(A free translation of the original in Portuguese)

ALL - América Latina Logística S.A. and its subsidiaries Quarterly Information (ITR)

at March 31, 2013 and 2012 and December 31, 2012 and report on review of quarterly information prepared in accordance with CPC 21 - "Interim Financial Reporting" and IAS 34 - "Interim Financial Reporting"

Report on review of quarterly information

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

Introduction

We have reviewed the accompanying parent company interim accounting information of ALL – América Latina Logística S.A. included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013. This includes the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flow for the quarter then ended, as well as a summary of significant accounting policies and other explanatory information.

We have also reviewed the accompanying consolidated interim accounting information of ALL – América Latina Logística S.A. and its subsidiaries (Consolidated) included in the ITR for the quarter ended March 31, 2013. This includes the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flow for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with accounting standard CPC 21 regarding Interim Financial Reporting and issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as for 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). Management is also responsible for the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the ITR. Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We have 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 significantly narrower in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing, and consequently does not enable us to guarantee that we will become aware of all significant matters that might be identified in an audit. Accordingly, we have not expressed an audit opinion.

Conclusion on the parent company interim information

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

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 matter

As mentioned in Note 4(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 The Government of Argentina, as part of their concession agreement renegotiation process, with the objective of restoring economic and financial balance. As at the date of this report, the renegotiation of the concession agreements had not yet been concluded, as the approval of the National Executive Branch had not

been received, although the "Letters of Understanding" have already been approved by the "Comisión Bicameral de Seguimiento de Privatizaciones" of Argentina. Note 5(a) also gives a summary of the main related aspects. These financial statements do not include any adjustments and/or reclassifications arising from the possible eventual rejection of the terms and conditions of the aforementioned "Letters of Understanding" by the Argentine National Executive Branch.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2013, 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 is considered supplementary information under IFRS. These statements have been subject 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 relation to the interim accounting information taken as a whole.

Curitiba, May 06, 2013

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

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

	Note	Parent		Consolidated	
		3/31/2013	12/31/2012	3/31/2013	12/31/2012
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	621,496	881,213	2,341,608	2,508,360
Trade receivables	6	24,342	17,961	398,298	392,797
Inventory		5,371	5,371	185,302	160,904
Intercompany loans receivable		-	-	575	850
Prepayment of lease agreements	7	-	-	6,186	6,186
Taxes and contributions recoverable	8	659	3,715	322,843	323,003
Income tax and social contribution recoverable	8	86,234	85,513	140,628	137,922
Dividends and interest on capital		7,511	21,276	426	2,539
Advances and other receivables		24,110	17,071	186,432	126,817
Prepaid expenses		3,194	4,952	11,875	15,887
Total current assets		772,917	1,037,072	3,594,173	3,675,265
NON-CURRENT ASSETS					
LONG-TERM RECEIVABLES					
Receivables from related parties	19	89,832	95,502	-	-
Prepayment of lease agreements	7	-	-	80,623	82,168
Debentures	10	216,817	212,519	-	-
Taxes and contribution recoverable	8	-	-	425,798	423,826
Income tax and social contribution recoverable	8	2,523	1,878	37,268	38,867
Deferred income tax and social contribution	9	-	-	599,787	581,493
Refundable deposits and restricted amounts	18	4,468	4,716	334,959	328,484
Other receivables		9,593	9,593	76,193	74,067
Prepaid expenses		-	-	6,113	6,794
		323,233	324,208	1,560,741	1,535,699
Investments	11	7,879,221	7,409,088	2,045,983	2,010,370
Intangible assets	12	296	393	2,450,899	2,464,546
Property and equipment	13	58,276	57,999	8,127,423	7,966,537
		7,937,793	7,467,480	12,624,305	12,441,453
Total non-current assets		8,261,026	7,791,688	14,185,046	13,977,152
TOTAL ASSETS		9,033,943	8,828,760	17,779,219	17,652,417

The accompanying notes are an integral part of these financial statements

	Note	Parent		Consolidated	
		3/31/2013	12/31/2012	3/31/2013	12/31/2012
LIABILITIES					
CURRENT LIABILITIES					
Trade payables		153,951	5,520	557,498	513,909
Borrowing	14	77,839	84,268	735,489	870,738
Debentures	15	154,458	144,743	252,908	256,168
Taxes payable		6,565	4,456	45,957	34,759
Intercompany loans payable		-	-	2,926	2,786
Leases and concessions	17	-	-	42,823	42,459
Labor and social security obligations		5,999	8,630	92,844	117,926
Advances from customers		521	521	176,458	149,719
Leases	16	-	-	166,970	186,091
Taxes and social security contribution payable in installments	23	499	492	33,264	35,124
Other payables		9,128	9,129	50,799	53,609
Deferred revenue	22	-	-	2,611	2,611
Advances	21	29,387	29,387	151,030	151,030
Dividends and interest on capital		61,194	61,194	61,219	64,824
Total current liabilities		499,541	348,340	2,372,796	2,481,753
NON-CURRENT LIABILITIES					
Borrowing	14	148,750	148,505	2,443,524	2,441,062
Debentures	15	2,025,857	2,021,442	2,892,162	2,884,186
Payables to related parties	19	19,982	17,198	-	-
Provision for contingencies	18	-	-	208,761	218,114
Leases and concessions	17	-	-	1,504,990	1,466,303
Provision for unrealized profit	20	10,944	11,130	-	-
Leases	16	-	-	1,513,164	1,331,427
Taxes and social security contribution payable in installments	23	5,277	5,334	157,605	161,153
Advances	21	61,125	65,191	341,682	361,864
Other liabilities		-	-	9,734	7,877
Provision for net capital deficiencies in subsidiaries	11	24,232	10,689	-	-
Deferred revenue	22	1,997,182	1,997,183	2,021,602	2,022,256
Total non-current liabilities		4,293,349	4,276,672	11,093,224	10,894,242
Total liabilities		4,792,890	4,625,012	13,466,020	13,375,995
EQUITY	24				
Share capital		3,433,941	3,433,941	3,433,941	3,433,941
Capital reserve		93,910	82,809	93,910	82,809
Revenue reserve		698,397	708,609	698,397	708,609
Retained earnings		33,931	-	33,931	-
Carrying value adjustments		(31,474)	(33,802)	(31,474)	(33,802)
Advances on future capital increases		12,348	12,191	12,348	12,191
		4,241,053	4,203,748	4,241,053	4,203,748
Non-controlling interests		-	-	72,146	72,674
Total equity		4,241,053	4,203,748	4,313,199	4,276,422
TOTAL LIABILITIES AND EQUITY		9,033,943	8,828,760	17,779,219	17,652,417

The accompanying notes are an integral part of these financial statements.

	Note	Parent		Consolidated	
		3/31/2013	3/31/2012	3/31/2013	3/31/2012
Net services revenue	29	15,557	16,881	890,002	768,519
Cost of services rendered		(13,989)	(15,702)	(571,613)	(504,907)
Gross profit		1,568	1,179	318,389	263,612
Results from investments					
Equity in the results of investees	11	96,060	39,418	16,607	641
Provision for net capital deficiencies in subsidiaries	11	(14,729)	(860)	-	-
Gain/loss on investments		2	-	(533)	(462)
		81,333	38,558	16,075	179
Other operating income (expenses)					
Selling		-	(314)	(7,042)	(3,090)
General and administrative		(11,192)	(7,456)	(47,558)	(38,173)
Other operating income (expenses), net	29	(44)	7,854	(3,800)	3,815
		(11,236)	84	(58,400)	(37,448)
Operating profit before finance result		71,665	39,821	276,064	226,343
Finance costs	26	(55,442)	(61,393)	(284,943)	(280,968)
Finance income	26	17,708	19,209	43,075	45,676
		(37,734)	(42,184)	(241,868)	(235,292)
Operating profit (loss) before taxes and non-controlling interests		33,931	(2,363)	34,196	(8,949)
Provision for income tax and social contribution	9	-	-	(16,923)	(6,615)
Deferred income tax and social contribution	9	-	-	17,007	14,405
		-	-	84	7,790
Profit attributable to:					
Owners of the Company		33,931	(2,363)	33,931	(2,363))
Non-controlling interests		-	-	349	(1,204)
Profit (loss) for the year		33,391	(2,363)	34,280	(1,159)
Earnings (loss) per share from continuing and discontinued operations attributable to the owners of the Company during the year (expressed in R$ per share)					
Basic earnings (loss) per share	27				
(In Reais)					
Per common share		0.0497	(0.0035)	0.0497	(0.0035)
Diluted earnings(loss) per share	27				
(In Reais)					
Per common share		0.0486	(0.0034)	0.0486	(0.0034)

The accompanying notes are an integral part of these financial statements.

	Parent		Consolidated	
	3/31/2013	**3/31/2012**	**3/31/2013**	**3/31/2012**
Profit (Loss) for the period	33,931	(2,363)	34,280	(1,159)
Foreign exchange gains (losses) on investments abroad	(7,288)	-	(7,288)	-
Available-for-sale investments marked to market	-	7,482	-	7,482
Mark-to-market effects on hedge instruments	14,570	(12,622)	14,570	(12,622)
Tax effects over carrying value adjustments	(4,954)	-	(4,954)	-
Total comprehensive income (loss), net of taxes	**36,259**	**(7,503)**	**36,608**	**(6,299)**
Attributable to:				
Owners of the Company	36,259	(7,503)	36,259	(7,503)
Non-controlling interests	-	-	349	(1,204)
	36,259	**(7,503)**	**36,608**	**(6,299)**

The accompanying notes are an integral part of these financial statements.

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOW FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012

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

	Share capital		Capital reserves				Revenue reserves				Carrying value adjustments							
	Subscribed	Unpaid	Treasury Shares	Stock issue cost	Stock options granted	Profit or loss from transactions with non-controlling interests	Legal	Tax incentives	For investments	Retained earnings	Advances for future capital increase	Cumulative translation adjustments	Deemed cost	Mark-to-market losses - hedge	Available-for-sale investments marked to market	Total	Non-controlling interests	Total equity
At December 31, 2011	**3,448,283**	**(14,342)**	**(63,803)**	**(19,439)**	**90,390**	**55,853**	**65,860**	**134,551**	**329,693**	**-**	**12,295**	**(11,571)**	**5,316**	**(17,251)**	**4,470**	**4,020,305**	**67,256**	**4,087,561**
Profit for the year	-	-	-	-	-	-	-	-	-	237,315	-	-	-	-	-	237,315	6,052	243,367
Dividends (Note 25)										(56,362)						(56,362)		(56,362)
Foreign exchange gains (losses) on investments abroad	-	-	-	-	-	-	-	-	-	-	-	(2,329)	-	-	-	(2,329)	(634)	(2,963)
Mark-to-market gains (losses) - hedge	-	-	-	-	-	-	-	-	-	-	-	-		(9,826)	-	(9,826)	-	(9,826)
Adjustment reflected from related company									353				(353)			-		-
Available-for-sale investments marked to market	-	-	-	-	-	-	-	-	-	-	-	-		-	(4,470)	(4,470)	-	(4,470)
Tax effects over carrying value adjustments	-	-	-	-	-	-	-	-	-	-			(255)	2,467	-	2,212	-	2,212
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	353	180,953	-	(2,329)	(608)	(7,359)	(4,470)	166,540	5,418	171,958
Repurchase of shares	-	-	1,269	-	-	-	-	-	(1,269)	-	-	-	-	-	-	-	-	-
Stock options transactions:																		
Reserve for options granted (Note 25)	-	-	-	-	7,534	-	-	-	-	-	(7,656)	-	-	-	-	(122)	-	(122)
Options exercised	-	-	11,426	-	(421)	-	-	-	(1,532)	-	4,189	-	-	-	-	13,662	-	13,662
Retained profit reserve constitution	-	-		-	-	-	11,866	-	115,774	(127,640)	-	-	-	-	-	-	-	-
Tax incentive reserve	-	-	-	-	-	-	-	53,313	-	(53,313)	-	-	-	-	-	-	-	-
Others											3,363					3,363		3,363
At December 31, 2012	**3,448,283**	**(14,342)**	**(51,108)**	**(19,439)**	**97,503**	**55,853**	**77,726**	**187,864**	**443,019**	**-**	**12,191**	**(13,900)**	**4,708**	**(24,610)**	**-**	**4,203,748**	**72,674**	**4,276,422**
Profit for the year	-	-	-	-	-	-	-	-	-	33,931	-	-	-	-	-	33,931	349	34,280
Foreign exchange losses on investments abroad	-	-	-	-	-	-	-	-	-	-	-	(7,288)	-	-	-	(7,288)	(877)	(8,165)
Mark-to-market losses - hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	14,570	-	14,570	-	14,570
Tax effects over carrying value adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,954)	-	(4,954)	-	(4,954)
Adjustment reflected from related company	-	-	-	-	-	-	-	-	-	-	-	82	(82)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	33,931	-	(7,206)	(82)	9,616	-	36,259	(528)	35,731
Repurchase of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on transaction with non-controlling stockholders	-	-	-	-	-	5,038	-	-	-	-	-	-	-	-	-	5,038	-	5,038
Stock options transactions:																		
Reserve for options granted (Note 24)	-	-	6,063	-	-	-	-	-	(10,212)	-	-	-	-	-	-	(4,149)	-	(4,149)
Options exercised	-	-	-	-	-	-	-	-	-	-	157	-	-	-	-	157	-	157
Recognition/realization of revenue reserves (Note 24)	-	-	-	-	-	-	-	-			-	-		-	-		-	-
Total transactions - owners of the Company	-	-	6,063	-	-	5,038	-	-	(10,212)	-	157	-	-	-	-	1,046	-	1,046
At March 31, 2012	**3,448,283**	**(14,342)**	**(45,045)**	**(19,439)**	**97,503**	**60,891**	**77,726**	**187,864**	**432,807**	**33,931**	**12,348**	**(21,106)**	**4,626**	**(14,994)**	**-**	**4,241,053**	**72,146**	**4,313,199**

