investments.

Brazilian operations expansion CAPEX went up 10.8% in 2Q12, when compared to 2Q11, and maintenance investments increased 9.2% within the same period. Among the expansion investments of ALL Rail Operations in Brazil, it is worth mentioning: (i) Rondonópolis Project amounting R$54.9 million and (ii) investments in our rail infrastructure of R$64.4 million. In 1H12, Rondonópolis' CAPEX reached R$129.4 million.

Table 22 - Investments (R$ million)	2Q12	2Q11	% Change	1H12	1H11	% Change
Maintenance	76.4	70.0	9.2%	157.1	140.2	12.1%
Expansion	137.1	123.7	10.8%	329.8	308.1	7.0%
Rondonópolis	54.9	48.5	13.2%	129.4	123.6	4.7%
Other Expansions	82.2	75.2	9.3%	200.3	184.5	8.6%
Argentina	12.5	7.3	71.9%	22.7	14.9	52.4%
Total	**226.1**	**201.0**	**12.5%**	**509.5**	**463.2**	**10.0%**

Cash Flow

ALL Rail Operations cash flow from operating activities worsened from an inflow of R$305.3 million in 2Q11 to an inflow of R$233.1 million in 2Q12. Cash outflow from investments increased from an outflow of R$201.0 million in 2Q11 to an outflow of R$226.1 million, due to higher CAPEX in Brazil. Cash flow from financing activities changed from an inflow of R$660.5 million in 2Q11 to an outflow of R$39.1 million in 2Q12, reflecting the R$810 million debenture issued in 2Q11. The overall cash variation changed from a positive variation of R$764.8 million in 2Q11 to a negative variation of R$32.0 million in 2Q12.

Table 23 - Cash Flow (R$ million)	2Q12	2Q11	Change	1H12	1H11	Change
Net Income (cash basis)	259.7	275.1	(15.3)	355.3	370.9	(0.0)
Working Capital	(52.3)	6.6	(58.9)	(151.3)	(42.1)	2.6
Other Accounts Variation	25.7	23.6	2.1	(24.9)	24.2	na
Operating Activities	**233.1**	**305.3**	**(72.2)**	**179.1**	**353.0**	**(0.5)**
Investing Activities	**(226.1)**	**(201.0)**	**(25.0)**	**(509.5)**	**(463.2)**	**0.1**
Capex	(171.2)	(152.5)	(18.6)	(380.1)	(339.6)	0.1
Rondonópolis	(54.9)	(48.5)	(6.4)	(129.4)	(123.6)	0.0
Free Cash Flow	**7.1**	**104.3**	**(97.2)**	**(330.4)**	**(110.2)**	**2.0**
Financing Activities	(39.1)	660.5	(699.6)	(183.8)	529.4	na
Change in Cash	**(32.0)**	**764.8**	**(796.8)**	**(514.2)**	**419.3**	**na**
Closing Balance of Cash	**1,574.0**	**2,393.8**	**(819.8)**	**1,574.0**	**2,393.8**	**(0.3)**

ALL RAIL OPERATIONS ATTACHMENTS

Table 24 - ALL Rail Op. Cash Flow (R$ million)	2Q12	2Q11	Change	1H12	1H11	Change
Net Income (in cash basis)	**259.7**	**275.1**	**(15.3)**	**355.3**	**370.9**	**(15.6)**
Net Income	152.1	182.4	**(30.3)**	146.9	182.9	**(36.0)**
Depreciation and amortization	110.7	88.3	**22.4**	224.1	192.1	**32.0**
Stock Options	5.4	4.8	**0.5**	10.7	12.5	**(1.8)**
Interest Expenses (IS-CASH)	8.5	12.2	**(3.7)**	4.9	3.9	**1.0**
Deferred Taxes	(16.9)	(12.7)	**(4.3)**	(31.3)	(20.5)	**(10.9)**
Working Capital	**(52.3)**	**6.6**	**(58.9)**	**(151.3)**	**(42.1)**	**(109.2)**
Clients	(19.9)	2.0	**(22.0)**	(77.4)	(69.2)	**(8.2)**
Inventory	(29.0)	5.2	**(34.2)**	(36.2)	9.2	**(45.4)**
Suppliers	(2.4)	(1.1)	**(1.4)**	(35.1)	21.0	**(56.1)**
Labor	(0.9)	0.5	**(1.3)**	(2.6)	(3.0)	**0.4**
Other Accounts Variation	**25.7**	**23.6**	**2.1**	**(24.9)**	**24.2**	**(49.0)**
Operating Activities	**233.1**	**305.3**	**(72.2)**	**179.1**	**353.0**	**(173.9)**
Capex	(171.2)	(152.5)	**(18.6)**	(380.1)	(339.6)	**(40.5)**
Rondonópolis	(54.9)	(48.5)	**(6.4)**	(129.4)	(123.6)	**(5.8)**
Investing Activities	**(226.1)**	**(201.0)**	**(25.0)**	**(509.5)**	**(463.2)**	**(46.3)**
Free Cash Flow	**7.1**	**104.3**	**(97.2)**	**(330.4)**	**(110.2)**	**(220.2)**
Capital increase / Share buyback	0.0	0.4	**(0.4)**	5.2	3.4	**1.9**
Dividends and Interest on own capital	(55.0)	(56.7)	**1.6**	(55.0)	(56.7)	**1.6**
New loans	270.1	826.4	**(556.3)**	353.4	886.4	**(533.0)**
Debt Payments / Prepayments	(254.2)	(109.6)	**(144.6)**	(487.4)	(303.6)	**(183.7)**
Financing Activities	**(39.1)**	**660.5**	**(699.6)**	**(183.8)**	**529.4**	**(713.3)**
Change in Cash	**(32.0)**	**764.8**	**(796.8)**	**(514.2)**	**419.3**	**(933.5)**
Opening Balance of Cash	**1,606.0**	**1,629.0**	**(23.1)**	**2,088.2**	**1,974.5**	**113.6**
Closing Balance of Cash	**1,574.0**	**2,393.8**	**(819.8)**	**1,574.0**	**2,393.8**	**(819.8)**

Table 25 - ALL Rail Operations Balance Sheet (R$ million)	2Q12	1Q12		2Q12	1Q12
Current Assets	**2,560.9**	**2,479.1**	**Current Liabilities**	**2,112.5**	**2,006.7**
Cash, banks and financial investments	1,574.0	1,606.0	Loans and financing/Debentures	1,024.2	879.3
Trade accounts receivable	282.0	261.2	Suppliers	386.4	399.1
Inventories	168.9	131.5	Taxes, charges and contributions	77.2	82.3
Taxes Recoverable	428.7	382.6	Lease and concession payable	40.4	25.2
Other receivables	107.4	97.9	Dividends and Interest on own capital	5.0	59.7
			Salaries and payroll charges	77.9	57.7
			Commercial Leasings	246.4	250.0
Long-Term Assets	**1,403.0**	**1,404.6**	Other payables	255.0	253.3
Lease of Concession Agreements	85.3	86.8			
Judicial deposits	345.0	354.3	**Long-Term Liabilities**	**7,777.1**	**7,752.1**
Taxes recoverable	897.2	889.4	Loans and financing/Debentures	4,621.9	4,613.5
Other receivable	75.5	74.1	Provision for contigencies	196.8	180.8
			Lease and concession payable	1,381.7	1,339.8
			Commercial Leasings	984.7	997.2
Permanent Assets	**9,965.8**	**9,773.0**	Real estate credit advances	400.2	417.7
Investments	11.2	10.5	Other payables	191.8	203.2
Intangible	2,442.6	2,457.4			
Property, plant and equipment	7,512.0	7,305.1	**Shareholders' equity**	**4,040.1**	**3,897.9**
Total Assets	**13,929.7**	**13,656.7**	**Total Liab. and shareholders' equity**	**13,929.7**	**13,656.7**

BRADO LOGÍSTICA – BUSINESS DESCRIPTION

Brado Logística is a company created by ALL in association with Standard Logística which is developing 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 provides 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 odel. ALL owns a stake of 80% in Brado Logística.

