(A free translation of the original in Portuguese)

ALL - América Latina Logística S.A. and subsidiaries

Financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) at December 31, 2014

ALL - América Latina Logística S.A.

Contents

Independent auditor's report 03

Balance sheets…….....04

Statements of operations and other comprehensive income (loss) 07

Statements of changes in equity ……......08

Statements of cash flows …….....09

Statements of value added …….....10

Notes to the financial statements …….....11

ALL - América Latina Logística S.A.

**** Please refer to the Portuguese version of these financial statements for the Auditor's Opinion ****

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

BALANCE SHEETS

YEARS ENDED DECEMBER 31, 2014 AND 2013 AND JANUARY 1, 2013

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

		Parent company			Consolidated		
	Note	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	4	29,639	70,945	842,318	1,327,122	2,636,499	2,262,472
Investment securities	5	805	463	8,812	190,977	16,558	7,075
Trade receivables	6	7,889	39,757	17,961	381,630	423,185	392,797
Inventories		93	2,557	5,371	102,657	166,343	160,904
Taxes and contributions recoverable	7	901	901	1,837	339,234	412,468	323,003
Income tax and social contribution recoverable	7	-	72,973	87,391	21,839	132,834	137,922
Derivative instruments	30	-	6,162	-	-	-	-
Dividends and interest on capital		18,713	81,209	21,276	5,737	-	2,539
Other assets		8,241	32,893	22,023	134,719	250,259	149,740
Total current assets		66,281	307,860	1,006,989	2,503,915	4,038,146	3,436,452
Non-current assets available for sale	29	-	-	-	126,382	-	-
		66,281	307,860	1,006,989	2,630,297	4,038,146	3,436,452
NON-CURRENT ASSETS							
Trade receivables	6	25,672	30,090	-	25,672	30,090	-
Investiment securities	5	23,521	22,601	30,084	197,565	244,301	218,603
Intercompany loans receivable	20	7,496	2,322	95,502	-	-	-
Debentures		-	-	212,519	-	-	-
Derivative instruments	30	8,240	8,880	18,139	-	-	-
Taxes and contributions recoverable	7	-	-	1,878	542,786	416,841	423,826
Income tax and social contribution recoverable	7	69,469	-	-	155,568	44,308	38,867
Deferred income tax and social contribution	8	-	-	-	1,025,037	834,854	749,844
Judicial deposits	19	4,840	5,244	4,716	330,810	330,166	328,484
Other assets		36,306	39,202	9,593	113,196	184,607	163,029
Investments	9	5,351,038	7,899,674	6,896,336	41,230	1,925,334	2,010,370
Intangible assets	11	5,714	69	393	2,275,217	2,410,244	2,464,546
Property and equipment	10	2,880	55,587	57,999	8,511,428	8,745,686	7,869,369
Total non-current assets		5,535,176	8,063,669	7,327,159	13,218,509	15,166,431	14,266,938
TOTAL ASSETS		5,601,457	8,371,529	8,334,148	15,848,806	19,204,577	17,703,390