	Parent		Consolidated	
	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Cash flow from operating activities				
Profit (loss) for the period	33,931	(2,363)	34,280	(1,159)
Expenses (income) not affecting cash and cash equivalents				
Depreciation and amortization (Note 29)	487	947	116,870	104,920
Goodwill amortization (Note 29)	14,021	14,021	14,021	14,021
Equity in the results of investees and gains/losses on investments	(96,062)			
(Note 11)		(39,418)	(16,074)	(179)
Provision for net capital deficiency (Note 11)	14,729	860	-	-
Deferred income tax and social contribution (Note 09)	-	-	(17,007)	(14,405)
Provision for unrealized profit (Note 20)	(186)	(186)	-	-
Realization of deferred revenue		-	(652)	(662)
Interest and foreign exchange variations on borrowing and debentures	(1,764)	7,646	24,067	(4,571)
Stock option granting	543	1,340	(2,526)	5,350
	(34,301)	(17,153)	152,979	103,315
Changes in assets				
Trade receivables	(6,381)	(2,289)	21,514	(67,664)
inventory	-	-	(43,931)	(7,170)
Taxes and contributions recoverable	2,330	(5,430)	(4,775)	(27,765)
Dividends and interest on capital	-	-	2,539	338
Other assets	(2,310)	2,096	(11,903)	(3,949)
	(6,361)	(5,623)	(36,556)	(106,210)
Change in liabilities				
Trade payables	146,433	453	(13,356)	(35,064)
Labor and social security obligations	(4,095)	(13,126)	(26,464)	(28,494)
Taxes payable	562	840	7,119	11,207
Income tax and social contribution paid	-	-	(3,751)	(6,614)
Leas and concession payables	-	-	39,051	41,946
Other liabilities	-	(4,033)	275	(46,147)
	142,900	(15,866)	2,874	(63,166)
Net cash used in operating activities	**102,238**	**(38,642)**	**119,297**	**(66,061)**
Cash flow from investing activities				
Purchases of property and equipment	(743)	(308)	(270,270)	(300,806)
Acquisition of investments	(364,928)	-	-	-
Related parties	9,399	(191,587)	-	-
Net cash used in investing activities	(356,272)	(191,895)	(270,270)	(300,806)
Cash flow from financing activities				
Financing				
New borrowing	-	-	379,246	116,154
Repayment of borrowing	(5,683)	(9,233)	(391,420)	(237,523)
Capital increases and advances on future capital increases	-	6,036	-	6,036
Dividends and interest on capital	-	-	(3,605)	(338)
Proceeds from debentures	-	93,117	-	-
Net cash provided by (used in) financing activities	(5,683)	89,920	(15,779)	(115,671)
Decrease in cash and cash equivalents	**(259,717)**	**(140,617)**	**(166,752)**	**(482,538)**
Cash and cash equivalents at the beginning of the year	881,213	714,753	2,508,360	2,099,738
Cash and cash equivalents at the end of the year	621,496	574,136	2,341,608	1,617,200
Decrease in cash and cash equivalents	**(259,717)**	**(140,617)**	**(166,752)**	**(482,538)**

The accompanying notes are an integral part of these financial statements.

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND ITS SUBSIDIARIES

STATEMENT OF VALUE ADDED FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012

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

	Parent		Consolidated	
	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Revenue				
Sales of services	17,579	18,621	994,432	890,409
Other revenue	186	8,506	25,611	46,469
Provision for impairment of trade receivables	-	(314)	(5,010)	(827)
	17,765	**26,813**	**1,015,033**	**936,051**
Inputs acquired from third parties				
Cost of services	519	(437)	(319,957)	(247,097)
Materials, electricity, outsourced services and other	(5,320)	(2,895)	(44,541)	(60,470)
Impairment/recovery of assets	(357)	(1,666)	1,414	(30,967)
Other	(229)	-	(29,411)	(4,392)
	(5,387)	**(4,998)**	**(392,495)**	**(342,926)**
Gross value added	**12,378**	**21,815**	**622,538**	**593,125**
Depreciation and amortization	(14,508)	(14,968)	(130,891)	(118,941)
Net value added generated by the entity	**(2,130)**	**6,847**	**491,647**	**474,184**
Value added received through transfers				
Results of investments/provision for net capital deficiency/gains on investments	81,333	38,558	16,074	179
Finance income	17,708	19,209	43,075	45,676
	99,041	**57,767**	**59,149**	**45,855**
Total value added to distribute	**96,911**	**64,614**	**550,796**	**520,039**
Distribution of value added				
Personnel				
Direct remuneration	4,467	2,505	64,759	67,588
Benefits	533	(10)	11.668	8,359
Government Severance Indemnity Fund for Employees (FGTS)	94	95	3,731	3,727
	5,094	**2,590**	**80,158**	**79,674**
Taxes and contributions				
Federal	2,095	2,164	77,351	82,391
State	-	-	19,051	19,875
Municipal	349	17	2,529	2,110
	2,444	**2,181**	**98,931**	**104,376**
Third-party capital remuneration				
Interest	55,442	61,393	284,943	280,968
Rental	-	813	52,484	56,180
	55,442	**62,206**	**337,427**	**337,148**
Own capital remuneration				
Profits reinvested	33,931	(2,363)	33,931	(2,363)
Non-controlling interests in results	-	-	349	1,204
	33,931	**(2,363)**	**34,280**	**(1,159)**
Total value added distributed	**96,911**	**64,614**	**550,796**	**520,039**

The accompanying notes are an integral part of these financial statements.

1. General information

a) The Company

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

The Company's main activities are:

- Investments in other companies, ventures and consortia, whose objectives are related to transportation services, including railway transportation

- The performance of transportation related activities, including logistics, intermodal transport, port operations, the transfer and storage of goods, the 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 have been traded in the "New Market" segment of BOVESPA.

The Company operates railroad transportation services 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 the 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 Mesopotàmica S.A. (ALL Mesopotàmica).

The terms of the concessions held by each company are as follow:

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 Mesopotàmica	October 2023	Argentina
Portofer	June 2025	Porto de Santos (port in the State of São Paulo)
Terminal XXXIX	October 2025	Porto de Santos (port in the State of São Paulo)
TGG - Guarujá Retail Terminal	August 2027	Porto de Santos (port in the State of São Paulo)
Termag - Guarujá Maritime Terminal	August 2027	Porto de Santos (port in the State of São Paulo)

A list of all of 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: Created 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 any activities related, accessory and supplementary to the aforementioned. It also holds direct or indirect interest in entities, consortia, ventures and other organizations. It has not yet started its activities.

Brado Holding: Created on July 9, 2010, its main business purpose is holding interests in other entities, consortia or ventures, either locally or abroad. On April 1, 2011, Brado Holding acquired 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 acquired 100% interest in Standard Logística e Distribuição S.A. (now named Brado Logística S.A.) through the acquisition 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 interests 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. (which became the parent company of Ritmo Logística 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 all employees of both companies to the new company, with the objective of establishing a strategic association in the highway segment.

Vetria Mineração S.A: as described in Note 12, Vetria Mineração S.A. was formed on December 3, 2012 by ALL - América Latina Logística S.A, together with other stockholders, in order to create an integrated mine-railroad-port system

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 and in the concession agreements of the Railroad Networks.

The concession agreements of these subsidiaries will be terminated upon any of the following events: the 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 follow:

- The rights and privileges transferred to the companies will be returned to the Federal Government together with any leased assets or assets resulting from investments, which revert to the Government as being necessary to continue to perform the related services.

- Assets which revert will be remunerated by the Federal Government at their residual carrying values, computed based on the companies' accounting records, after the deduction of depreciation. This amount will be subject to technical and financial assessments by the Federal Government. All and any improvements made to the permanent railroad superstructure will not be considered as an investment for indemnification purposes.

2. Accounting policies

The accounting policies adopted by the Company for the preparation of this quarterly information are the same as those applied for the preparation of the financial statements for the year ended December 31, 2012.

3. Basis of consolidation

Consolidated quarterly information

a) Subsidiaries

The consolidated quarterly information includes the quarterly information of ALL - América Latina Logística S.A. and its subsidiaries at March 31, 2013, as follows:

	Ownership interest - %	
	3/31/2013	12/31/2012
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	100.00
ALL - América Latina Logística Serviços Ltda. (formerly ALL Tecnologia)	99.99	99.99
ALL - América Latina Logística Equipamentos Ltda. (ALL Equipamentos)	99.99	99.99
ALL - América Latina Logística Malha Norte S.A. (ALL Malha Norte)	99.24	99.24
ALL - América Latina Logística Argentina S.A. (ALL Argentina)	90.96	90.96
ALL - América Latina Logística Servicios Integrales S.A. (SISA)	99.99	99.99
ALL - América Latina Logística Rail Management Ltda (ALL Rail Management)	50.01	50.01
Vétria Mineração S.A	50.38	50.38
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		
Portofer Transporte Ferroviário Ltda. (Portofer)	50.00	50.00
Investees of ALL Malha Norte		
Terminal XXXIX de Santos S.A. (Terminal XXXIX)	50.00	50.00
Portofer Transporte Ferroviário Ltda. (Portofer)	50.00	50.00
Investees of ALL Argentina		
ALL - América Latina Logística Central S.A. (ALL Central)	73.55	73.55
ALL - América Latina Logística Mesopotámica S.A. (ALL Mesopotámica)	70.56	70.56
Investees of ALL Participações		
ALL - América Latina Logística Servicios Integrales S.A. (Sisa)	0.01	0.01
ALL - América Latina Logística Argentina S.A. (ALL Argentina)	9.04	9.04
ALL - América Latina Logística Serviços Ltda. (formerly ALL Tecnologia)	0.01	0.01
ALL - América Latina Logística Centro-Oeste Ltda. (ALL Centro-Oeste)	0.01	0.01
ALL - América Latina Logística Equipamentos Ltda. (ALL	0.01	0.01

Equipamentos)		
Investee of Brado Holding		
Brado Logistica e Participações S.A.	80.00	80.00
Investee of Brado Logística Participações S.A.		
Brado Logística S.A	100.00	100.00

As at March 31, 2013, ALL Central and ALL Mesopotàmica 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, the Railroad Development Corporation, the acquisition of the latter's ownership interests of 6.45% and 2.74% in ALL Central and ALL Mesopotàmica, respectively. The negotiation still depends on the approval of the transfer of the shares by the Argentine Government. As these minority stockholders did not exercise their right to participate in a new capital contribution, these percentages were reduced to 1.26% and 0.48%, respectively.

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 this control ceases. The quarterly information of the subsidiaries is prepared for the same reporting period as that of the Parent company, using consistent accounting policies. All intra-group balances, revenue and expenses, and unrealized gains and losses arising from intra-group transactions, are fully eliminated.

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

The 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

Jointly-controlled subsidiaries are all entities over which the Company and its subsidiaries share control with one or more parties. Investments in jointly-controlled subsidiaries are accounted for using the equity method and are initially recognized at cost.

The Company's share of its jointly-controlled subsidiaries' profit or loss is recognized in the statement of operations and its share of reserve movements is recognized in the reserves of the Company and its subsidiaries. When the Company and its subsidiaries' shares of the losses of a jointly-controlled subsidiary equals or exceeds the carrying amount of the investment, including any other unsecured receivables, the Company and its subsidiaries do not recognize further losses, unless they have incurred obligations or made payments on behalf of the jointly-controlled subsidiary.

Unrealized gains on transactions between the Company and its jointly-controlled subsidiaries are eliminated to the extent of the interest of the Company and its subsidiaries. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of jointly-controlled subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company and its subsidiaries.

c) Associates

The Company's investments in associates are recorded using the equity method. An associate is an entity over which the Company exercises significant influence.

Based on the equity method, the investments in associates are recorded in the balance sheet at cost, plus changes after the acquisition of the interest in the associate. The statement of operations reflects a portion of the results of the associates' transactions. When a change is recorded directly in the associate's equity, the Company recognizes its portion of the variation, and discloses this in the statement of changes in equity, when applicable. Unrealized gains and losses arising from transactions between the Company and its associates are eliminated proportionally to the interest held in that associate.