The most correct way to look into Brado's business is breaking its operations between the five regions the company serves, represented by its corridors: (i) Wide Gauge corridor, linking the regions of Mato Grosso and São Paulo to Port of Santos, (ii) Mercosur corridor, connecting Brazil and Argentina, through the intermodal terminal in Uruguaiana-RS, (iii) Paraná corridor, connecting the countryside to Port of Paranaguá and São Francisco, (iv) Rio Grande corridor, linking the producing regions in the state of Rio Grande do Sul to Port of Rio Grande, and (v) Itajaí, a multi proposal terminal in which provides miscellaneous services in container logistics.

Currently, Brado's share in container market is less than 2%, considering only ALL´s covered area. The company intends to invest R$1 billion over the next five years to reach a total market share of approximately 12%, in a market of 2.6 million containers. 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 Rail operations.

Brado Logística Technical Sheet			
Intermodal Terminals	Uruguaiana (RS) Cruz Alta (RS) Esteio (RS) Porto Alegre (RS)	Cambé(PR) Cascavel (PR) Guarapuava(PR) Araucária (PR)	Curitiba(PR) Tatuí(SP) Alto Taquari (MT)
Logistic Complex	Colombo (PR) Itajaí (SC)	Cubatão (SP) Bauru (SP)	
Locomotives	23		
Railcars	1,383		
Employees	1,461		
Corridors	**Wide Gauge** - Mato Grosso and São Paulo to Porto of Santos **Paraná** – Countryside of Paraná to Port of Paranaguá **Rio Grande** - Countryside of Rio Grande do Sul to Porto of Rio Grande **Mercosur** - Connection between Brazil and Argentina **Itajaí** – Terminal in Itajaí (SC)		
Ports Attended	Santos (SP) Paranaguá (PR) São Francisco do Sul (SC) Rio Grande (RS)		

DISCUSSION ON BRADO LOGÍSTICA RESULTS

Table 26 - Volume (Thousand Containers)	2Q12	2Q11	% Change	1H12	1H11	% Change
Wide Gauge	3.1	2.1	51.4%	6.1	4.0	51.5%
Mercosur	2.3	3.1	-25.9%	5.2	6.4	-18.7%
Paraná	3.8	3.8	-1.4%	7.5	7.2	3.9%
Rio Grande	3.0	1.3	125.3%	5.4	2.9	83.3%
Total	**12.1**	**10.2**	**18.1%**	**24.2**	**20.6**	**17.4%**

Brado's containers volumes increased 18.1% in 2Q12 pushed by market share gains in Rio Grande and Wide Gauge corridors, and partially offset by a decrease in the Mercosur corridor. In 1H12, container volume increased 17.4%.

In the Rio Grande corridor volume grew 125.3% in 2Q12 driven by market share gains as we were able to bring new clients to our base. The growth was supported by the additional fleet of 2 locomotives and 111 refurnished rail cars we added in the corridor in 1Q12. In the Wide Gauge corridor, volume increased 51.4% in 2Q12 also pushed by market share gains and sustained by the addition of 2 locomotives and 145 new spinning rail cars, which we did

along 4Q11 and 1Q12. In the Mercosur corridor, containers volumes dropped 25.9% affected by the import restrictions that the Argentinean Government set in 1Q.

In RTK's, Brado´s volume grew 9.8% in 2Q12, from 270.2 million RTK in 2Q11 to 296.7 million RTK. The increase in the number of containers handled was partially offset by a reduction in average transportation distance due to lower volumes in Mercosur corridor.

Table 27 - Brado Logística	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (Containers)	12.1	10.2	18.1%	24.2	20.6	17.4%
Net Revenues	55.6	47.4	17.1%	110.0	94.3	16.6%
Net Yield (Thousand R$/Container)	4.6	4.6	-0.8%	4.6	4.6	-0.7%
EBITDA	9.6	8.4	14.6%	18.7	16.1	16.4%
EBITDA Margin	**17.3%**	**17.7%**	**-0.4%**	**17.0%**	**17.1%**	**0.0%**

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

Net Revenues in Brado Logística rose 17.1% in 2Q12, from R$47.4 million in 2Q11 to R$55.6 million, and EBITDA grew 14.6% reaching R$9.6 million. In 1H12, net revenues increased 16.6%, from R$94.3 million in 1H11 to R$110.0 million, and EBITDA augmented 16.4%, to R$18.7 million.

Table 28 - Balance Sheet Indicators (R$ million)	2Q12	1Q12	% Change
Cash, Banks and Financial Investments	6.6	4.0	64.6%
Trade Accounts Receivable	35.4	36.1	-2.1%
Property, Plant and Equipment	137.6	143.1	-3.8%
Total Assets	242.2	246.6	-1.8%
Suppliers	16.6	21.4	-22.3%
Loans, Financing and Debentures	69.7	66.8	4.3%
Shareholders' Equity	108.2	105.5	2.5%
Net Debt	63.1	62.8	0.5%
EBITDA (Trailing 12 Months)	40.2	39.0	3.1%
Net Debt/EBITDA (Trailing 12 Months)	1.6	1.6	-2.6%
Net Debt/Equity	0.6	0.6	-2.0%

BRADO LOGÍSTICA RESULTS

Table 29 - Brado Logística (R$ million)	2Q12	2Q11	% Change	1H12	1H11*	% Change
Net Revenues	**55.6**	**47.4**	**17.1%**	**110.0**	**94.3**	**16.6%**
COGS	**(47.0)**	**(37.5)**	**25.4%**	**(90.8)**	**(76.1)**	**19.3%**
Third-Party Terminals	(4.1)	(2.0)	104.4%	(7.8)	(6.5)	20.4%
Drayage Services/Distribution	(11.6)	(12.0)	-3.5%	(20.6)	(19.5)	5.6%
Labor	(12.3)	(9.5)	29.7%	(23.1)	(17.6)	30.6%
Depreciation and Amortization	(3.3)	(2.8)	17.4%	(6.3)	(5.9)	5.9%
Rail and Other Logistic Costs	(15.7)	(11.2)	40.5%	(33.1)	(26.6)	24.4%
Operating income (expenses)	**(3.3)**	**(5.7)**	**-42.2%**	**(8.0)**	**(9.2)**	**-12.3%**
Selling, General and Administrative	(3.9)	(6.1)	-36.5%	(8.9)	(9.6)	-7.3%
Other	0.6	0.5	33.3%	0.9	0.4	95.6%
Equity Earnings (Loss)	**0.0**	**0.0**	**na**	**(0.5)**	**0.0**	**na**
Operating Profit	**5.3**	**4.3**	**22.8%**	**10.6**	**9.0**	**18.3%**
Net Financial Expenses	(1.9)	(0.5)	259.7%	(3.7)	(1.6)	133.4%
IR/Minorities/Others	(0.9)	(0.6)	53.7%	(2.8)	(2.5)	8.4%
Net Income**	**2.6**	**3.2**	**-20.8%**	**4.2**	**4.8**	**-14.2%**

** Result of 1H11 is presented in a pro-forma basis, as if Brado had already been created in 1Q11*

*** Refers to ALL's stake, after minorities*

Net revenues from Services

Brado Logística net revenues went up 17.1% in 2Q12, from R$47.4 million in 2Q11 to R$55.6 million, due to an 18.1% increase in volumes, from 10.2 thousand containers in 2Q11 to 12.1 thousand containers, and a 0.8% decrease in net yield. In 1H12, net revenues increased 16.6%, reaching R$110.0 million.