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

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

BALANCE SHEETS

YEARS ENDED DECEMBER 31, 2014 AND 2013 AND JANUARY 1, 2013

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

		Parent company			Consolidated		
	Note	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Loans and borrowings	13	94,315	83,865	83,334	3,757,335	937,582	1,000,305
Debentures	14	2,043,303	135,575	135,106	2,768,126	220,876	221,567
Leases	15	-	-	-	432,563	220,460	154,519
Advances on real estate credits	17	59,018	34,558	29,387	359,937	155,264	151,030
Derivative instruments	30	-	-	10,571	13,040	9,630	24,474
Trade payables	18	136,700	81,719	5,520	986,146	672,832	374,259
Taxes payable		5,883	6,735	4,456	29,620	27,054	34,759
Leases and concessions	16	-	-	-	18,453	17,878	42,459
Taxes and social security contributions		116	502	8,630	71,643	111,752	117,926
Advances from customers		25,139	-	521	40,914	186,469	149,719
Taxes and social security contributions payable in installments	22	-	-	492	7,296	25,382	35,124
Other payables		11,654	9,130	9,115	124,650	113,428	118,553
Deferred revenue	21	-	-	-	226,071	392,541	36,866
Dividends and interest on capital		5,251	8,331	61,194	5,276	12,564	64,824
Total current liabilities		2,381,379	360,415	348,326	8,841,070	3,103,712	2,526,384
Non-current liabilities held for sale	29	-	-	-	49,119	-	-
		2,381,379	360,415	348,326	8,890,189	3,103,712	2,526,384
NON-CURRENT LIABILITIES							
Loans and borrowings	13	-	88,869	166,774	221,784	3,088,176	2,436,141
Debentures	14	-	1,945,797	2,021,326	45,807	2,722,485	2,864,556
Leases	15	-	-	-	1,370,963	1,616,214	1,331,427
Advances on real estate credits	17	-	43,356	65,191	-	280,681	361,864
Derivative instruments	30	-	-	-	-	21,563	24,551
Payables to related parties	20	780,307	35,021	17,198	-	-	-
Provision for contingencies	19	2,214	-	-	275,996	210,670	218,114
Leases and concessions	16	-	-	-	1,885,448	1,647,383	1,466,303
Provision for unrealized profits		9,642	10,386	11,130	-	-	-
Advances from customers		-	-	-	14,049	-	-
Taxes and social contributions payable in installments	22	-	-	5,334	22,833	146,323	161,153
Other payables		-	-	-	239,100	143,402	416,410
Provision for net capital deficiency in subsidiary	9	355,711	40,555	10,689	-	-	-
Deferred revenue	21	-	1,991,237	1,997,183	541,141	2,121,577	2,132,816
Total non-current liabilities		1,147,874	4,155,221	4,294,825	4,617,121	11,998,474	11,413,335
Total liabilities		3,529,253	4,515,636	4,643,151	13,507,310	15,102,186	13,939,719
EQUITY	23						
Capital		3,448,283	3,448,283	3,433,941	3,448,283	3,448,283	3,433,941
Capital reserves		315,978	315,100	82,809	315,978	315,100	82,809
Revenue reserves		225,003	708,947	708,608	225,003	708,947	708,608
Accumulated losses		(1,908,955)	(495,850)	(512,750)	(1,908,955)	(495,850)	(512,750)
Other Equity components		(8,105)	(120,587)	(33,802)	(8,105)	(120,587)	(33,802)
		2,072,204	3,855,893	3,690,997	2,072,204	3,855,893	3,690,997
Non-controlling stockholders		-	-	-	269,292	246,498	72,674
Total equity		2,072,204	3,855,893	3,690,997	2,341,496	4,102,391	3,763,671
TOTAL LIABILITIES AND EQUITY		5,601,457	8,371,529	8,334,148	15,848,806	19,204,577	17,703,390

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

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENT OF OPERATIONS

YEARS ENDED DECEMBER 31, 2014, 2013 AND JANUARY 1, 2013

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

		Parent company		Consolidated	
	Note	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Continuing operations					
Net services revenue	28.2	43,513	53,768	3,662,250	3,435,960
Cost of services	25	(56,818)	(59,532)	(2,913,747)	(2,091,888)
Gross profit (loss)		(13,305)	(5,764)	748,503	1,344,072
Sales, general and administratives expenses	25	(54,176)	(31,624)	(269,524)	(205,706)
Other operating income (expenses), net	28.1	4,625	19,619	(44,846)	30,063
Provision for impairment	12/25	(89,196)	-	(1,103,195)	-
		(138,747)	(12,005)	(1,417,565)	(175,643)
Results of investments					
Equity in the results of subsidiaries	9	(1,026,197)	549,959	11,118	9,001
Provision for net capital deficiency in subsidiaries	9	(315,415)	(35,588)	-	-
Gains/losses on investments	9	(1)	(98,357)	(2,250)	(101,930)
		(1,341,613)	416,014	8,868	(92,929)
Operating profit (loss) before finance result, and income tax and social contribution		(1,493,665)	398,245	(660,194)	1,075,500
Finance costs	26	(283,333)	(232,007)	(1,497,080)	(1,076,655)
Finance income	26	10,094	45,570	226,743	170,712
		(273,239)	(186,437)	(1,270,337)	(905,943)
Profit (loss) before taxes		(1,766,904)	211,808	(1,930,531)	169,557
Current income tax and social contribution	8	-	-	(88,816)	(51,896)
Deferred income tax and social contribution	8	278	-	295,488	104,296
		278	-	206,672	52,400
Profit (loss) from continuing operations		(1,766,626)	211,808	(1,723,859)	221,957
Discontinued operations					
Loss from discontinued operations	29	(130,854)	(181,878)	(150,432)	(179,297)
Profit (loss) for the year		(1,897,480)	29,930	(1,874,291)	42,660
Attributable to					
Owners of the Company				(1,897,480)	29,930
Non-controlling interests				23,189	12,730
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					
Per common share - continuing operation	27			(2.5609)	0.3063
Per common share -discontinued operation	27			(0.2205)	(0.2625)
Diluted earnings (loss) per share					
Per common share - continuing operation	27			(2.5609)	0.3029
Per common share -discontinued operation	27			(0.2205)	(0.2596)