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

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

When significant influence in an associate is lost, the Company 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 the revenue from disposal is recorded in the statement of operations.

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

d) Transactions with non-controlling interests

The Company and its subsidiaries treat transactions with non-controlling interests as transactions with the equity owners of the Company and its subsidiaries. For purchases from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded directly in equity, in "Carrying value adjustments".

When the Company and its subsidiaries cease to have control, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in relation to that entity are accounted for as if the Company and its subsidiaries had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

e) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition-date fair value, and any non-controlling interest in the acquiree. For each business combination, the acquirer should measure the non-controlling interest in the acquiree at its fair value or based on its share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When acquiring a business, the Company assesses the financial assets and liabilities assumed in order to classify and allocate them according to the contractual terms, the economic circumstances and the pertinent conditions at the acquisition date, which includes the segregation, by the acquiree, of embedded derivatives existing in the acquiree's host contracts.

If the business combination is carried out in stages, the fair value at the acquisition date of any previous equity interest in the capital of the acquiree is remeasured to its fair value at the acquisition date, and the impact is recognized in the statement of operations.

Any contingent consideration to be transferred by the acquirer is recognized at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration, considered as an asset or a liability, shall be recognized in accordance with CPC 38 (IAS 39) in the statement of operations or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled in equity.

Initially, goodwill is measured as the excess of the consideration paid over the fair value of the net assets acquired (identifiable assets and liabilities assumed). When the consideration transferred is less than the fair value of the net assets acquired, the difference is recognized as a gain in the statement of operations.

4. 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. Various discussions were held and analyses were made, resulting in an amendment proposal, which in practice had no effect.

Following 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, creating a special commission to renegotiate all concession agreements. This commission is jointly overseen by the Ministries of the 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 the relevant data and hold various meetings with Federal Planning Ministry advisors and professionals.

Law 25,561 was successively extended through December 31, 2013, as set forth in Law 26,729. After that date, ALL Central and ALL Mesopotàmica will be asked to review a new model for the agreement, considering aspects such as the concession fees (*Canon*) and annual investment plans.

On July 18, 2005, Notices 18/2005 and 19/2005 of the Unit for the Renegotiation and Analysis of Utility Service Agreements, regarding the letters of understanding arising from the concession agreement renegotiations for commitments between ALL Central and ALL Mesopotàmica and the Argentine Government, were published in the Argentine Government Official Report. On October 20, 2006, ALL Central and ALL Mesopotàmica signed new letters of understanding with the Unit for the Renegotiation and Analysis of Utility Service Agreements to replace the previous ones. 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 had not occured up to the date of approval of this quarterly information. These letters mainly establish the following:

(i) Annual investment plan

From January 2006, the concessionaries must invest on an annual basis an amount equivalent to 9.5% of the total net revenue of ALL Central and ALL Mesopotàmica for the previous year. To date, the concessionaires had fully complied with the minimum investments required in the plan.

(ii) Concession fee (Canon)

As from January 1, 2006, the Canon was considered as the amount corresponding to 3% of the total net revenue of ALL Mesopotàmica and ALL Central for the prior year. For the quarter ended March 31, 2013, these companies recorded expenses amounting to R$ 1,422 (R$ 1,269 at March 31, 2012) and R$ 230 (R$ 201 at March 31, 2012), respectively, as lease agreements and concessions payable. Although the concession fee is being provisioned, ALL Central and ALL Mesopotàmica are not paying these obligations since they are still awaiting approval of the Letters of Understanding by the President of Argentina.

Management understands that the approval by the Executive Branch, on the basis of the "Letter of Understanding", is critical to maintaining the balance of operations of the companies and to continue as a going concern.

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 representing mutual claims

The renegotiation of the concession agreements includes discussing amounts claimed by both the Argentine Government and the concessionaires, such as: investment obligations not complied with by the concessionaires, amounts related to concession fees for previous periods, and losses incurred by the concessionaires due to force majeure (floods and other).

Based on the letters of understanding, the extinction of various liabilities related to the mutual claims balances, which totaled P$ 79,760 thousand (R$ 31,370) and P$ 14,480 thousand (R$ 5,695) for ALL Central and ALL Mesopotàmica, respectively, in favor of the Argentine Government, was agreed, and the concessionaires started to assume their investment commitments from January 2006, which cannot be lower than 3.17% and 1.54%, respectively, on their net revenue for the previous year, respecting the minimum amounts of P$ 4,692 thousand and P$ 852 thousand, respectively. To date, the concessionaires have fully complied with the minimum investment amounts required in the letters of understanding.

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 into an usufruct agreement over the rights (both economic and political) to 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 any 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.

5. Cash and cash equivalents

		Parent		Consolidated	
		3/31/2013	12/31/2012	3/31/2013	12/31/2012
Cash and banks		150,067	1,343	164,500	21,719
Financial investments					
Bank Deposit Certificates (CDB)	(i)	398,880	629,157	1,430,676	1,659,196
Fixed rate	(ii)	-	-	126,817	122,748
Government bonds	(iii)	71,945	149,791	574,071	586,940
Funds	(iv)	604	100,922	45,544	117,757
		471,429	879,870	2,177,108	2,486,641
		621,496	881,213	2,341,608	2,508,360

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

(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.

6. Trade receivables

	Consolidated	
	3/31/2013	12/31/2012
Trade receivables		
In Brazil	391,219	384,716
In Argentina	49,030	45,553
	440,249	430,269
(-) Provision for impairment of trade receivables		
In Brazil	(33,215)	(28,232)
In Argentina	(8,736)	(9,240)
	(41,951)	(37,472)
	398,298	392,797

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

The indirect subsidiary ALL Central interrupted the recording of toll revenue from the "Unidad Ejecutora del Programa Ferroviário Provincial - U.E.P.F.P." (the Unit) from January 2002. This decision was essentially due to the lack of recognition of services rendered by U.E.P.F.P unit of ALL Central and the resulting lack of payment for these services. 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. However, due to the reimbursement agreements entered into with the former stockholders, ALL Argentina recorded liabilities corresponding to 50% of the amount recorded as receivables at December 31, 1999 at the historic value of $ 4,762 (R$ 1,873). 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, ALL Central records an allowance for doubtful accounts net of balance receivable .

Additionally, this quarterly information does not include the revenue and corresponding receivables arising from the services linked to the tolls of the Unit, provided by ALL Central from January 2002 to March 31, 2013.

As at March 31, 2013 and December 31, 2012, the balance of trade receivables, by maturity, is as follows:

Periods	Amount falling due with no impairment losses	Overdue amounts, with no impairment losses				Total
		< 30 days	31 - 60 days	61 - 90 days	91 - 180 days	
3/31/2013	212,446	82,566	47,457	22,127	33,702	398,298
12/31/2012	239,398	58,112	37,172	18,885	39,230	392,797

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 credit past due for more than 180 days, except for related-party receivables. The provision made is considered sufficient to cover any losses on amounts receivable.

7. Lease prepayment - consolidated

	3/31/2013		12/31/2012	
	Current assets	Long-term receivables	Current assets	Long-term receivables
Leases				
ALL Malha Oeste	166	2,001	166	2,043
ALL Malha Paulista	2,025	26,195	2,025	26,701
ALL Malha Sul	2,734	35,321	2,734	36,003
Right-of-way prepayment				
ALL Malha Sul	1,261	17,106	1,261	17,421
	6,186	80,623	6,186	82,168

Amounts paid in cash is amortized over the remaining lease term.

Prepaid right-of-way refers to amounts paid by ALL Malha Sul to ALL Malha Paulista as 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 operations on a straight line basis over the agreement term, and do not qualify as finance leases.

8. Taxes and contributions recoverable

	3/31/2013		12/31/2012	
	Current assets	Long-term receivables	Current assets	Long-term receivables
Parent				
Income tax and social contribution recoverable - prepayment	86,234	2,523	85,513	1,878
Other	659	-	3,715	-
	86,893	2,523	89,228	1,878
Subsidiaries				
Value-added Tax on Sales and Services (ICMS)	158,433	131,456	148,426	119,561
Value-added Tax (VAT)	11,257	-	10,175	-
Income tax and social contribution recoverable - prepayment	54,394	34,745	52,409	36,989
Federal tax credits to be offset - PIS/COFINS	130,392	145,877	133,019	145,288
Excise Tax (IPI) (i)	-	140,007	-	151,943
Other	22,102	8,458	27,668	7,034
	376,578	460,543	371,697	460,815
Consolidated	463,471	463,066	460,925	462,693

(i) Tax credits arising from an ordinary lawsuit with a final decision, which were transferred through a credit assignment, and where the initial objective was to offset them against other federal tax obligations. These offsetting operations were approved by the tax authorities, and subsequently included in the Tax Recovery Program (REFIS) in 2009. However, the credit recorded of R$ 140,007 (R$ 151,943 at December 31, 2012), which is able to offset federal tax obligations, will be used in the coming years.

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

9. Deferred income tax and social contribution

The reconciliation of the income tax and social contribution expenses at the nominal rate versus the effective rate for the periods ended March 31, 2013 and 2012 is as follows:

	Parent		Consolidated	
	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Profit (loss) before taxation	33,931	(2,363)	34,195	(8,949)
Nominal rate	34%	34%	34%	34%
Taxes at nominal rate	(11,537)	803	(11,626)	3,043
Tax adjustments for:		-		
Equity in the results of investees and provision for net capital deficiency	27,653	13,111	5,647	218
Differences in rates in companies taxed under the deemed profits method	-	-	897	809
Taxes written off or not recorded for the period	-	(8,754)	-	(7,435)
Deferred taxes - Argentina	-	-	(3,450)	-
Income tax surcharge	-	-	65	-
Amortization of goodwill	(4,767)	(4,767)	(232)	(232)
Tax loss differences without the recording of deferred taxes	(11,164)	-	(28,219)	-
Deferred income tax on tax losses	-	-	13,791	-
Grant Investment ~~Investment grant~~	-	-	1,632	-
Recording of stock options granted	(185)	(456)	(600)	(1,822)
Effect of rate decrease - Superintendency for the Development of the Amazon (SUDAM) incentive	-	-	22,996	14,084
Other permanent differences	-	63	(817)	(875)
Effective tax income (expenses)	-	-	84	7,790
Current taxes	-	-	(16,923)	(6,615)
Deferred taxes	-	-	17,007	14,405

Effects of deferred income tax and social contribution on comprehensive income	3/31/2013	3/31/2012
Deferred income tax and social contribution related to items directly charged or credited to equity during the year:		
Mark-to-market gains (losses) - hedge	-	2,508
Mark-to-market gains - financial assets available for sale	(1,242)	-
	(1,242)	**2,508**

Deferred tax credits on tax losses and temporary differences held by the Company, as well as the portion recorded in the balance sheet at March 31, 2013 and 2012, are as follow:

	Consolidated	
	3/31/2013	12/31/2012
Tax losses	959,134	941,422
Provision for variable remuneration	5,606	17,796
Provision for tax credits	5,997	6,045
Provision for Value-added Tax on Sales and Services (ICMS) with difficult realization	3,467	3,496
Provision for tax issues	17,028	18,108
Provision for labor claims	35,132	37,166
Provision for civil claims	15,262	13,019
Provision for impairment of trade receivables	18,783	14,179
Provision for unrealized profit	3,721	3,784
Unsettled hedge transactions	2,716	8,550
Provisions	40,411	16,241
Adjustments to liabilities (RTT)	(27,730)	(25,570)
Adjustments to assets (RTT)	141,107	134,905

Total tax credits	**1,220,634**	**1,189,141**
(-) Unrecorded credits	620,847	607,648
(=) Net credits recorded	**599,787**	**581,493**

Reconciliation of deferred tax assets

	3/31/2013	12/31/2012
At December 31, 2012	581,493	509,617
Adjustment of balance of subsidiary	2,314	(3,131)
Acquisition of subsidiary	-	2,649
Tax income (expenses) recorded in the statement of operations	17,007	73,011
Foreign exchange variation gain (loss) on deferred income tax	(1,027)	(653)
At March 31, 2013	**599,787**	**581,493**

Deferred tax assets are expected to be realized as follows:

	Consolidated	
	3/31/2013	12/31/2012
2013	62,348	56,992
2014	56,356	44,720
2015	55,262	46,661
2016	58,911	51,241
2017	72,536	57,411
After 2018	294,374	324,468
Total	599,787	581,493

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 profits, in accordance with the applicable tax legislation. These amounts are supported by a recoverability study approved by the Board of Directors.

The indirect subsidiaries ALL Central and ALL Mesopotàmica, based on expected future profit generation and in accordance with the accounting practices adopted in Brazil, recognized deferred income tax assets amounting to R$ 20,498 at March 31, 2013 (R$ 17,706 at December 31, 2012). Tax losses, according to Argentine tax legislation, expire in five years, period considered sufficient by management for the full recovery of deferred income taxes.

For ALL Intermodal, ALL Malha Oeste and ALL S.A., tax assets arising from 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 historical profitability and the expectation of future taxable profits 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.