Cost of Sales

Brado Logística costs of sales increased 25.4% in 2Q12, from R$37.5 million in 2Q11 to R$47.0 million, due to (i) a 40.5% increase with Rail and other logistics costs, driven by higher volumes, (ii) a 29.7% increase in labor costs and (iii) a 104.4% augment in third party terminals costs. In 1H12, Brado's costs increased 19.3%, from R$90.8 million in 1H11 to R$76.1 million.

SG&A/Other Expenses

Brado Logística SG&A and other expenses decreased 42.2% in 2Q12 or R$2.4 million, from R$5.7 million in 2Q11 to R$3.3 million, due to higher expenses related to the Company's creation and structuring in 2Q11. In 1H12, SG&A and other expenses decreased 12.3%, from R$9.2 million in 1H11 to R$8.0 million.

Financial Result

Brado Logística financial expenses rose 259.7% in 2Q12 or R$1.4 million, from R$0.5 million in 2Q11 to R$1.9 million. The financial result was impacted by the increase in net debt, as the company increased its investments in the last 12 months in order to improve its transportation capacity. In 1H12, financial result increased 133.4%, from R$1.6 million in 1H11 to R$3.7 million.

Net Income

As an effect of the results discussed above, Brado Logística net income after minorities decreased 20.8% in 2Q12, from R$3.2 million in 2Q11 to R$2.6 million. In 1H12, net income after minorities decreased 14.2%, from R$4.8 million in 1H11 to R$4.2 million.

CAPEX

Brado Logística investments increased 291.9% in 2Q12, from R$4.6 million in 2Q11 to R$18.0 million. In 1H12, Brado's investments reached R$23.7 million, reflecting the rolling stock addition and expenditures on terminals and infrastructure, which increased from R$4.6 million in 1H11 to R$9.8 million in 1H12.

Table 30 - Investments (R$ million)	2Q12	2Q11	% Change	1H12	1H11	% Change
Terminals/Infrastructure	8.7	4.6	89.1%	9.8	4.6	114.7%
Rolling Stock	9.3	0.0	na	13.8	0.0	na
Total	**18.0**	**4.6**	**291.9%**	**23.7**	**4.6**	**416.2%**

Cash Flow

Brado Logística cash flow from operating activities increased from an outflow of R$0.3 million in 2Q11 to an inflow of R$10.1 million in 2Q12. Cash outflow from investments augmented from an outflow of R$4.6 million in 2Q11 to an outflow of R$18.0 million in 2Q12. Cash flow from financing activities changed from an outflow of R$1.7 million in 2Q11 to an inflow of R$10.5 million in 2Q12. The overall cash variation increased from an outflow of R$6.6 million in 2Q11 to an inflow of R$2.6 million.

Table 31 - Cash Flow (R$ million)	2Q12	2Q11	Change	1H12	1H11	Change
Net Income (cash basis)	6.7	7.5	(0.8)	10.1	7.5	2.6
Working Capital	(3.7)	(5.8)	2.1	(19.4)	(5.8)	(13.6)
Other Accounts Variation	7.1	(2.0)	9.1	5.4	(2.0)	7.4
Operating Activities	**10.1**	**(0.3)**	**10.4**	**(3.9)**	**(0.3)**	**(3.6)**
Investing Activities	(18.0)	(4.6)	(13.4)	(23.7)	(4.6)	(19.1)
Free Cash Flow	**(7.9)**	**(4.9)**	**(3.0)**	**(27.6)**	**(4.9)**	**(22.7)**
Financing Activities	10.5	(1.7)	12.2	27.7	(1.7)	29.4
Change in Cash	**2.6**	**(6.6)**	**9.2**	**0.1**	**(6.6)**	**6.7**
Closing Balance of Cash	**6.6**	**36.6**	**(30.0)**	**6.6**	**36.6**	**(30.0)**

BRADO LOGÍSTICA ATTACHMENTS

Table 32 - Brado Logística Cash Flow (R$ million)	2Q12	2Q11	Change	1H12	1H11	Change
Net Income (in cash basis)	**6.7**	**7.5**	**(0.8)**	**10.1**	**7.5**	**2.6**
Net Income	2.6	3.2	**(0.7)**	4.2	3.2	**0.9**
Depreciation and amortization	3.6	3.1	**0.5**	6.9	3.1	**3.8**
Stock Options	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Interest Expenses (IS-CASH)	0.4	1.1	**(0.7)**	(1.0)	1.1	**(2.1)**
Deferred Taxes	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Working Capital	**(3.7)**	**(5.8)**	**2.1**	**(19.4)**	**(5.8)**	**(13.6)**
Clients	0.8	(15.1)	**15.9**	(6.6)	(15.1)	**8.5**
Inventory	0.0	(1.0)	**1.0**	0.0	(1.0)	**1.0**
Suppliers	(4.8)	9.3	**(14.1)**	(10.5)	9.3	**(19.8)**
Labor	0.3	1.0	**(0.7)**	(2.3)	1.0	**(3.4)**
Other Accounts Variation	**7.1**	**(2.0)**	**9.1**	**5.4**	**(2.0)**	**7.4**
Operating Activities	**10.1**	**(0.3)**	**10.4**	**(3.9)**	**(0.3)**	**(3.6)**
Capex	(18.0)	(4.6)	**(13.4)**	(23.7)	(4.6)	**(19.1)**
Investing Activities	**(18.0)**	**(4.6)**	**(13.4)**	**(23.7)**	**(4.6)**	**(19.1)**
Free Cash Flow	**(7.9)**	**(4.9)**	**(3.0)**	**(27.6)**	**(4.9)**	**(22.7)**
Capital increase / Share buyback	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Dividends and Interest on own capital	0.0	0.0	**0.0**	0.0	0.0	**0.0**
New loans	13.2	2.2	**11.0**	34.7	2.2	**32.5**
Debt Payments / Prepayments	(2.7)	(3.9)	**1.3**	(7.0)	(3.9)	**(3.1)**
Financing Activities	**10.5**	**(1.7)**	**12.2**	**27.7**	**(1.7)**	**29.4**
Change in Cash	**2.6**	**(6.6)**	**9.2**	**0.1**	**(6.6)**	**6.7**
Opening Balance of Cash	**4.0**	**43.2**	**(39.3)**	**6.5**	**43.2**	**(36.8)**
Closing Balance of Cash	**6.6**	**36.6**	**(30.0)**	**6.6**	**36.6**	**(30.0)**

Table 33 - Brado Logística Balance Sheet (R$ million)	2Q12	1Q12		2Q12	1Q12
Current Assets	**51.7**	**54.1**	**Current Liabilities**	**40.8**	**55.6**
Cash, banks and financial investments	6.6	4.0	Loans and financing	7.5	10.7
Trade accounts receivable	35.4	36.1	Suppliers	16.6	21.4
Taxes Recoverable	6.8	10.7	Taxes, charges and contributions	2.5	11.3
Other receivables	2.9	3.3	Salaries and payroll charges	7.5	7.2
			Commercial Leasings	1.2	1.5
Long-Term Assets	**4.6**	**4.3**	Other payables	5.5	3.5
Judicial deposits	2.6	2.3			
Taxes recoverable	1.1	1.1	**Long-Term Liabilities**	**93.2**	**85.5**
Other receivable	0.9	0.9	Loans and financing	62.1	56.1
			Provision for contigencies	8.9	9.1
			Commercial Leasings	8.6	6.7
Permanent Assets	**185.9**	**188.3**	Other payables	13.6	13.6
Intangible	48.3	45.2			
Property, plant and equipment	137.6	143.1	**Shareholders' equity**	**108.2**	**105.5**
Total Assets	**242.2**	**246.6**	**Total Liab. and shareholders' equity**	**242.2**	**246.6**

RITMO LOGÍSTICA – BUSINESS DESCRIPTION

Ritmo Logística is a trucking based logistic company created by the merger of ALL Highway Services Business Unit and Ouro Verde highway operations. The company provides a variety of logistics solutions for several industrial segments in Brazil and Argentina, through its Dedicated business unit. The Intermodal Highway Services provides solutions to clients with volumes having its origin or destination in ALL's railway. ALL owns a stake of 65% in Ritmo Logística.

In Dedicated Business Unit, the company provides customized services in (i) Automotive segment, mainly transporting auto parts between the clients production units, (ii) General Cargo segment, dealing with segments as pulp and paper, chemicals and consumer goods, and (iii) Specialized Assets, which provides special logistics solutions in segments such as industrial gases, beverage (high maltose) and industrial glasses.

Furthermore, Ritmo is well positioned to develop the Intermodal Highway Services, an unexplored market of more than 40 million tons that has its origin or destination in ALL's railway, with a low-capital-intensive model through the use of third party and outsourced fleet.

Ritmo Logística Technical Sheet	
Employees	690
Bussiness Units/Own Fleet	**Automotive** – Auto parts transportation **Specialized Assets** – High maltose, industrial gases **General Cargo** – Chemicals, pulp and paper **Intermodal** – Drayage services
Trucks	211
Trailer	436

DISCUSSION ON RITMO LOGÍSTICA RESULTS

Table 34 - Volume (million Driven KM)	2Q12	2Q11	% Change	1H12	1H11	% Change
Dedicated Operations	**14.3**	**15.8**	**-9.8%**	**29.1**	**31.0**	**-6.3%**
Automotive	2.4	4.9	-51.0%	5.3	9.1	-42.3%
General Cargo	5.4	5.1	6.0%	10.2	10.0	2.0%
Specialized Assets	6.5	5.9	10.5%	13.6	11.9	14.1%
Intermodal	**4.0**	**0.0**	**na**	**6.1**	**0.0**	**na**
Total	**18.3**	**15.8**	**15.5%**	**35.1**	**31.0**	**13.2%**

Ritmo volumes in 2Q12, measured in driven kilometers, increased 15.5% from 15.8 million kilometers in 2Q11 to 18.3 million kilometers. The growth reflects the ramp up of the new Intermodal volumes and a good quarter in Specialized Assets.

The Intermodal Business Unit was created and structured in 1Q12 in order to capture market opportunities around ALL's rail network. In 2Q12, its volumes increased from zero in 2Q11 to 4.0 million driven kilometers. Compared to 1Q12, this volume represents a growth of 100%. In spite of the higher volumes, Intermodal's EBITDA remained marginal in 2Q12, reflecting (i) the unit's lower margins, as we operate in an asset light model through the use of third party and outsourced fleet, and (ii) the unit's fixed cost structure, which is in place since 1Q12 and was not properly diluted as volumes are still not material. As new volumes are captured, the operational leverage should take place and the margins are expected to improve.

In Dedicated Solutions Operations, volumes decreased from 15.8 in 2Q11 to 14.3 million driven kilometers in 2Q12, or 9.8%. The volume reduction was mainly driven by a 51.0% drop in the automotive segment due to (i) the cutback in auto parts transportation, as the sector has been impacted by new regulations related to the engines compliance (Euro 5), (ii) the Argentinean customs restrictions set in 1Q and (iii) the discontinuation of an important operation 1Q12. The drop in automotive transportation was partially offset by increases in specialized assets and the general cargo segments, which grew 10.5% and 6.0% respectively.

Table 35 - Ritmo Logística	2Q12	2Q11	% Change*	1H12	1H11	% Change*
Volume (million Driven KM)	18.3	15.8	15.4%	35.1	31.1	13.1%
Net Revenues	60.2	51.9	16.1%	115.5	102.2	13.0%
Net Yield (R$/Driven KM)	3.3	3.3	0.6%	3.3	3.3	-0.1%
EBITDA	5.8	6.7	-13.7%	11.4	12.3	-7.9%
EBITDA Margin	**9.6%**	**12.9%**	**-3.3%**	**9.8%**	**12.1%**	**-2.2%**

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

As a result of the facts discussed above, Ritmo's net revenues rose 16.1% in 2Q12, from R$51.9 million in 2Q11 to R$60.2 million. Despite the higher volumes, Ritmo's EBITDA decreased 13.7% to R$5.8 million, as margins were reduced by 3.3 percentage points. The lower margin reflects the higher share of Intermodal volumes.

In 1H12, net revenues increased 13.0%, from R$102.2 million in 1H11 to R$115.5 million, and EBITDA decreased 7.9%, to R$11.4 million.

Table 36 - Balance Sheet Indicators (R$ million)	2Q12	1Q12	% Change
Cash, Banks and Financial Investments	6.2	7.2	-14.0%
Trade Accounts Receivable	40.0	42.2	-5.1%
Property, Plant and Equipment	63.5	63.1	0.8%
Total Assets	116.5	117.0	-0.5%
Suppliers	5.3	7.3	-27.7%
Loans, Financing and Debentures	14.3	13.1	9.0%
Shareholders' Equity	87.8	88.9	-1.2%
Net Debt	8.1	5.9	37.2%
EBITDA (Trailing 12 Months)	25.8	20.0	28.8%
Net Debt/EBITDA (Trailing 12 Months)	0.3	0.3	6.5%
Net Debt/Equity	0.1	0.1	38.9%

RITMO LOGÍSTICA RESULTS

Table 37 - Ritmo Logística (R$ million)	2Q12	2Q11*	% Change	1H12	1H11*	% Change
Net Revenues	**60.2**	**51.9**	16.1%	**115.5**	**102.2**	**13.0%**
COGS	**(56.1)**	**(47.0)**	19.1%	**(107.1)**	**(93.2)**	**14.9%**
Third-Party and Outsourced Fleet	(30.7)	(24.4)	25.6%	(59.7)	(49.2)	21.3%
Labor	(7.4)	(6.2)	19.6%	(13.3)	(11.3)	17.2%
Fuel	(4.8)	(5.6)	-14.3%	(9.5)	(10.2)	-7.2%
Maintenance	(2.8)	(2.5)	11.0%	(5.4)	(5.1)	6.7%
Depreciation and Amortization	(2.4)	(2.7)	-12.8%	(4.3)	(4.9)	-12.5%
Others	(8.0)	(5.6)	43.1%	(14.9)	(12.5)	19.7%
Operating income (expenses)	**(1.2)**	**(0.7)**	**63.7%**	**(2.3)**	**(1.4)**	**62.0%**
Selling, General and Administrative	(1.8)	(0.7)	147.1%	(3.5)	(1.4)	142.7%
Other	0.6	0.0	na	1.2	0.0	na
Equity Earnings (Loss)	**0.0**	**0.0**	**na**	**0.0**	**0.0**	**na**
Operating Profit	**3.0**	**4.1**	-27.5%	**6.1**	**7.6**	**-19.5%**
Net Financial Expenses	(4.6)	(1.6)	179.2%	(4.9)	(3.3)	48.6%
IR/Minorities/Others	1.0	(1.4)	na	(0.6)	(3.1)	-79.1%
Net Income**	**(0.7)**	**1.0**	**na**	**0.5**	**1.2**	**-54.5%**

** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Ritmo had already been created in that period*

*** Refers to ALL's stake, after minorities*

Net revenues from Services

Ritmo Logística net revenues went up 16.1% in 2Q12, from R$51.9 million in 2Q11 to R$60.2 million, due to a 15.4% increase in volumes, from 15.8 million driven km in 2Q11 to 18.3 million driven km, and a 0.6% increase in net yield. In 1H12, net revenues increased 13.0%, from R$102.2 million in 1H11 to R$115.5 million.