10. Private debentures

On April 30, 2012, the subsidiary ALL Malha Norte S.A. issued two series of 10,000 subordinated debentures not convertible into book-entry shares at a unit value of R$ 20 for the first series and R$ 10 for the second series, amounting to R$ 300,000.

Debenture balances are recorded by the Company as follow:

Malha Norte						**Long-term receivables**	
Series	**Date of issue**	**Amount**	**Final maturity**	**Annual remuneration**	**Effective rate**	**3/31/2013**	**12/31/2012**
Private debentures - Holding	4/30/2012	200,000	5/2/2016	CDI + 1.70%	9.46%	216,817	212,519
Private debentures - Malha Oeste	4/30/2012	100,000	5/2/2016	CDI + 1.70%	9.46%	108,409	106,259
						325,226	318,778

11. Investments

a) Interests in subsidiaries and associates

	Changes											Interest %			
												Total		Voting	
	12/31/2012	Equity in the results of investees	Capital increase	Reductions	Others adjustments	Adjustments	Gain/loss on investment	Dividends	Foreign exchange variation - profit or loss	Foreign exchange variation - equity	3/31/2013	3/31/2013	12/31/2012	3/31/2013	12/31/2012
ALL Malha Sul	565,488	(26,375)	150,000	-	-	6,017	-	-	-	-	695,130	100.00%	100.00%	100.00%	100.00%
ALL Intermodal	184,687	1,733	-	-	-	-	-	-	-	-	186,420	100.00%	100.00%	100.00%	100.00%
ALL Overseas	4,345	(63)	-	-	-	-	-	-	-	-	4,282	100.00%	100.00%	100.00%	100.00%
ALL Serviços	100	4,912	-	-	-	-	-	-	-	-	5,012	99.99%	99.99%	99.99%	99.99%
ALL Equipamentos	25,162	62	(24,940)	-	-	-	2	-	-	-	286	99.99%	99.99%	99.99%	99.99%
ALL Malha Paulista	466,817	9,325	220,000	-	-	(808)	-	-	-	-	695,334	100.00%	100.00%	100.00%	100.00%
ALL Malha Norte	1,502,966	94,606	-	-	-	(615)	-	-	-	-	1,596,957	99.24%	99.24%	99.90%	99.90%
Boswels	12,981	(3)	-	-	-	-	-	-	-	-	12,978	100.00%	100.00%	100.00%	100.00%
ALL – Sisa	146,956	1,550	19,868	-	-	-	-	-	10,456	(8,043)	170,787	99.99%	99.99%	99.99%	99.99%
Araucária Rail Technology	325	-	-	(325)	-	-	-	-	-	-	-	51.00%	51.00%	0.00%	51.00%
Santa Fé Vagões	8,654	(161)	-	-	-	-	-	-	-	-	8,493	100.00%	100.00%	100.00%	100.00%
ALL Malha Oeste	14,116	(8,367)	-	-	-	(818)	-	-	-	-	4,931	100.00%	100.00%	100.00%	100.00%
Rail Management	218	294	-	-	-	-	-	-	-	-	512	50.01%	50.01%	50.01%	50.01%
Brado Holding	82,493	1,513	-	-	-	-	-	12,693	-	-	96,699	100.00%	100.00%	100.00%	100.00%
Vetria Mineração S.A	1,997,183	17,034	-	-	5,038	-	-	-	-	-	2,019,255	50.38%	50.38%	50.38%	50.38%
ALL Argentina	429	(13,395)	-	-	-	-	-	-	-	152	(12,814)	90.58%	90.58%	90.58%	90.58%
ALL Participações	(10,689)	(1,334)	-	-	-	-	-	-	-	605	(11,418)	100.00%	100.00%	100.00%	100.00%
	5,002,231	**81,331**	**364,929**	**(325)**	**5,038**	**3,776**	**2**	**12,693**	**10,456**	**(7,286)**	**5,472,844**				

		Subsidiaries/associates		Equity in the results of investees		Parent			
						Investment value		Goodwill	
		Equity	Profit/loss for the period	3/31/2013	3/31/2012	3/31/2013	12/31/2012	3/31/2013	12/31/2012
Direct subsidiaries									
ALL Malha Sul	(i)	695,130	(26,375)	(26,375)	(45,616)	695,130	565,488	-	-
ALL Intermodal		186,420	1,733	1,733	1,623	186,420	184,687	-	-
ALL Overseas		4,282	(63)	(63)	(114)	4,282	4,345	-	-
ALL Serviços		5,012	4,912	4,912	3,674	5,012	100	-	-
ALL Equipamentos		287	62	62	(37)	287	25,162	-	-
ALL Centro Oeste		-	-	-	-	-	-	-	-
ALL Malha Paulista	(ii)	695,335	9,325	9,325	32,667	695,335	466,817	306,670	311,423
ALL Malha Norte		1,609,187	95,331	94,606	76,208	1,596,957	1,502,966	1,973,228	1,980,638
ALL Argentina		-	-	-	(8,917)	-	429	-	-
Boswels		12,978	(3)	(3)	(308)	12,977	12,981	-	-
ALL - Sisa		170,803	1,550	1,550	-	170,786	146,956	-	-
Araucária Rail Technology		-	-	-	-	-	325	-	-
Santa Fé Vagões		8,493	(161)	(161)	(699)	8,493	8,654	137	150
ALL Malha Oeste		4,931	(8,367)	(8,367)	(20,655)	4,931	14,116	102,110	103,956
Rail Management		1,023	588	294	-	512	218	-	-
Brado Holding		96,699	1,513	1,513	1,592	96,699	82,493	-	-
Vétria Meneração S.A		4,008,048	33,810	17,034	-	2,019,255	1,997,184	-	-
				96,060	39,418	5,497,076	5,012,921	2,382,145	2,396,167

The Company records the 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 Sul has advances on future capital increase (AFAC) amounting to R$ 259,857 (R$ 109,857 at December 31, 2012) recorded in its equity. These were received from ALL, which fully recognizes these AFAC in its investment until it is used to increase the capital.

(ii) ALL Malha Paulista has advances on future capital increase (AFAC) amounting to R$ 220,000 recorded in its equity. These were received from ALL, which fully recognizes AFAC in its investment until it is used to increase capital.

During 2012 and the first quarter of 2013, the following changes in capital were approved:

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 the issue of 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, the 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 and its subsequent amendments, 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.

ALL Malha Norte: At the Board of Directors' meeting held on November 16, 2012, the Board members approved a capital increase in the subsidiary by private subscription of shares, in the amount of R$ 194,153, through the issue of 57,783,666 class "A" preferred shares at the issue price of R$ 3.36 per share, pursuant to Article 170, paragraph 1, item II of Law 6,404/76 and

its subsequent amendments, based on the net book value per share. Accordingly, the capital was increased from R$ 1,171,454 to R$ 1,365,607, represented by 765,326,706 shares, of which 690,816,080 are common shares, 69,380,885 are Class "A" preferred shares and 5,129,741 are Class "B" preferred shares.

Acquisition of the investment in Vetria Mineração S.A

On December 3, 2012, the Company, Triunfo Participações e Investimentos S.A. ("Triunfo") and the stockholders of Vetorial Participações S.A. ("Vetorial") signed an agreement to form a strategic alliance, through a Brazilian corporation named Vetria Mineração S.A. ("Vetria"), to implement an integrated mine-railroad-port system.

Vetria carries out activities of exploration, processing, transport, sale and export of iron ore through (i) a private port to be built in Santos, State of São Paulo, (ii) a railroad freight capacity guaranteed by a freight service contract signed with ALL, and (iii) a mine owned and located in the Maciço de Urucum, in the region of Corumbá, State of Mato Grosso do Sul.

The following paragraphs describe the nature of the assets subscribed by Triunfo and Vetorial for the incorporation of Vetria:

- Santa Rita, a wholly-owned subsidiary of Triunfo, which in turn held the full ownership of TPB, changed its corporate name to Vetria (after the transaction). TPB was a limited liability partnership which had a sole asset - land with licenses to construct a port in the region of Santos/SP.

- Vetorial held the full ownership of Vetorial Mineração (the "Mining Company"), the owner of the operating iron ore mine.

The formation of Vetria was mainly effected through the following transactions:

(a) On the closing date of the Association, December 3, 2012, Triunfo sold 80% of the capital of Vetria to ALL for approximately R$ 80 million, payable in installments.

(b) On the closing date, Vetorial sold 100% of the quotas of the Mining Company to Vetria for approximately R$ 6 billion (Free On Board mine value determined by an independent appraiser). Simultaneously, Vetria assumed the obligation to pay royalties of R$ 6 billion for the exploration of the iron ore, payable as the mine is depleted.

(c) ALL and Triunfo authorized Vetorial to convert some R$ 3.4 billion of the royalties receivable into an investment in Vetria, resulting in a dilution of the investment in ALL from 80% to 55.38%, and that of Triunfo from 20% to 10.79%, with Vetorial holding the remaining 33.83%.

(d) Finally, ALL exchanged 5% of its investment in Vetria to offset the R$ 80 million payable to Triunfo, as reported in (a) above. Accordingly ALL, Vetorial and Triunfo held investments of 50.38%, 33.83% and 15.79%, respectively, in Vetria as at December 31, 2012. ALL´s interest of 50.38% in Vetria was established contractually through an Association Agreement, one of the documents supporting the formation of Vetria, and takes into consideration the contribution of ALL to the venture, represented by the feasibility of the iron ore logistic system.

Vetria´s bylaws and Stockholders' Agreement establish the constitution of a controlling group, whereby the decisions relating to operating policies and financial strategies are taken jointly by representatives of all of the investing stockholders.

As a result of these events, ALL has recorded the interest received as an investment, equivalent to 50.38% of the capital of Vetria (R$ 1,997,183 at December 31, 2012), with a counter-entry to deferred income, which will be appropriated to profit or loss proportionately to the iron ore depletion, which is the main asset responsible for the equity variations of Vetria. This

appropriation will commence upon the completion of the investments necessary for the projected volume flow of more than 20 million metric tons of iron ore per year.

The Association Agreement provides mechanisms for adjusting the investment of each stockholder in the capital of Vetria in the event of significant changes in the conditions established in the agreement, such as new investments or additional mineral reserves.

The agreement also includes certain conditions that must be complied with by December 19, 2015 to confirm the continuity of the operations of Vetria. If not, the agreement is considered void and its effects revert to the status quo, that is, the situation existing at December 3, 2012. ALL, Vetorial, Triunfo and Vetria have structured a concrete business plan to meet these conditions.

The principal conditions are:

- Raising the necessary funds for investment, including equity
- Certification of the mineral reserves
- Obtaining the required environmental licenses from the government authorities
- Approval from the National Agency for Land Transport (ANTT) of the operating contracts between ALL and Vetria
- Obtaining authorization from the National Agency of Water Transport (ANTAQ) for the implementation of the port operation.

Disposal of shares in Araucária Rail Technology

The disposal of Araucária Rail Technology S.A was carried out on March 12, 2013, at a price of R$ 325, determined through an assessment report in December 31, 2012. According to the contract of sale signed by the parties, ALL will also receive a variable amount equivalent to 37,38% of all and any payments related to dividends, interest on capital, reimbursements, redemptions, capital reductions and any other securities issued by the buyer, net of taxes and/or fees, other than income taxes.

b) Subsidiaries with net capital deficiencies

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

	Subsidiaries		Parent			
	Net capital deficiency	Profit/loss for the period	Changes in the provision for net capital deficiency in the quarter		Provision for capital deficiency	
			3/31/2013	3/31/2012	3/31/2013	12/31/2012
Direct subsidiaries						
ALL Participações	(11,418)	(1,334)	(1,334)	(886)	11,418	10,689
Araucária Rail Technology (ii)	-	-	-	83	-	-
ALL Argentina (i)	(24,266)	(14,726)	(13,395)	-	12,814	-
Rail Management	-	-	-	(57)	-	-
			(14,729)	(860)	24,232	10,689

(i) ALL Argentina has Advances on Future Capital Increases (AFAC) amounting to R$ 102,404 (R$ 108,315 at December 31, 2012) recorded in its equity. These were made by ALL, which fully recognizes these AFAC in its investment until they are used to increase capital.

(ii) As described earlier, Araucaria Rail Technology was sold on March 12, 2013.

Investments in the consolidated balance sheet

Stated using the equity method of accounting	Investment carrying amount	
	3/31/2013	12/31/2012
Subsidiary		
Rhall Terminais	2,947	2,956
TGG	11,191	10,231
Terminal XXXIX	12,590	-
Jointly-controlled subsidiary		
Vétria Mineração S.A	2,019,255	1,997,183
	2,045,983	2,010,370

12. Intangible assets - consolidated

		3/31/2013			12/31/2012	Average annual amortization rates
		Cost	Accumulated amortization	Net	Net	%
Goodwill on acquisition of investments	(i)					
ALL Malha Oeste		125,277	(23,167)	102,110	103,955	5.10%
ALL Malha Paulista		350,904	(44,234)	306,670	311,423	4.76%
ALL Malha Norte		2,055,057	(81,829)	1,973,228	1,980,638	1.44%
Santa Fé		462	(325)	137	150	10.00%
		2,531,700	(149,555)	2,382,145	2,396,166	
Concession agreements	(ii)					
ALL Malha Oeste		3,118	(1,752)	1,366	1,392	3.33%
ALL Malha Paulista		12,252	(8,121)	4,131	4,197	3.33%
ALL Malha Sul		10,830	(5,834)	4,996	5,086	3.33%
		26,200	(15,707)	10,493	10,675	
Other		112,543	(54,282)	58,261	57,705	13.23%
		2,670,443	(219,544)	2,450,899	2,464,546	

Goodwill, representing concession rights, is recorded in the investments of the parent company and classified as an intangible asset in the consolidated financial information.

(i) The surplus on the acquisition of investments, representing concession rights, is based on expected future profitability, and is amortized at the realization curve over the life of the concessions, since this asset has a finite useful life.

(ii) Refers to the concession agreements of the subsidiaries ALL Malha Oeste, ALL Malha Paulista and ALL Malha Sul, amortized over the agreement terms, since these assets havefinite useful lives.

	At 12/31/2012			Changes up to 3/31/2013			At 3/31/2013		
	Gross cost	Accumulated amortization	Net	Additions	Write-offs	Amortization	Gross cost	Accumulated amortization	Net
Goodwill on acquisitions of investments	2,531,700	(135,534)	2,396,166	-	-	(14,021)	2,531,700	(149,555)	2,382,145
Concession agreements	26,200	(15,525)	10,675	-	-	(182)	26,200	(15,707)	10,493
Other	115,500	(52,795)	57,705	2,049	(6)	(1,487)	112,543	(54,282)	58,261
	2,668,400	**(203,854)**	**2,464,546**	**2,049**	**(6)**	**(15,690)**	**2,670,443**	**(219,544)**	**2,450,899**

Goodwill/concession rights impairment testing

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

ALL Malha Norte

The recoverable value of ALL Malha Norte was determined in December 2012, 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 pre-tax discount rate applied to the cash flow projections is 12.2% p.a. and cash flow exceeding a ten-year period is estimated at a growth rate of 1.0%, which management considers to be 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 the impairment of this CGU group, to which goodwill amounting to R$ 2,382,007 (R$ 2,396,016 at December 31, 2012) was allocated.

13. Property and equipment - consolidated

	3/31/2013			12/31/2012	
	Cost	Accumulated depreciation	Net	Net	Average annual depreciation rates %
Leasehold improvements					
Locomotives	1,115,934	(352,061)	763,873	817,408	4.00%
Wagons	726,663	(189,610)	537,053	596,550	3.33%
Track	2,628,520	(527,843)	2,100,677	2,026,957	4.42%
Other	248,759	(136,032)	112,727	140,273	5.34%
	4,719,876	(1,205,546)	3,514,330	3,581,188	
Own property and equipment in use					
Locomotives	185,321	(69,821)	115,500	268,288	4.00%
Wagons	328,628	(86,806)	241,822	272,278	3.33%
Track	1,235,380	(161,760)	1,073,620	1,078,174	1.48%
Warehouses	53,544	-	53,544	5,822	
Land	39,256	-	39,256	36,653	
Buildings	95,734	(32,701)	63,033	61,205	5.20%
Furniture and fittings	15,409	(12,741)	2,668	3,014	10.00%
Road vehicles	77,903	(18,548)	59,355	60,620	14.54%
Data processing equipment	113,935	(85,205)	28,730	27,628	19.71%
Telecommunications and signalling equipment	60,312	(35,704)	24,608	25,670	9.70%
Equipment for track and railroad transportation maintenance	101,217	(66,151)	35,066	37,711	9.94%
Aircraft	5,831	(700)	5,131	9,154	10.00%
Machinery and equipment	74,217	(35,228)	38,989	39,391	10.00%
Other	200,364	(63,483)	136,881	135,680	10.00%
	2,587,051	(668,848)	1,918,203	2,061,288	
Leases					
Locomotives	672,080	(111,671)	560,409	497,932	9.80%
Wagons	1,198,672	(373,675)	824,997	702,089	10.21%
Civil construction	19,503	(6,968)	12,535	12,956	9.09%
Equipment	17,290	(6,864)	10,426	10,858	10.00%
	1,907,545	(499,178)	1,408,367	1,223,835	
Construction in progress					
Locomotives	50,400	-	50,400	39,034	
Wagons	73,253	-	73,253	62,892	
Track	1,061,649	-	1,061,649	903,280	
Civil construction	-	-	-	-	
Other	101,221	-	101,221	95,020	
	1,286,523	-	1,286,523	1,100,226	
	10,500,995	(2,373,572)	8,127,423	7,966,537	

Summary of changes in property and equipment:

	At December 31, 2012			Changes in 2012					At December 31, 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	1,544,085	(458,389)	1,085,696	25,281	(83,547)	(213,039)	28,475	36,507	1,301,255	(421,882)	879,373
Wagons	1,183,191	(314,363)	868,828	36,905	(195,540)	-	30,735	37,947	1,055,291	(276,416)	778,875
Track	3,759,080	(653,949)	3,105,131	8,486	(6,696)	-	103,030	(35,654)	3,863,900	(689,603)	3,174,297
Finance leases	1,686,545	(462,710)	1,223,835	-	221,000	-	-	(36,468)	1,907,545	(499,178)	1,408,367
Construction in progress	1,100,226	-	1,100,226	349,626	16,256	(2,927)	(176,658)	-	1,286,523	-	1,286,523
Other	1,053,474	(470,653)	582,821	75,048	(47,349)	(9,110)	14,418	(15,840)	1,086,481	(486,493)	599,988
TOTAL	**10,326,601**	**(2.360.064)**	**7,966,537**	**495,346**	**(95,876)**	**(225,076)**	-	**(13,508)**	**10,500,995**	**(2,373,572)**	**8,127,423**

During the quarter ended March 31, 2013, R$ 19,826 (R$ 110,719 at December 31, 2012) was capitalized as construction in progress, related to financial charges generated by loans used to finance this construction, with no effect on cash flow. The financial cost of capitalizing interest on qualifying property and equipment was 133.6% of the CDI per annum.

Leases and construction in progress

The carrying amount of property and equipment held under finance lease agreements at December 31, 2012 was R$ 1,907,545 (R$ 1,686,545 in December 2012). Over the period, additions were recorded in property and equipment amounting to R$ 221,000 (R$ 407,709 at December 31, 2012) related to items under finance lease agreements and construction in progress under long-term contracts, with no effect on cash flow.

As detailed in Note 16.1, finance lease agreements are classified as property and equipment and depreciated consistently with criteria applicable to other property and equipment items.

14. Borrowing

	Annual charges	Effective rate	Maturity	3/31/2013	12/31/2012
Parent					
In local currency					
Commercial banks	107.5% of CDI	8.23%	July 2015	202,415	206,609
Investments – BNDES	TJLP + +1.8%	6.80%	Quarterly/monthly up to June 2017	41,072	43,484
In local currency					
Swap transactions				(16,898)	(17,320)
Total parent company				**226,589**	**232,773**
Subsidiaries					
In local currency					
ALL Malha Sul				**1,433,676**	**1,649,680**
	CDI + 1.25%	8.98%	September 2015	335,382	328,858
	CDI + 1.23%	8.96%	October 2014	134,978	132,409
BNDES (investments)	TJLP + 1.4%	6.40%	Quarterly up to July 2022	558,807	565,679
	TJLP + 2.5%	7.50%	Quarterly/monthly up to June 2017	178,040	188,471
	TJLP + 1.5%	6.50%	Quarterly/monthly up to June 2022	6,473	6,647
	TJLP + 1.8%	6.80%	Quarterly/monthly up to June 2017	90,198	95,486
BNDES (FINAME)	TJLP + 3.75%	8.75%	January 2017	764	814
Commercial Credit Notes (NCC)	105.9% of CDI	8.10%	July 2015	27,225	33,331
	107.0% of CDI	8.19%	March 2013	-	203,526
Export Credit Notes (NCE)	11.77% Fixed BRL	11.77%	June 2013	95,073	92,488
Import Financing (FINIMP)	122.30% of CDI	9.41%	April 2013	1,955	1,971
	109% of CDI	8.35%	October 2013	4,781	-
Ritmo				**17,837**	**15,229**
Commercial banks	CDI + 10.97%	11.53%	Monthly up to November 2017	383	410
BNDES (FINAME)	TJLP + 8.49%	8.82%	Monthly up to March 2017	17,454	14,819
ALL Malha				**404,464**	**413,611**

Paulista					
Investments – BNDES	TJLP + 1.4% p.a.	6.40%	Quarterly/monthly up to June 2022	325,918	330,881
	TJLP + 1.5%	6.50%	Quarterly/monthly up to October 2022	4,085	4,190
	TJLP + 2.5%	7.50%	Quarterly/monthly up to October 2017	74,461	78,540

Continued

	Annual charges	Effective rate	Maturity	3/31/2013	12/31/2012
ALL Malha Norte				**857,948**	**807,939**
Investments - BNDES	TJLP + 1.5% p.a.	6.50%	Quarterly/monthly up to September 2016	216,655	243,691
	TJLP + 3%	8.00%	Quarterly/monthly up to January 2016	89,164	97,007
	TJLP + 2.71%	7.71%	Quarterly/monthly up to June 2029	467,109	386,779
	TJLP + 1.4%	6.40%	Quarterly/monthly up to June 2022	78,121	79,416
Import Financing (FINIMP)	122.30% of CDI	9.41%	April 2013	1,038	1,046
	109% of CDI	8.35%	October 2013	1,727	-
BNDES (FINAME)	2.50% Fixed	2.50%	Quarterly/monthly up to January 2023	4,134	-
ALL Malha Oeste				**76,711**	**78,146**
Investments - BNDES	TJLP + 1.4%	6.40%	Quarterly/monthly up to June 2022	76,711	78,146
Brado				**134,687**	**81,906**
Commercial banks (terminal)	260.1% of CDI	18.85%	Up to June 2016	14,274	14,909
BNDES (FINAME)	TJLP + 1.5%	6.42%	Up to July 2023	59,677	39,301
Export Credit Notes (NCE)	CDI + 1.39%	8.50%	Up to June 2014	48,697	16,020
Investments - BNDES	TJLP + 3.85%	9.85%	Up to July 2022	12,039	11,676
				2,925,323	**3,046,511**

Foreign currency (in US$, with swap to CDI)

	3/31/2013	12/31/2012
ALL Malha Sul		
Swap transactions	(4)	8
ALL Malha Norte		
Swap transactions	172	4
ALL Malha Paulista		
Swap transactions	(236)	-
	(68)	**12**

In local currency

	3/31/2013	12/31/2012
ALL Malha Sul		
Swap transactions	21,940	27,204
ALL Malha Oeste		
Swap transactions	5,229	5,109
	27,169	**32,313**

Foreign currency (in Argentine Pesos - P$)

	Annual charges	Effective rate	Maturity	3/31/2013	12/31/2012
ALL Argentina				**-**	**191**
Commercial banks	16.00%	16.00%	March 2013	-	191
Total subsidiaries				**2,952,424**	**3,079,027**
Total consolidated				**3,179,013**	**3,311,800**
Current portion				735,489	870,738
Long-term portion				2,443,524	2,441,062

Breakdown of long-term liabilities by year of maturity:

	Consolidated	
	3/31/2013	12/31/2012
2014	605,509	203,676
2015	487,014	682,867
2016	268,959	458,425
2017	209,795	212,520
As from 2018	872,247	883,574
Total	**2,443,524**	**2,441,062**

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
NCE - Export Credit Note
NCC - Commercial Credit Note
CG - Working capital
IGP-M - General Market Price Index
FINIMP - Import Financing

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

Borrowing is 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 pledged as guarantees.

Effective rates were calculated on an annual basis with reference to the average CDI rate of 6.96%, TJLP of 5% and IPCA of 6.58%.

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

When the Company obtains borrowing in a foreign currency, swap transactions are also contracted to hedge against Brazilian Real vs. 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 currently being met.

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

Year	**2012**	**2013**	**2014**	**2015**	**2016**
Net consolidated debt/consolidated EBITDA	3.00	2.50	2.50	2.50	2.50

The covenant regarding EBITDA to Finance Income/Costs is calculated based on the consolidated EBITDA accumulated for the past four quarters, divided by Consolidated Finance Income/Costs. For finance income/cost computation purposes, this covenant only considers interest on debentures, borrowing, hedge transactions and foreign exchange variations of the Company's foreign subsidiary "ALL Argentina". The following amounts correspond to the lower covenant limits for the period:

Year	**2012**	**2013**	**2014**	**2015**	**2016**
Net consolidated debt/consolidated adjusted EBITDA	2.00	2.00	2.00	2.00	2.00

Loan agreement covenants and penalties:

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

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

	1T122	**2T12**	**3T12**	**4T12**	**1T13**
Net debt/adjusted EBITDA	2.48	2.58	2.40	2.34	2.30
Adjusted EBITDA/finance income and costs	3.02	2.99	3.01	3.07	3.27

The adjusted EBITDA is duly presented in the management report and reconciled in the "consolidated EBITDA reconciliation" document located in the "Economic and financial data" section of ALL on the website of the Brazilian Securities Commission (CVM) (www.cvm.gov.br), as determined in CVM Instruction 527 of October 4, 2012, which addresses the disclosure of EBITDA.