Cost of Sales

Ritmo Logística costs of sales increased 19.1% in 2Q12, from R$47.0 million in 2Q11 to R$56.1 million, due to higher volumes and the new operational structure created for the Intermodal business unit. In 1H12, cost of sales increased 14.9%, from R$93.2 million in 1H11 to R$107.1 million.

SG&A/Other Expenses

Ritmo Logística SG&A and other expenses rose 63.7% in 2Q12 or R$0.5 million, from R$0.7 million in 2Q11 to R$1.2 million, mainly driven by the new sales and administrative structure. In 1H12, SG&A and other expenses augmented 62.0%, from R$1.4 million in 1H11 to R$2.3 million.

Financial Result

Ritmo Logística financial expenses increased 179.2% in 2Q12 or R$3.0 million, from R$1.6 million in 2Q11 to R$4.6 million, reflecting the increase in net debt as the company increased its investments in the last 12 months in order to improve its transportation capacity. In 1H12, financial result augmented 48.6%, from R$3.3 million in 1H11 to R$4.9 million.

Net Income

As an effect of the results discussed above, Ritmo's net income after minorities worsened from an income of R$1.0 million in 2Q11 to a loss of R$0.7 million in 2Q12. In 1H12, net income decreased 54.5%, from R$1.2 million in 1H11 to R$0.5 million.

CAPEX

Ritmo Logística investments reached R$2.9 million in 2Q12, reflecting the addition of (i) 10 tank trucks to Specialized Assets operation, and (ii) 10 bucket trucks to Intermodal operation. In 1H12, investments reached R$14.6 million, composed by R$14.0 million in highway assets and R$0.6 million in infrastructure.

Table 38 - Investments (R$ million)	2Q12	2Q11	% Change	1H12	1H11	% Change
Highway Assets	2.9	0.0	na	14.0	0.0	na
Infrastructure	0.0	0.0	na	0.6	0.0	na
Total	**2.9**	**0.0**	**na**	**14.6**	**0.0**	**na**

Cash Flow

Ritmo Logística cash flow from operating activities reached an outflow of R$0.3 million in 2Q12. Cash flow from investments reached an outflow of R$2.9 million in 2Q12. Cash flow from financing activities reached an inflow of R$2.2 million in 2Q12. The overall cash variation reached a negative variation of R$1.0 million in 2Q12.

Table 39 - Cash Flow (R$ million)	2Q12	2Q11	Change	1H12	1H11	Change
Net Income (cash basis)	1.2	0.0	1.2	5.0	0.0	5.0
Working Capital	0.1	0.0	0.1	0.3	0.0	0.3
Other Accounts Variation	(1.6)	0.0	(1.6)	(3.7)	0.0	(3.7)
Operating Activities	**(0.3)**	**0.0**	**(0.3)**	**1.7**	**0.0**	**1.7**
Investing Activities	(2.9)	0.0	(2.9)	(14.6)	0.0	(14.6)
Free Cash Flow	**(3.2)**	**0.0**	**(3.2)**	**(12.9)**	**0.0**	**(12.9)**
Financing Activities	2.2	0.0	2.2	14.1	0.0	14.1
Change in Cash	**(1.0)**	**0.0**	**(1.0)**	**1.2**	**0.0**	**1.2**
Closing Balance of Cash	**6.2**	**0.0**	**6.2**	**6.2**	**0.0**	**6.2**

RITMO LOGÍSTICA ATTACHMENTS

Table 40 - Ritmo Logística Cash Flow (R$ million)	2Q12	2Q11	Change	1H12	1H11	Change
Net Income (in cash basis)	**1.2**	**0.0**	**1.2**	**5.0**	**0.0**	**5.0**
Net Income	(0.7)	0.0	**(0.7)**	0.5	0.0	**0.5**
Depreciation and amortization	2.5	0.0	**2.5**	4.6	0.0	**4.6**
Stock Options	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Interest Expenses (IS-CASH)	(0.5)	0.0	**(0.5)**	(0.0)	0.0	**(0.0)**
Deferred Taxes	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Working Capital	**0.1**	**0.0**	**0.1**	**0.3**	**0.0**	**0.3**
Clients	1.3	0.0	**1.3**	(1.5)	0.0	**(1.5)**
Inventory	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Suppliers	(2.0)	0.0	**(2.0)**	1.2	0.0	**1.2**
Labor	0.8	0.0	**0.8**	0.6	0.0	**0.6**
Other Accounts Variation	**(1.6)**	**0.0**	**(1.6)**	**(3.7)**	**0.0**	**(3.7)**
Operating Activities	**(0.3)**	**0.0**	**(0.3)**	**1.7**	**0.0**	**1.7**
Capex	(2.9)	0.0	**(2.9)**	(14.6)	0.0	**(14.6)**
Investing Activities	**(2.9)**	**0.0**	**(2.9)**	**(14.6)**	**0.0**	**(14.6)**
Free Cash Flow	**(3.2)**	**0.0**	**(3.2)**	**(12.9)**	**0.0**	**(12.9)**
Capital increase / Share buyback	0.0	0.0	**0.0**	0.5	0.0	**0.5**
Dividends and Interest on own capital	0.0	0.0	**0.0**	0.0	0.0	**0.0**
New loans	2.2	0.0	**2.2**	13.6	0.0	**13.6**
Debt Payments / Prepayments	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Financing Activities	**2.2**	**0.0**	**2.2**	**14.1**	**0.0**	**14.1**
Change in Cash	**(1.0)**	**0.0**	**(1.0)**	**1.2**	**0.0**	**1.2**
Opening Balance of Cash	**7.2**	**0.0**	**7.2**	**5.1**	**0.0**	**5.1**
Closing Balance of Cash	**6.2**	**0.0**	**6.2**	**6.2**	**0.0**	**6.2**

Table 41 - Ritmo Logística Balance Sheet (R$ million)	2Q12	1Q12		2Q12	1Q12
Current Assets	**49.9**	**52.4**	**Current Liabilities**	**13.7**	**28.2**
Cash, banks and financial investments	6.2	7.2	Loans and financing	1.3	13.1
Trade accounts receivable	40.0	42.2	Suppliers	5.3	7.3
Taxes Recoverable	0.7	0.7	Salaries and payroll charges	4.5	3.7
Other receivables	2.9	2.3	Other payables	2.6	4.0
Long-Term Assets	**3.1**	**1.6**	**Long-Term Liabilities**	**15.0**	**0.0**
			Other payables	15.0	0.0
Permanent Assets	**63.5**	**63.1**			
Property, plant and equipment	63.5	63.1	**Shareholders' equity**	**87.8**	**88.9**
Total Assets	**116.5**	**117.0**	**Total Liab. and shareholders' equity**	**116.5**	**117.0**

EVENTS TO DISCUSS 2Q12 and 1H12 RESULTS

2Q12 and 1H12 Results Conference Calls:

|ENGLISH|
August 15, 2012 – Wednesday
10:30 a.m. US EST (11:30 a.m. Brazil)
Phone: +1 (847) 585-4405
Code: 32797665

Replay: +1 (630) 652-3042
Code: 32797665#

|PORTUGUESE|
August 15, 2012 – Wednesday
9:00 a.m. US EST (10:00 a.m. Brazil)
Phone: +55 (11) 4688-6361
Code: ALL

Replay: +55 (11) 4688-6312
Code: 7102382#

2Q12 and 1H12 Results Investors Meeting:

August 22, 2012 – Wednesday
11:00 a.m. Brazil (followed by lunch)

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

RSVP: www.all-logistica.com/ir or +55 (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.