15.Debentures - consolidated

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

						3/31/2013		12/31/2012	
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%	10.22%	21,761	21,612	24,099	21,549
6th issue	7/1/2006	700,000	7/1/2014	CDI + 2.40%	10.22%	68,534	66,877	72,159	66,409
8th issue - 1st	4/15/2011	539,160	4/15/2016	CDI + 1.65%	9.41%	20,014	535,401	11,561	537,443
8th issue - 2nd	4/15/2011	270,840	4/16/2018	IPCA + 8.4%	15.54%	23,730	302,178	17,108	295,339
9th issue - 1st	8/22/2011	145,769	7/15/2016	CDI + 1.65%	9.41%	1,662	141,243	10,373	141,680
9th issue - 2nd	8/22/2011	219,150	7/15/2016	CDI + 1.65%	9.41%	2,540	212,438	7,688	213,029
10th issue	10/1/2012	750,000	10/2/2017	CDI + 1.30%	9.03%	16,217	746,108	1,755	745,993
						154,458	2,025,857	144,743	2,021,442
Direct subsidiaries									
ALL Malha Sul									
3rd issue	9/8/2008	166,666	7/31/2018	108% of CDI	8.27%	2,639	182,288	8,347	189,324
						2,639	182,288	8,347	189,324
ALL Malha Norte									
1st issue	7/1/1997	100,000	6/30/2016	TJLP + 1.5%	6.50%	65,175	124,491	68,780	124,491
6th issue	9/8/2008	166,666	7/31/2018	108% of CDI	8.27%	1,277	164,227	4,748	164,086
8th issue	10/18/2002	160,000	10/19/2020	10.10% Fixed BRL	10.10%	5,425	162,048	2,568	153,949
Debentures	7/1/1997	100,000	6/30/2016	% BRL		22,657	69,024	20,673	66,808
						94,534	519,790	96,769	509,334
ALL Malha Paulista									
1st issue	9/10/2008	166,666	7/31/2018	108% of CDI	8.27%	1,277	164,227	6,309	164,086
						1,277	164,227	6,309	164,086
Consolidated						252,908	2,892,162	256,168	2,884,186

Breakdown of long-term liabilities by year of maturity:

	Consolidated	
	3/31/2013	**12/31/2012**
2014	176,385	181,861
2015	531,750	521,215
2016	641,365	645,196
2017	1,065,538	1,062,185
As from 2018	477,114	473,729
Total	**2,892,162**	**2,884,186**

Rescheduling, covenants and guarantee clauses:

There is no repricing scheduled for any of the issues of debentures.

The covenants for the issues include the financial limits detailed in Note 14 "Borrowing" and are related to the Company's consolidated profit or loss. Failure to comply with any of these limits automatically causes early maturity.

Some of the debenture issues of the Company and its subsidiaries have guarantees provided by related parties, as detailed in Note 19 "Related party transactions".

16. Lease agreements - consolidated

16.1 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 the 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 follow:

	3/31/2013		12/31/2012	
Assets	**Current liabilities**	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
ALL Malha Sul				
Wagons	67,016	170,675	67,358	179,991
ALL Malha Norte				
Rolling stock	69,719	718,940	71,472	540,402
ALL Malha Paulista				
Rolling stock	29,790	614,998	46,238	602,483
Brado Logística				
Wagons/IT equipment	445	8,551	1,023	8,551
	166,970	1,513,164	186,091	1,331,427

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

	Total future payments - years		
Assets	**Up to 1**	**From 1 to 5**	**Over 5**
ALL Malha Sul			
Wagons	86,286	185,038	444
ALL Malha Norte			
Rolling stock	76,731	335,936	58,043
ALL Malha Paulista			
Rolling stock	154,071	456,937	-
Brado Logística			
Wagons/IT equipment	7,491	-	-
	324,579	977,911	58,487

The lease agreements have various maturities, the last of which terminates in June 2022. Amounts are subject to adjustments on an annual basis based on the IGP-M, plus TJLP. In order to state payments at their present value, an average CDI rate of 10% was used.

16.2 Operating leases

		Total future minimum payments		
Assets		**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**
Vehicles	(i)	3,100	774	-
Software	(ii)	1,880	-	-
Property	(iii)	838	-	-
		5,818	774	-

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 and properties. The Company and its subsidiaries have no sub-leases or contingent payment arrangements in connection with these agreements.

(i) Vehicle lease contracts are effective for two years (beginning 4/1/2012) and may be renewed for the same period, if mutually agreed by the parties. Prices are adjusted annually by the IGP-M index, beginning April 2013.

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

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

17. 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.

	3/31/2013		12/31/2012	
	Current liabilities	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
Leases				
ALL Malha Sul	13,630	31,458	13,558	32,326
ALL Argentina	25,669	-	25,401	-
ALL Malha Paulista	-	788,677	-	766,778
ALL Malha Oeste	-	600,614	-	583,997
Concessions				
ALL Malha Sul	3,524	20,707	3,500	20,744
ALL Malha Paulista	-	22,105	-	21,910
ALL Malha Oeste	-	41,429	-	40,548
	42,823	1,504,990	42,459	1,466,303

Lease and concession agreement conditions are as follow:

	Leases and concession agreements						
	Term in years	Agreement value	Amount paid in cash	Balance	Quarterly installments	Payment beginning	Restatement index
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 the subsidiary ALL Malha Sul are allocated on a straight-line basis to liabilities and profit or loss, over the life of the corresponding agreements, plus IGP-DI variations and interest at agreed-upon rates. Installments for the grace period (1997 to 1999) are paid, with corresponding monetary restatements, over the remaining concession agreement terms.

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 the installment payments. For more information, see Note 19.

Considering that ALL Malha Norte needs the ALL Malha Paulista rail lines to continue its transportation business, which start in Mato Grosso and Mato Grosso do Sul States and end 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$ 113,529 at December 31, 2012 (R$ 113,191 at December 31, 2011).

In order to comply with the investment agreements with shareholders, entered into on May 5, 2005, ALL Malha Paulista's operations in the Bauru-Mairinque segment were transferred to ALL Malha Oeste 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, the 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, and also can be granted up to ten years prior to the contract termination.

The agreement does not provide for payments in relation to the Concession. However, it sets forth certain responsibilities of 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 environmental 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 effective agreement 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, the 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.

18. Refundable deposits, restricted amounts and provisions for contingencies

			Contingent losses			
	Judicial deposits		Probable		Possible and remote	
	3/31/2013	12/31/2012	3/31/2013	12/31/2012	3/31/2013	12/31/2012
Labor						
In Brazil	197,050	190,994	105,301	111,339	778,698	806,087
Civil, regulatory and environmental						
In Brazil	128,518	128,341	37,749	38,636	598,203	543,446
In Argentina	-	-	9,946	9,459	-	-
Tax						
In Brazil	9,391	9,149	55,765	58,680	1,968,401	1,923,543
In Argentina	-	-	-	-	-	-
	334,959	328,484	208,761	218,114	3,345,302	3,273,076

	12/31/2012	Additions	Payments	Reversals	3/31/2013
Labor	111,339	4,363	(10,242)	(159)	105,301
Civil, regulatory and environmental	48,095	3,435	(3,320)	(515)	47,695
Tax	58,680	1,046	-	(3,961)	55,765
Total	218,114	8,844	(13,562)	(4,635)	208,761

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

a) Labor claims

The subsidiaries are parties to several labor claims, and as at March 31, 2013, recorded a consolidated provision amounting to R$ 105,301 (R$ 111,339 as at December 31, 2012), to cover claims for which the likelihood of an unfavorable outcome was considered probable. The decrease in the provision amount compared to the prior period is principally due to settlement agreements entered into by the Company.

Of the proceedings pending judgment, key claims refer to overtime, 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 compensation, and others.

b) Civil, regulatory and environmental claims

Civil

The subsidiaries are parties to several civil disputes, mostly involving claims and actions for damages, such as: collisions at level crossings, rail accidents, traffic accidents, possessory actions, actions for the enforcement of extrajudicial instruments and others. Based on the opinion of its legal advisors and on historical 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 imbalance of their 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 imbalance of the Lease and Concession Agreements, due to the high levels of disbursement incurred by the Company for the 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 due and overdue the effective period of the expert inspection. In July 2005, this 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 inspection. Management deposited the amounts related to the lease installments with court until 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 amounts related to ALL Malha Oeste's overdue amounts were 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 deposit, and in May 2008 the deposit was redeemed.

Concession agreement related liabilities are recorded under Lease and Concession Agreements, as disclosed in Note 17.

Environmental

These amounts are related to 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 noncompliance with conditions imposed by the operating licenses. 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.

c) Tax

Key tax-related discussions involve "Export ICMS" (Value-added Tax on Sales and Services (ICMS) on the transportation of goods for export), which is different to the ICMS on interstate transportation, Social Integration Program (PIS)/Social Contribution on Revenue (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 made for tax claims for which the likelihood of an unfavorable outcome has been rated as possible or remote. For those considered probable, a provision was made amounting to R$ 55,765 (R$ 55,580 at December 31, 2012).

Export ICMS - The São Paulo Finance Department issued tax assessments against ALL Malha Sul, the current value of which amounts to approximately R$ 78,399, due to the non-payment of ICMS related to railroad transportation services related to goods for export, 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 Stay of Tax Proceedings that preceded the offer of a surety letter to serve as a guarantee for the court. The risk of loss on this lawsuit is considered possible.

ALL Malha Oeste was served a tax notice referring to the same matter, currently amounting to approximately R$ 30,807. All tax assessments are being challenged at the judicial level with surety letters to serve as guarantees for the courts. 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 for export, considering a provision in Article 155 of Brazilian Federal Constitution, and in Article 3, item II, of Law 87/1996. The risk of loss of this lawsuit is considered by the Company's legal counsel as possible.

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 on the transportation of goods for export, 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$ 70,940 (current amount). ALL Malha Norte appealed against this decision at the Court of Administrative Tax Appeals. This appeal is pending judgment. The risk of loss of this lawsuit is considered as possible.

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 (TJ/RS) 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, the State of Rio Grande do Sul filed an Extraordinary Appeal with the Federal Supreme Court (STF), which stated to be favorable in relation to the credits, and only determined the return of the claim so that the Court of Justice of the State of Rio Grande do Sul voices an opinion in relation to the rate differential. In relation to the determination of the STF concerning the return of the judicial instruments to TJ/RS, ALL filed an appeal which is pending judgment. The tax assessments discussed in court amount to approximately R$ 21,924, 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 the Higher Courts. In addition, Supplementary Law 87/96 authorized the full use of the tax credits arising from the acquisition of fixed asset items. For this lawsuit, the likelihood of loss is considered possible.

PIS/COFINS - Mutual traffic - ALL Malha Paulista was served a tax assessment for the non-payment of PIS and COFINS regarding revenue from mutual traffic and right of way, and is

challenging the restated amount of R$ 79,670, 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 the 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 borrowing 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. For this lawsuit, the likelihood of loss is considered possible.

Municipal Real Estate Tax (IPTU) - ALL Malha Sul and ALL Malha Paulista have approximately R$ 6,011 relating to IPTU taxation on Federal Government-owned properties, which, due to the concessions granted, are held for the purpose of providing railroad transportation services. However, the Federal Constitution sets forth that no taxes are to be levied on Federal Government-owned properties, and the companies have already been awarded several favorable decisions. For this lawsuit, the likelihood of loss is considered possible.

Service Tax (ISS) - Portofer was served three tax assessments currently amounting to approximately R$ 2,862. These were issued by the Santos City tax authorities, which disregarded the legal form of Portofer (a 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 the tax assessments should 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$ 63,988 regarding IRPJ and CSLL. These amounts relate to the disallowance of expenses for 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 Internal Revenue Service. The company considers the risk of this tax assessment to be possible, since the asset lease agreements were necessary, usual and normal to ALL Intermodal's 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$ 38,646, 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, which in November 2012 obtained a partially favorable decision that reduced the debt to approximately R$ 700. The company filed a special appeal with the High Court to discuss the amount under litigation. For this lawsuit, the likelihood of loss is considered possible.

IRPJ/CSLL - ALL S.A. - A tax assessment was served by the Brazilian Federal Revenue Secretariat amounting to 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 interests in companies from the same economic group, in view of the 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, which maintained part of the tax debt. For this lawsuit, the likelihood of loss is considered possible.

Social security contributions - Stock Options - A tax assessment was served by the Brazilian Federal Revenue Secretariat at an updated amount of R$ 28,906 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. For this lawsuit, the likelihood of loss is considered possible.

IRRF - ALL Malha Paulista requested the offsetting of credits from the negative balance of income tax for 2009, with a computation period from January 1, 2008 to December 31, 2008. The Brazilian Federal Revenue Service, after judging the offsetting 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$ 50,687. 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 investments, 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 Offsetting (PER/DCOMP), which is the subject matter of the proceedings. Currently, the Company is waiting for a decision regarding the objection filed. For this lawsuit, the likelihood of loss is considered possible.

Payment in installments of MP 470 - ALL Malha Sul and ALL Intermodal had their requests for installment payment under Provisional Measure (MP) 470, of October 13, 2009, partially granted by the Brazilian Federal Revenue because the tax authority understands that the companies did not have a sufficient balance of income tax and social contribution losses to offset the debts included in this installment payment. The partial granting of the installment payment requests originated the administrative proceedings of ALL Malha Sul and ALL Intermodal, the current amounts of which (R$ 88,696 and R$ 10,105, respectively) are awaiting judgment at the lower administrative court. For these lawsuits, the likelihood of loss is considered possible.

Due to the characteristics of the Brazilian legal and regulatory environment, it is not possible to reliably estimate the time it will take for these lawsuits to be resolved.

19. Related-party transactions

Entities considered related parties are reported in Note 3.

	Parent							
	Long-term receivable		Non-current liabilities		Revenue		Expenses/Costs	
	31/03/13	31/12/12	31/03/13	31/12/12	31/03/13	31/03/12	31/03/13	31/03/12
Subsidiaries								
ALL Argentina	85,455	88,460	4,348	4,348	-	-	-	-
ALL Equipamentos	-	98	-	-	-	-	-	-
ALL Intermodal	-	-	569	-	-	-	-	-
ALL Malha Norte	-	-	-	-	-	3,069	-	-
ALL Malha Paulista	-	203	-	-	10,933	15,259	-	-
ALL Malha Sul	304	214	-	-	-	301	-	-
ALL Overseas	211	-	-	-	-	-	-	-
ALL Participações	-	-	11	11	-	-	-	-
ALL Rail Management	-	4,479	-	-	-	-	-	-
ALL Serviços	1,762	-	2,215	-	-	-	109	412
Boswells	-	2,048	12,762	12,762	-	-	-	-
Santa Fé	2,100	-	-	-	-	-	-	-
Associates								
PGT	-	-	77	77	-	-	-	-
	89,832	95,502	19,982	17,198	10,933	18,629	109	412

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

There is no insurance coverage for related-party transactions.

For the period ended March 31, 2013, there was no contingency with respect to related party receivables. This assessment is made every financial year, by examining related parties' financial positions and the market in which each party operates. The Company did not record a provision for the impairment of trade receivables on existing balances.

The subsidiary ALL Malha Norte has a debenture transaction with BNDES Participações S.A. (a stockholder of ALL), bearing market interest amounting to R$ 281,347 at March 31, 2013, maturing through June 2016.

Additionally, there are operational agreements between the ALL group companies, carried out strictly in accordance with agreed-upon conditions, as well as loan agreements executed with the indirect Argentinian subsidiaries ALL Mesopotàmica and ALL Central, whose amounts at March 31, 2013 totalled R$ 18,023 and R$ 67,473 and maturating in 2013 and 2014, respectively.

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

	Guaranteed entity			
	ALL S.A.	**ALL Malha Sul**	**ALL Malha Paulista**	**ALL Malha Norte**
Guarantors				
ALL S.A. (subsidiary)				
Debentures	-	184,927	165,504	332,977
BNDES	-	184,512	78,546	-
CCB	-	614,598	-	-
	-	984,037	244,050	332,977
ALL Malha Sul				
Debentures	2,180,315	-	-	-
ALL Malha Norte				
Debentures	2,001,530	-	-	-
ALL Malha Paulista				
Debentures	2,001,530	-	-	-
ALL Malha Oeste				
Debentures	2,001,530	-	-	-
ALL Intermodal				
Debentures	178,784	-	-	-
CCB	-	335,383	-	-
	178,784	335,383	-	-

The Company has adopted the corporate governance practices recommended and/or required by the 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 decisions regarding all the Company's transactions are submitted to the Board of Directors, the Executive Board or the Statutory Audit Committee, according to the attributes described in the bylaws. Accordingly, all 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 and subsequent amendments, any member of the Company's Board of Directors who has a conflict 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.

20. Provision for unrealized profits

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 profits amounting to R$ 19,312 for this transaction, recorded in long-term liabilities. Up to March 31, 2013, R$ 8,368 (R$ 8,182 up to December 31, 2012) was realized. The realization of the profit is recognized on a straight line basis over the period of the right of use.

21. Anticipation of mortgages – CRI – consolidated

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

		3/31/2013		12/31/2012	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
ALL S.A. (parent company)	(i)	31,828	126,428	43,375	133,304
ALL Malha Norte	(ii)	119,202	215,254	107,655	228,560
		151,030	341,682	151,030	361,864

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, and the first CRI matured in March 2009 and the last one matures in 2018. The financial charges on this transaction are allocated on a monthly basis to the statement of operations.

(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, and 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 operations.

22. Deferred revenue - consolidated

		3/31/2013		12/31/2012	
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Parent					
Vetria Mineração S.A	(iv)	-	1,997,183	-	1,997,183
Subsidiaries					
ALL Intermodal	(i)	34	395	34	404
ALL Malha Norte	(ii)	1,528	9,396	1,528	9,778
ALL Malha Paulista	(iii)	858	12,282	858	12,497
ALL Malha Sul	(iii)	191	2,346	191	2,394
		2,611	2,021,602	2,611	2,022,256

(i) This refers to deferred revenue arising from capital contributions through free leases of land (up to 2025) made by ALL Intermodal to Rhall Terminais Ltda., allocated over the remaining concession agreement 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 arises from agreements entered into with communications 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 operations on a straight line basis over the remaining concession period.

(iv) Investment in Vetria, whose counter-entry is deferred revenue in long-term liabilities, which will be deferred in accordance with the depletion and sale of the ore.

23. Taxes and social security contributions payable in installments - consolidated

	3/31/2013		12/31/2012	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Law 11,941/09 (i)	31,780	157,368	33,452	160,831
Education allowance	343	-	343	-
Services Tax (ISS)	353	237	385	322
INSS	618	-	684	-
ICMS/Value-added Tax (IVA)	170	-	260	-
	33,264	157,605	35,124	161,153

(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 promptly.

24. Equity

a) Share capital

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

	3/31/2013	12/31/2012
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.

b) Treasury shares

In the first quarter of 2013, 1,117,653 shares were used (1,387,864 at December 31, 2012) to settle share options exercised during the period. The transfers were recorded at the weighted average cost of treasury shares (R$ 9.15).

During the first quarter of 2012, the Company did not repurchase shares.

At March 31, 2013, the Company held 4,473,957 common shares in treasury (5,591,610 at December 31, 2012), at an average cost of R$ 9.15 (R$ 9.15 at December 31, 2012).

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 reserve

Pursuant to the Brazilian Corporation Law, a legal reserve must be 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 and subsequent amendments, which determines that this reserve shall not exceed the Company's subscribed capital. An amount not less than 25% and not exceeding 75% of the 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 and its subsidiaries' activities, including through the subscription of capital increases or the development of new ventures.

e) Advances on future capital increases

The amounts received as advances on future capital increases, 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 the IRPJ (corporate income tax) and non-refundable surcharges computed on its operating profit (as defined), since it is located in the area which comprises the Legal Amazon, and the 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 the 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 ten year period, from 2008 and expiring in 2017.

The legal grounds for benefit recognition were created by Provisional Measure 2,199-14, in 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 March 31, 2013 on profits from tax incentive operations was R$ 24,354 (R$ 13,969 at March 31, 2012), recorded as a reduction in the IRPJ and CSLL expenses 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 are intended to increase and maintain investments in the Legal Amazon region, by fostering the development of that region through increased employment, income and production levels, 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 at the 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.

25. 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$ 2,170 at March 31, 2013 (R$ 5,350 at March 31, 2012).

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 including 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 the specific applicable rules, considering the 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 include two groups of beneficiaries, with different agreement types, herein referred to as "Agreement A" (common to all programs) and "Agreement B" (included from the "2006 Program" onwards).

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 annual contributions for the acquisition of 18% of total shares, so that, by the end of the fifth 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 in the following respect:

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 by the Company. As a result, the fair value of the 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:

	2013		**2012**	
	No.	MPPE	No.	MPPE
Opening balance	11,597,787	12.63	8,310,924	12.73
New grants		-	5,490,000	9.30
Lost		-	(1,383,532)	-
Exercised		-	(819,605)	5.11
Closing balance	**11,597,787**	12.88	**11,597,787**	12.63
Vested			6,480,503	
Not vested	11,597,787		5,117,284	

No shares were exercised in 2013. The weighted average price of shares was R$ 9.75, in 2012.

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

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-in 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 on future capital increases, within 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 from the second base date, in compliance with Law 6,404/76 and subsequent amendments.

The weighted average of the remaining contractual term of the stock options was 63 years at March 31, 2013. The maximum and minimum option exercise prices at March 31, 2013 were R$ 17.16 and R$ 10.09, respectively.

The following table lists the assumptions included in the model used to estimate the latest fair value of the grant options:

	2013
Expected volatility (%)	36.4%
Risk-free interest rate (%)	6% + IGPM
Expected option life (years)	6
Weighted average share price (R$)	11
Pricing model used	Black & Scholes

The 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 involved 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 was 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.

During the vesting period, 1.056.250 options were lost, and at the end of the period of the subtotal remaining (1,943,750 options), 57.50% were delivered to the beneficiaries according to the Program rules. The exercise price was R$ 0.01 per share. As the exercise price is close to zero, the fair value of the option is equivalent to the market value of the share on the program grant date (R$ 16.50).

In a meeting held on October 23, 2012, the Committee approved the possibility of the outstanding unexercised options based on the EBITDA target for 2012 being restored and exercised by employees and administrators conditioning cumulatively: (i) to maintain their working relationships with the Company until December 31, 2014, (ii) to achieve individual and operational targets, and (iii) the Company achieving its EBITDA targets for 2014.

The exercise price remains R$ 0.01 per share. As the exercise price is close to zero, the fair value of the option, related to the undelivered balance in 2012, is equivalent to the market value of the share on the date of this new grant (R$ 9.46).

26. Net finance result

	Parent		Consolidated	
	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Interest on indebtedness/debentures/sureties	(47,456)	(55,381)	(172,090)	(185,605)
Fines/Interest - Tax/Suppliers/Wagons	(665)	(5,991)	(50,831)	(36,016)
Interest on leases and concessions	-	-	(58,589)	(58,251)
Customers/PVA/Other	(7,322)	(21)	(3,433)	(1,096)
Total finance costs	(55,442)	(61,393)	(284,943)	(280,968)
Income from financial investments	12,323	16,759	40,693	43,680
Remuneration of debentures	4,944	1,999	-	-
PVA/Other	441	451	2,382	1,996
Total finance income	17,708	19,209	43,075	45,676
Net finance result	(37,734)	(42,184)	(241,868)	(235,292)

27. Earnings (loss) per share

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

	Parent		Consolidated	
	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Basic earnings (loss) per share				
Numerator				
Profit attributed to the Company's stockholders	33,931	(2,363)	33,931	(2,363)
Denominator (in thousands of shares)				
Weighted average number of common shares	682,959	682,195	682,602	682,195
Basic earnings (loss):				
Per common share	0.0497	(0.0035)	0.0497	(0.0035)
Diluted earnings per share				
Numerator				
Profit attributed to the Company's stockholders	33,931	(2,363)	33,931	(2,363)
Denominator (in thousands of shares)				
Weighted average number of common shares	682,959	682,195	682,602	682,195
Dilution effect				
Stock options	14,598	13,050	14,598	13,050
Weighted average number of common shares adjusted by the dilution effect	697,200	695,245	697,200	695,245
Diluted earnings (loss):				
Per common share	0.0487	(0.0034)	0.0487	(0.0034)

28. Segment information

Information per business segment, for the periods ended December 31, 2012 and 2011, is as follows:

Finance Results by Business Unit

	Agricultural commodities (i)		Manufactured products (ii)		Argentina		Brado		Ritmo / Road Transport		Total	
	03/31/2013	03/31/2012	03/31/2013	03/31/2012	03/31/2013	03/31/2012	03/31/2013	03/31/2012	03/31/2013	03/31/2012	03/31/2013	03/31/2012
Net revenue	565,188	458,479	146,985	154,619	52,022	45,738	67,149	54,395	58,658	55,288	890,002	768,519
Cost of services	(289,772)	(258,349)	(116,066)	(106,909)	(58,504)	(44,753)	(53,884)	(43,837)	(53,387)	(51,059)	(571,613)	(504,907)
Gross profit	275,416	209,441	30,919	52,415	(6,482)	985	13,265	10,558	5,271	4,230	318,389	277,629
EBIT	252,093	181,058	27,430	40,508	(12,983)	(3,664)	5,817	5,304	3,706	3,134	276,063	226,340

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

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.