Table 42 - Financial Results	Brazil			Argentina			ALL Rail Operations		
(R$ million)	2Q12	2Q11	% Change	2Q12	2Q11	% Change	2Q12	2Q11	% Change
Net revenues	**809.9**	**813.3**	**-0.4%**	**63.8**	**46.7**	**36.5%**	**873.6**	**860.0**	**1.6%**
Cost of sales	**(362.8)**	**(387.7)**	**-6.4%**	**(55.6)**	**(37.7)**	**47.2%**	**(418.3)**	**(425.5)**	**-1.7%**
Gross profit	**447.1**	**425.6**	**5.0%**	**8.2**	**9.0**	**-8.5%**	**455.3**	**434.6**	**4.8%**
Operating income (expenses)	(39.7)	(32.1)	23.7%	(5.9)	(3.8)	57.0%	(45.6)	(35.9)	27.2%
Selling, General and Administrative	(37.4)	(38.3)	-2.3%	(4.8)	(3.3)	46.2%	(42.2)	(41.6)	1.5%
Other	(2.4)	6.1	na	(1.1)	(0.4)	136.9%	(3.4)	5.7	na
Equity earnings and gain (loss) on investments	**(13.4)**	**26.2**	**na**	**0.0**	**(13.4)**	**-100.0%**	**(13.4)**	**12.8**	**na**
Operating profit (loss) before net financial expenses	**393.9**	**419.7**	**-6.1%**	**2.3**	**(8.2)**	**na**	**396.2**	**411.5**	**-3.7%**
Net financial expenses	(227.1)	(215.9)	5.2%	(9.6)	(5.8)	64.5%	(236.7)	(221.7)	6.8%
Operating profit (loss)	**166.8**	**203.8**	**-18.2%**	**(7.3)**	**(14.0)**	**-48.2%**	**159.5**	**189.8**	**-15.9%**
Minority Stakes/Others	(0.4)	(1.5)	-73.9%	(0.1)	(0.7)	-86.3%	(0.5)	(2.2)	-77.8%
Income tax benefit (expense)	(5.7)	(4.2)	33.1%	(1.3)	(2.0)	-34.3%	(6.9)	(6.2)	11.8%
Net income (loss)	**160.8**	**198.0**	**-18.8%**	**(8.7)**	**(16.7)**	**-48.1%**	**152.1**	**181.3**	**-16.1%**

** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in those periods*

Table 43 - Financial Results	ALL Rail Operations			Brado			Ritmo			ALL Consolidated		
(R$ million)	2Q12	2Q11	% Change	2Q12	2Q11	% Change	2Q12	2Q11	% Variação	2Q12	2Q11	% Change
Net revenues	**873.6**	**860.0**	**1.6%**	**55.6**	**47.4**	**17.1%**	**60.2**	**51.9**	**16.1%**	**989.4**	**959.4**	**3.1%**
Cost of sales	**(418.3)**	**(425.5)**	**-1.7%**	**(47.0)**	**(37.5)**	**25.4%**	**(56.1)**	**(47.0)**	**19.2%**	**(521.4)**	**(510.0)**	**2.2%**
Gross profit	**455.3**	**434.6**	**4.8%**	**8.6**	**10.0**	**-14.0%**	**4.2**	**4.8**	**-14.1%**	**468.0**	**449.4**	**4.1%**
Operating income (expenses)	(45.6)	(35.9)	27.2%	(3.3)	(5.7)	-42.2%	(1.2)	(0.7)	63.7%	(50.1)	(42.3)	18.6%
Selling, General and Administrative	(42.2)	(41.6)	1.5%	(3.9)	(6.1)	-36.5%	(1.8)	(0.7)	147.1%	(47.9)	(48.4)	-1.0%
Other	(3.4)	5.7	na	0.6	0.5	33.3%	0.6	0.0	na	(2.2)	6.2	na
Equity earnings and gain (loss) on investments	**(13.4)**	**12.8**	**na**	**0.0**	**0.0**	**na**	**0.0**	**0.0**	**na**	**(13.4)**	**12.8**	**na**
Operating profit (loss) before net financial expenses	**396.2**	**411.5**	**-3.7%**	**5.3**	**4.3**	**22.8%**	**2.9**	**4.1**	**-28.3%**	**404.5**	**419.9**	**-3.7%**
Net financial expenses	(236.7)	(221.7)	6.8%	(1.9)	(0.5)	259.7%	(4.6)	(1.6)	179.2%	(243.2)	(223.9)	8.6%
Operating profit (loss)	**159.5**	**189.8**	**-15.9%**	**3.4**	**3.8**	**-9.7%**	**(1.7)**	**2.4**	**na**	**161.3**	**196.0**	**-17.7%**
Minority Stakes/Others	(0.5)	(2.2)	-77.8%	(0.6)	0.0	na	0.4	(0.6)	na	(0.8)	(2.8)	-73.3%
Income tax benefit (expense)	(6.9)	(6.2)	11.8%	(0.2)	(0.6)	-58.9%	0.6	(0.8)	na	(6.6)	(7.6)	-13.3%
Net income (loss)**	**152.1**	**181.3**	**-16.1%**	**2.6**	**3.2**	**-20.8%**	**(0.7)**	**1.0**	**na**	**154.0**	**185.6**	**-17.0%**

** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in those periods*
*** Refers to ALL's stake, after minorities*

Table 44 - Financial Results	Brazil			Argentina			ALL Rail Operations		
(R$ million)	1H12	1H11	% Change	1H12	1H11	% Change	1H12	1H11	% Change
Net revenues	**1,423.0**	**1,403.9**	**1.4%**	**109.5**	**82.8**	**32.2%**	**1,532.5**	**1,486.7**	**3.1%**
Cost of sales	**(714.0)**	**(718.4)**	**-0.6%**	**(100.3)**	**(73.3)**	**36.8%**	**(814.3)**	**(791.7)**	**2.9%**
Gross profit	**708.9**	**685.5**	**3.4%**	**9.2**	**9.5**	**-3.2%**	**718.1**	**695.0**	**3.3%**
Operating income (expenses)	(66.7)	(60.4)	10.3%	(10.5)	(7.5)	39.8%	(77.2)	(68.0)	13.6%
Selling, General and Administrative	(67.9)	(66.6)	2.0%	(8.9)	(7.1)	25.6%	(76.8)	(73.7)	4.3%
Other	1.2	6.1	-80.0%	(1.6)	(0.4)	264.3%	(0.4)	5.7	na
Equity earnings and gain (loss) on investments	**(26.8)**	**16.5**	**na**	**0.0**	**(13.7)**	**-100.0%**	**(26.8)**	**2.7**	**na**
Operating profit (loss) before net financial expenses	**615.5**	**641.6**	**-4.1%**	**(1.4)**	**(11.8)**	**-88.4%**	**614.1**	**629.8**	**-2.5%**
Net financial expenses	(452.1)	(430.8)	5.0%	(17.7)	(11.7)	51.7%	(469.8)	(442.5)	6.2%
Operating profit (loss)	**163.4**	**210.8**	**-22.5%**	**(19.0)**	**(23.4)**	**-18.7%**	**144.3**	**187.3**	**-23.0%**
Minority Stakes/Others	(1.1)	(2.7)	-60.7%	0.4	(0.2)	na	(0.7)	(2.9)	-77.2%
Income tax benefit (expense)	3.1	(3.4)	na	0.2	(1.0)	na	3.3	(4.4)	na
Net income (loss)	**165.4**	**204.7**	**-19.2%**	**(18.5)**	**(24.6)**	**-25.0%**	**146.9**	**180.1**	**-18.4%**

** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in those periods*

Table 45 - Financial Results	ALL Rail Operations			Brado			Ritmo			ALL Consolidated		
(R$ million)	1H12	1H11	% Change	1H12	1H11	% Change	1H12	1H11	% Variação	1H12	1H11	% Change
Net revenues	**1,532.5**	**1,486.7**	**3.1%**	**110.0**	**94.3**	**16.6%**	**115.5**	**102.2**	**13.0%**	**1,757.9**	**1,683.2**	**4.4%**
Cost of sales	**(814.3)**	**(791.7)**	**2.9%**	**(90.8)**	**(76.1)**	**19.3%**	**(107.1)**	**(93.2)**	**15.0%**	**(1,012.3)**	**(961.0)**	**5.3%**
Gross profit	**718.1**	**695.0**	**3.3%**	**19.1**	**18.2**	**5.5%**	**8.4**	**9.0**	**-6.9%**	**745.7**	**722.2**	**3.3%**
Operating income (expenses)	(77.2)	(68.0)	13.6%	(8.0)	(9.2)	-12.3%	(2.3)	(1.4)	62.0%	(87.6)	(78.6)	11.5%
Selling, General and Administrative	(76.8)	(73.7)	4.3%	(8.9)	(9.6)	-7.3%	(3.5)	(1.4)	142.7%	(89.2)	(84.7)	5.3%
Other	(0.4)	5.7	na	0.9	0.4	95.6%	1.2	0.0	na	1.6	6.1	-73.5%
Equity earnings and gain (loss) on investments	**(26.8)**	**2.7**	**na**	**(0.5)**	**0.0**	**na**	**0.0**	**0.0**	**na**	**(27.2)**	**2.7**	**na**
Operating profit (loss) before net financial expenses	**614.1**	**629.8**	**-2.5%**	**10.6**	**9.0**	**18.3%**	**6.1**	**7.6**	**-19.9%**	**630.8**	**646.3**	**-2.4%**
Net financial expenses	(469.8)	(442.5)	6.2%	(3.7)	(1.6)	133.4%	(4.9)	(3.3)	48.6%	(478.5)	(447.4)	7.0%
Operating profit (loss)	**144.3**	**187.3**	**-23.0%**	**6.9**	**7.4**	**-6.4%**	**1.1**	**4.3**	**-73.2%**	**152.4**	**199.0**	**-23.4%**
Minority Stakes/Others	(0.7)	(2.9)	-77.2%	(1.0)	(0.3)	222.1%	(0.3)	(1.7)	-83.7%	(2.0)	(4.8)	-59.4%
Income tax benefit (expense)	3.3	(4.4)	na	(1.7)	(2.2)	-22.6%	(0.4)	(1.4)	-73.9%	1.2	(8.1)	na
Net income (loss)**	**146.9**	**180.1**	**-18.4%**	**4.2**	**4.8**	**-14.2%**	**0.5**	**1.2**	**-57.3%**	**151.6**	**186.1**	**-18.5%**

** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in those periods*
*** Refers to ALL's stake, after minorities*

Table 46 - Financial Results per Business unit*	Agricultural Commodities		Industrial Products		ALL Argentina		ALL Rail Operations		Brado		Ritmo		ALL Consolidated	
(R$ million)	2Q12	2Q11	2Q12	2Q11	2Q12	2Q11	2Q12	2Q11	2Q12	2Q11	2Q12	2Q11	2Q12	2Q11
Net Revenues	652.4	636.9	157.5	176.4	63.8	46.7	873.6	860.1	55.6	47.4	60.2	51.9	989.4	959.4
Cost of sales	(288.2)	(301.8)	(74.5)	(86.0)	(55.6)	(37.7)	(418.3)	(425.5)	(47.0)	(37.5)	(56.1)	(47.0)	(521.4)	(510.0)
Gross profit	364.2	335.1	82.9	90.5	8.2	9.0	455.3	434.6	8.6	10.0	4.2	4.8	468.0	449.4
EBITDA	**379.6**	**361.5**	**96.3**	**106.4**	**8.3**	**8.9**	**484.2**	**476.8**	**9.6**	**8.4**	**5.8**	**6.7**	**499.6**	**491.9**
% Net Revenues														
Net Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	-44.2%	-47.4%	-47.3%	-48.7%	-87.1%	-80.8%	-47.9%	-49.5%	-84.6%	-79.0%	-93.0%	-90.7%	-52.7%	-53.2%
Gross profit	55.8%	52.6%	52.7%	51.3%	12.9%	19.2%	52.1%	50.5%	15.4%	21.0%	6.9%	9.3%	47.3%	46.8%
EBITDA	**58.2%**	**56.8%**	**61.1%**	**60.3%**	**13.0%**	**19.1%**	**55.4%**	**55.4%**	**17.3%**	**17.7%**	**9.6%**	**12.9%**	**50.5%**	**51.3%**
Volume														
RTK million	8,568	8,065	2,724	2,976	837	922	12,129	11,963					12,129	11,963
R$ / Volume Unit	**R$ / thousand RTK**		**R$ / thousand RTK**		**R$ / thousand RTK**		**R$ / thousand RTK**							
Net Revenues	76.1	79.0	57.8	59.3	76.2	50.6	72.0	71.9						
Cost of sales	(33.6)	(37.4)	(27.4)	(28.9)	(66.4)	(40.9)	(34.5)	(35.6)						
Gross profit	42.5	41.6	30.4	30.4	9.8	9.7	37.5	36.3						
EBITDA	**44.3**	**44.8**	**35.3**	**35.8**	**9.9**	**9.7**	**39.9**	**39.9**						

** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in those periods*

Table 47 - Financial Results per Business unit*	Agricultural Commodities		Industrial Products		ALL Argentina		ALL Rail Operations		Brado		Ritmo		ALL Consolidated	
(R$ million)	1H12	1H11	1H12	1H11	1H12	1H11	1H12	1H11	1H12	1H11	1H12	1H11	1H12	1H11
Net Revenues	1,098.1	1,056.9	324.8	347.0	109.5	82.8	1,532.5	1,486.7	110.0	94.3	115.5	102.2	1,757.9	1,683.2
Cost of sales	(532.4)	(525.9)	(181.6)	(192.5)	(100.3)	(73.3)	(814.3)	(791.7)	(90.8)	(76.1)	(107.1)	(93.2)	(1,012.3)	(961.0)
Gross profit	565.7	531.0	143.2	154.5	9.2	9.5	718.1	695.0	19.1	18.2	8.4	9.0	745.7	722.2
EBITDA	**611.3**	**582.0**	**169.3**	**181.0**	**9.7**	**10.0**	**790.3**	**773.0**	**18.7**	**16.1**	**11.4**	**12.3**	**820.4**	**801.5**
% Net Revenues														
Net Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	-48.5%	-49.8%	-55.9%	-55.5%	-91.6%	-88.5%	-53.1%	-53.3%	-82.6%	-80.7%	-92.7%	-91.2%	-57.6%	-57.1%
Gross profit	51.5%	50.2%	44.1%	44.5%	8.4%	11.5%	46.9%	46.7%	17.4%	19.3%	7.3%	8.8%	42.4%	42.9%
EBITDA	**55.7%**	**55.1%**	**52.1%**	**52.2%**	**8.8%**	**12.1%**	**51.6%**	**52.0%**	**17.0%**	**17.1%**	**9.8%**	**12.1%**	**46.7%**	**47.6%**
Volume														
RTK million	15,089	13,957	5,451	5,675	1,554	1,670	22,094	21,302					22,094	21,302
R$ / Volume Unit	**R$ / thousand RTK**		**R$ / thousand RTK**		**R$ / thousand RTK**		**R$ / thousand RTK**							
Net Revenues	72.8	75.7	59.6	61.1	70.4	49.6	69.4	69.8						
Cost of sales	(35.3)	(37.7)	(33.3)	(33.9)	(64.5)	(43.9)	(36.9)	(37.2)						
Gross profit	37.5	38.0	26.3	27.2	5.9	5.7	32.5	32.6						
EBITDA	**40.5**	**41.7**	**31.1**	**31.9**	**6.2**	**6.0**	**35.8**	**36.3**						

** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in those periods*

Table 48 - EBITDA Reconciliation*	2Q12						2Q11					
(R$ million)	Brazil	Argentina	ALL Rail Operations	Brado	Ritmo	ALL Consolidated	Brazil	Argentina	ALL Rail Operations	Brado	Ritmo	ALL Consolidated
Operating Profit before net financial expenses	**393.9**	**2.3**	**396.2**	**5.3**	**2.9**	**404.5**	**419.7**	**(8.2)**	**411.5**	**4.3**	**4.1**	**419.9**
Depreciation e amortization	105.5	5.1	110.6	3.6	2.4	**116.6**	96.7	17.1	113.8	3.1	2.6	**119.4**
Lease of Concession Agreements (IS-CASH)	(32.3)	0.0	(32.3)	0.0	0.0	**(32.3)**	(30.7)	0.0	(30.7)	0.0	0.0	**(30.7)**
Stock Options (1)	5.4	0.0	5.4	0.0	0.0	**5.4**	4.9	0.0	4.9	0.0	0.0	**4.9**
Non-recurring items (2)	3.5	0.8	4.3	0.8	0.4	**5.5**	(22.6)	0.0	(22.6)	1.0	0.0	**(21.6)**
EBITDA	**475.9**	**8.3**	**484.2**	**9.6**	**5.8**	**499.6**	**467.9**	**8.9**	**476.8**	**8.4**	**6.7**	**491.9**

Table 49 - EBITDA Reconciliation*	1H12						1H11					
(R$ million)	Brazil	Argentina	ALL Rail Operations	Brado	Ritmo	ALL Consolidated	Brazil	Argentina	ALL Rail Operations	Brado	Ritmo	ALL Consolidated
Operating Profit before net financial expenses	**615.5**	**(1.4)**	**614.1**	**10.6**	**6.1**	**630.8**	**641.6**	**(11.8)**	**629.8**	**9.0**	**7.6**	**646.3**
Depreciation e amortization	214.2	9.9	224.1	6.9	4.6	**235.6**	193.5	21.0	214.6	6.1	4.8	**225.4**
Lease of Concession Agreements (IS-CASH)	(65.4)	0.0	(65.4)	0.0	0.0	**(65.4)**	(63.4)	0.0	(63.4)	0.0	0.0	**(63.4)**
Stock Options (1)	10.7	0.0	10.7	0.0	0.0	**10.7**	12.5	0.0	12.5	0.0	0.0	**12.5**
Non-recurring items (2)	5.7	1.1	6.8	1.2	0.7	**8.7**	(21.2)	0.7	(20.5)	1.0	0.0	**(19.5)**
EBITDA	**780.7**	**9.7**	**790.3**	**18.7**	**11.4**	**820.4**	**763.0**	**10.0**	**773.0**	**16.1**	**12.3**	**801.5**

(1) Stock Options in Brazil: R$5.4 million in 2Q12 and R$4.9 million in 2Q11
(2) Non recurring events: Related to labor provisions and compensation for accidents that occured in previous periods in Brazil and Argentina Rail Operations
** Results of 2Q11 and 1H11 are presented in a pro-forma basis, as if Brado and Ritmo had already been created in those periods*

Table 50 - ALL Consolidated Balance Sheet

(R$ million)	2Q12	1Q12		2Q12	1Q12
Current Assets	**2,662.5**	**2,585.6**	**Current Liabilities**	**2,167.0**	**2,090.5**
Cash, banks and financial investments	1,586.8	1,617.2	Loans and financing	789.6	677.6
Trade accounts receivable	357.4	339.5	Debentures	243.4	225.6
Inventories	168.9	131.5	Suppliers	408.3	427.8
Lease of Concession Agreements	6.2	6.2	Taxes, charges and contributions	82.2	96.4
Taxes Recoverable	436.2	394.0	Lease and concession payable	40.4	25.2
Prepaid expenses	69.6	74.9	Dividends and Interest on own capital	5.0	59.7
Other receivables	37.5	22.3	Salaries and payroll charges	90.0	68.6
			Advances from customers	81.4	75.6
			Commercial Leasings	247.6	251.5
			Other payables	179.1	182.5
Long-Term Assets	**1,410.6**	**1,410.4**	**Long-Term Liabilities**	**7,885.3**	**7,837.6**
Lease of Concession Agreements	85.3	86.8	Loans and financing	2,521.8	2,502.6
Judicial deposits	347.7	356.5	Debentures	2,175.2	2,166.9
Taxes recoverable	900.3	890.2	Provision for contigencies	205.7	189.9
Other receivable	68.8	68.9	Lease and concession payable	1,381.7	1,339.8
Prepaid expenses	8.6	7.9	Commercial Leasings	993.3	1,003.9
Long term investments	0.0	0.0	Real estate credit advances	400.2	417.7
			Other payables	207.4	216.7
Permanent Assets	**10,215.2**	**10,024.4**	**Shareholders' equity**	**4,236.0**	**4,092.2**
Investments	11.2	10.5	Capital stock	3,433.9	3,433.9
Intangible	2,490.9	2,502.6	Surplus reserves	765.1	598.0
Property, plant and equipment	7,713.1	7,511.2	Equity Adjustments	(32.4)	(8.1)
			Minority Stakes	69.4	68.4
Total Assets	**14,288.3**	**14,020.4**	**Total Liabilities and shareholders' equity**	**14,288.3**	**14,020.4**

MANAGEMENT'S STATEMENT ON QUARTERLY INFORMATION AND 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 this Quarterly Financial Information referring to period ended Jun 30, 2012 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.

(ii) they have examined, discussed and agreed on the opinion issued in the independent auditors' special review report prepared by PricewaterhouseCoopers Auditores Independentes S.S. about the Quarterly Financial Information related to the quarter ended on Jun 30, 2012.

Curitiba, August 10, 2012.

Eduardo Pelleissone – Chief Executive Officer | **Rodrigo Barros de Moura Campos –** Chief Financial and Investor, Relations Officer | **Pedro Roberto Oliveira Almeida** - Institutional Relations Officer | **Sergio Nahuz** - Chief Commercial Officer | **Marcos Rodrigues da Costa** – Chief Services and Technology 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 Jun 30, 2012 and, considering the information provided by the Company's Management and PricewaterhouseCoopers 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 13, 2012

Newton de Souza Junior	Ricardo Scalzo	Marcos Tadeu de Siqueira
Chairman of Fiscal Council	Fiscal Council Member	Fiscal Council Member