29. Other operating information

29.1. Other operating income/expenses

Other operating income

	Parent		Consolidated	
	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Sales of property and equipment	-	-	-	651
Sales of available-for-sale assets	-	7,638	-	6,718
Other	184	186	3,820	125
Total	184	7,866	3,820	7,494

Other operating expenses

	Parent		Consolidated	
	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Fees				
Fuels not consumed in operations	228	12	1,454	64
Deductible donations	-	-	3,366	430
Disposals of property and equipment	-	-	420	-
Write-off of unusable assets	-	-	2,380	3,079
Other	-	-	-	106
Total	**228**	**12**	**7,620**	**3,679**
	(44)		**(3,800)**	**3,815**

	7,854		

29.2. Depreciation, amortization and fuels included in the consolidated statement of operations

	Parent		Consolidated	
	3/31/2013	**3/31/2012**	**3/31/2013**	**3/31/2012**
Fuel	-	-	131,598	122,400
Outsourced services	2,282	-	96,537	-
Depreciation and amortization	14,508	14,968	130,891	118,941

29.3. Net revenue

	Parent		Consolidated	
	3/31/2013	**3/31/2012**	**3/31/2013**	**3/31/2012**
Gross revenue	17,579	18,621	994,432	890,409
(-) Deductions (taxes, discounts and cancellations)	(2,002)	(1,740)	(104,430)	(121,890)
Net revenue	**15,557**	**16,881**	**890,002**	**768,519**

30. Insurance - consolidated

At December 31, 2012, the insurance cover established by the Company's management to cover losses and civil liability can be summarized as follows:

Line	Insurance by event	Amount insured		Duration
Operating railroad risks	Assets - material damage and loss of profits	R$	60,000	9/15/2012 to 9/15/2013
Civil liability - railroad operations	Operations, pollution, employer's liability, vehicles (contingencies) and port activities	R$	10,000	4/30/2012 to 4/30/2013
Railroad cargo insurance	Civil liability on 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.

31. Financial instruments

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

	Carrying amount		Fair value	
	3/31/2013	**12/31/2012**	**3/31/2013**	**12/31/2012**
Financial assets				
Cash and cash equivalents	2,341,608	2,508,360	2,341,608	2,508,360

Trade receivables	398,298	392,797	398,298	392,797
Intercompany loans receivable	575	850	575	850
Advances and other receivables	186,432	126,817	186,432	126,817
Refundable deposits and restricted amounts	334,959	32,848	334,432	328,484
Total	**3,261,872**	**3,061,672**	**3,261,345**	**3,261,872**

	Carrying amount		Fair value	
Financial liabilities	**3/31/2013**	**12/31/2012**	**3/31/2013**	**12/31/2012**
Debentures	3,145,070	3,140,354	3,145,070	3,140,354
Intercompany loans payabble	2,926	2,786	2,926	2,786
Advances from customers	176,458	149,719	176,458	149,719
Finance leases	1,680,134	1,517,518	1,680,134	1,517,518
Borrowings	3,179,013	3,311,800	3,179,013	3,322,414
Advances on real estate credits	492,712	512,894	492,712	512,894
Trade payables	557,498	513,909	557,498	513,909
Total	**9,233,811**	**9,148,980**	**9,233,811**	**9,159,594**

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 are based on the prices quoted at the date of the financial statements. The fair values of instruments not held for trading, bank loans and other financial debts, finance lease agreements, as well as other non-current financial liabilities, are equivalent to their carrying amounts, which correspond 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 does not use derivative financial instruments for speculative purposes.

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

a) Credit risk

The Company and its subsidiaries are potentially subject to credit risk on their trade receivables or investments with financial institutions. The procedures adopted to minimize commercial risks include selecting customers, through proper credit risk analysis, as well as setting sales limits and short-term maturities of receivables. A provision has been made for the full amount of the estimated losses related to these 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 classifications 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 risk.

In order to avoid the effects 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 a portion of the liabilities previously indexed to CDI. The third 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 ninth issue of debentures of ALL - America Latina Logistica S/A are now at fixed interest rates. These swaps ensure that the interest rate effects on the Company's profit or loss are 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 the profit or loss for the following twelve months, for swaps and corresponding hedged items. Management considered the CDI projection for 2013 as the probable scenario, according to the bank projections available from the Focus Bulletin of the Brazilian Central Bank:

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

Interest rate appreciation risk

Operation	Risk	Notional amount	Fair value at 3/31/2013	Probable scenario	+25%	+50%
FINANCIAL ASSETS AND LIABILITIES						
3rd issue debentures	CDI	166,666	19,424	15,469	19,336	23,203
Asset position swap - Counterparty HSBC	CDI	(166,666)	(19,424)	(15,469)	(19,336)	(23,203)
CCB	CDI	90,489	21,940	13,296	16,204	19,112
Asset position swap - Counterparty Santander	CDI	(90,489)	(21,940)	(13,290)	(16,197)	(19,104)
9th issue debentures	CDI	367,590	(1,316)	37,631	45,531	53,430
Asset position swap - Counterparty Morgan Stanley	CDI	(367,590)	1,316	(37,631)	(45,531)	(53,430)
1st issue debentures	CDI	166,667	1,561	15,469	16,832	20,199
Asset position swap -	CDI	(166,667)	(1,561)	(16,891)	(16,832)	(20,199)

Counterparty Bradesco						
8th issue debentures	CDI	539,160	2,650	57,590	59,592	69,700
Asset position swap - Counterparty Santander	CDI	(539,160)	(2,650)	(57,595(	(59,590)	(69,698)
6th issue debentures	CDI	-	-	-	-	-
Asset position swap - Counterparty Bradesco	CDI	-	-	-	-	-
Taxes payable in installments	CDI	-	(190,292)	(17,596)	(20,210)	(24,252)

References

Average CDI (p.a.)	8.50%	10.63%	12.75%

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

The result of the ineffective portion of the variation in the fair value of hedge instruments is immaterial. In addition, the effect on profit or loss and equity is, approximately, the same.

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 Brazilian 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 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 flow.

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 2013 as the probable scenario, according to macroeconomic projections.

Foreign currency appreciation risk

Operation	Risk	Notional amount (USD thousand)	Fair value at 3/31/2013	Probable scenario	+25%	+50%
FINANCIAL ASSETS AND LIABILITIES						
Foreign currency appreciation risk - Effect on investments:						
Financial investments	US$	2,219	4,393	44	1,154	2,263
Net effect on financial investments		**2,608**	**4,393**	**44**	**1,154**	**2,263**
Foreign currency appreciation risk - effect on trade payables/imports:						
Long-term trade payables	US$	(30,255)	(68)	(1,219)	(31,683)	(62,147)
Asset position swaps by counterparty:						
Counterparty HSBC	US$	23,727	236	956	24,847	48,738
Counterparty Citibank	US$	1,775	(165)	71	1,859	3,646
Counterparty Itaú	US$	4,793	(3)	193	5,019	9,846
Net effect on trade payables/imports		**40**	**-**	**2**	**42**	**83**
References						
USD/R$				2.00	2.50	3.00

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

The result of the ineffective portion of the variation in the fair value of the hedge instruments is immaterial. In addition, the effect on profit or loss and equity is approximately the same.

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 borrowing, which would increase its finance costs, or on its investments, which would reduce its finance income. In the parent company, this risk has an impact on net debt indexed to the CDI (total debt indexed to the CDI, investments indexed to the 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 the 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 the rates projected for 2013 as the probable scenario. As alternative scenarios, an increase in rates was simulated, considering that the Company has a net debt position:

Debt financial charge deterioration risk

Operation	Risk	Probable scenario	+25%	+50%
FINANCIAL ASSETS AND LIABILITIES				
CASH				
Investments indexed at CDI	CDI	177,966	222,458	266,949
Fixed income investments	FIXED	17,450	17,450	17,450
Borrowing				
Financing indexed at TJLP	TJLP	155,006	183,216	211,427
Financing indexed at CDI	CDI	61,679	77,595	93,511
Financing fixed/floating rates through swaps, as in item b	FIXED /	20,260	20,261	20,262
Debentures indexed at CDI	CDI	156,311	186,925	217,539
Debentures fixed through swaps, as in item b	FIXED	118,114	138,112	158,110
IPCA	IPCA	47,646	52,684	57,722
Advances on real estate receivables indexed at the CDI	CDI	53,445	64,141	74,838
References				
Average CDI (p.a.)		8.50%	10.63%	12.75%
TJLP		5.00%	6.25%	7.50%
IGPM		5.00%	6.25%	7.50%
IPCA		5.68%	7.10%	8.52%

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 transactions with derivative instruments by maturity

Description	Reference Value		Fair Value		Accumulated Effect (Current Period)	
	03/31/13	12/31/12	03/31/13	12/31/12	Receivable/Received	Amount Payable/paid
Swap Contracts						
Net Position						
Currency risk	USD	USD	R$	R$	R$	R$
[1] Maturity USD x %CDI:						
4T12	-	22,318	-	-	-	-
2T13	1,470	1,470	(83)	(12)	-	(83)
4T13	3,300,421	-	80	-	80	-
Maturity EUR x % CDI:	EUR	EUR	R$	R$	R$	R$
1T14"	1,377,600	-	(165)	-	-	(165)
Interest Rate Risk	R$	R$	R$	R$	R$	R$
[2] Fixed/Floating Rates - Maturity:						
1T13'	1,890,722	1,890,722	-	(16,812)	-	-
2T13'	107,409	107,409	(5,229)	(5,109)	-	(5,229)
4T13'	23,652,701	-	236	-	236	-
1T14'	898,836	898,836	3,211	(413)	3,211	-
4T14'	75,000	75,000	(21,940)	(23,127)	-	(21,940)
1T18'	150,000	150,000	16,898	19,156	16,898	-
3T18'	166,667	166,667	(19,424)	(28,836)	-	(19,424)
4T20'	160,000	160,000	(1,038)	6,129	-	(1,038)
TOTAL			**(27,454)**	**(49,024)**	**20,425**	**(47,879)**

1 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%.

2 The fair value of derivatives is recorded as current and non-current borrowing, 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 borrowing in current liabilities. All derivatives are used as hedges.

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

The fair value of derivatives was estimated based on foreign exchange rate curves and current BM&F interest rates at March 31, 2013, for future value projections, as well as DI future rates of BM&F to bring this cash flow to its 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 March 31, 2013 for hedging derivative financial instruments is a debit balance of R$ 13,358 (at March 31, 2012 a credit balance of R$ 2,526). Gains and losses from swaps related to the hedge structure recorded in equity amount to a credit balance of R$ 5,369 at March 31, 2013 (a debit balance of R$ 3,596 at March 31, 2012).

f) Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flow at the current market interest rate that is available to the Company for similar financial instruments.

The Company adopted CPC 40/IFRS 7 for financial instruments at fair value. The Company uses the following criteria to classify instruments in the hierarchy levels of fair value:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

At March 31, 2013 and 2012, the financial assets and liabilities measured or disclosed at fair value were classified at Level 2 of the fair value hierarchy, which is determined using information adopted by the market for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

g) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed with reference to historical information regarding the default rates of the counterparties, as described below:

Group 1 - New customers/related parties (less than six months).

Group 2 - Existing customers/related parties (more than six months) with no defaults in the past.

Group 3 - Existing customers/related parties (more than six months) with some defaults in the past.

	3/31/2013	12/31/2012
Trade receivables		
Counterparties without external credit rating		
Group 1	364,298	358,367
Group 2	33,702	38,076
	398,298	396,443

32. 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 the predominant characteristics of a defined contribution plan during the reserve accumulation period. The only defined benefit element, in the accumulation period, is equivalent to six months' salary, at the most, paid in the event of death, disability or retirement, calculated according to the formulae and conditions established in the plan's regulation.

Contributions are made, on average, in the proportion of 67% by the sponsor and 33% by 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 an annual 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, 2012. The base date used in the assessment was October 2012.

	3/31/2013	12/31/2012
Participants	39	39
Total assets	10,329	10,329
Actuarial assets	2,892	2,892
Sponsor's contributions (% payroll)	0.89%	0.89%
Participation payroll	792	792

The plan also has a defined benefit portion in the concession phase, whose actuarial liability reflects the monthly life annuities granted to its participants. The present value of the actuarial liability of Sponsored Participants was calculated based on the mortality table AT-83 and on a financial discount rate of 8.04% p.a., being fully covered by the Plan's Net Assets, and an actual rate of return on assets of 8.74%, resulting in a return on assets of R$ 970.

The plan has financial coverage of actuarial liabilities, and a surplus of R$ 342 at December 31, 2012. This reserve relates to the remaining balance 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.

33. Subsequent Events

On April 12, 2013, the Board of Director approved the incorporation of Santa Fé Vagões S.A. by ALL - América Latina Logísitca Malha Sul S.A.. Due to the incorporation, the capital of ALL Malha Sul increased by R$ 8,654, with the issuance of 21,315,529,773 new shares, 8,453,865,470 ordinaries and 12,861,664,303 preferred, all registered and without par value, at a price of R$ 0.000406 per share.

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