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

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
YEARS ENDED DECEMBER 31, 2014 AND 2013
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Profit (loss) for the year	(1,897,480)	29,930	(1,874,291)	42,660
Other comprehensive income (loss)				
Foreign exchange gains (loss) on investments abroad	4,943	(3,412)	4,943	(3,412)
Mark-to-maket effects on *hedge instruments*	163,591	(125,570)	163,591	(125,570)
Tax effects on carrying value adjustments	(55,621)	42,694	(55,621)	42,694
Total comprehensive income (loss), net of taxes	**(1,784,567)**	**(56,358)**	**(1,761,378)**	**(43,628)**
Attributable to:				
Owners of the Company			(1,784,567)	(56,358)
Non-controlling interests			23,189	12,730
			(1,761,378)	**(43,628)**

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

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2014, 2013 AND JANUARY 1, 2013

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

	Paid up capital		Capital reserves				Revenue Reserves					Other Equity components					
	Subscribed	To be paid up	Treasury shares	Cost of debentures issued	Options granted	Result s from transactions with non-controlling interests and goodwill	Legal reserves	Tax incentives	For investments	Accumulated (losses)	Funds for capital increase	Cumulative translation adjustments	Deemed cost	Mark-to market gains (losses) - hedge	Total	Noncontrolling stockholders	Total equity
At December 31, 2012	**3,448,283**	**(14,342)**	**(51,108)**	**(19,439)**	**97,503**	**55,853**	**77,726**	**187,863**	**443,019**	**-**	**12,191**	**(13,900)**	**4,708**	**(24,610)**	**4,203,747**	**72,674**	**4,276,421**
Correction of error and change in accounting policies, net	-	-	-	-	-	-	-	-	-	(512,750)	-	-	-	-	(512,750)	-	(512,750)
At January 1, 2013 (Restated)	**3,448,283**	**(14,342)**	**(51,108)**	**(19,439)**	**97,503**	**55,853**	**77,726**	**187,863**	**443,019**	**(512,750)**	**12,191**	**(13,900)**	**4,708**	**(24,610)**	**3,690,997**	**72,674**	**3,763,671**
Profit for the year	-	-	-	-	-	-	-	-	-	29,930	-	-	-	-	29,930	12,730	42,660
Foreign exchange gains (losses) on investments abroad	-	-	-	-	-	-	-	-	-	1	-	(3,412)	-	-	(3,412)	2,184	(1,228)
Mark-to-market gains (losses) - hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(125,570)	(125,570)	-	(125,570)
Tax effects on carrying value adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	42,694	42,694	-	42,694
Adjustments in associates	-	-	-	-	-	-	-	-	-	497	-	-	(497)	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	30,427	-	(3,412)	(497)	(82,876)	(56,358)	14,914	(41,444)
Minimum mandatory dividends (note 23)	-	-	-	-	-	-	-	-	-	(3,095)	-	-	-	-	(3,095)	-	(3,095)
Gains on transactions with non-controlling interests	-	-	-	-	-	226,123	-	-	-	-	-	-	-	-	226,123	158,910	385,033
Reserve for options granted (note 23)	-	-	10,094	-	(1,015)	-	-	-	(10,093)	-	(2,429)	-	-	-	(3,443)	-	(3,443)
Options exercised	-	-	-	-	(1,634)	-	-	-	-	-	2,151	-	-	-	517	-	517
Constitution/realization of profits reserve (note 23)	-	-	-	-	-	-	651	-	9,781	(10,432)	-	-	-	-	-	-	-
Advances for Future Capital Increase (AFAC) (note 23)	-	14,342	(1,277)	-	-	-	-	-	-	-	(11,913)	-	-	-	1,152	-	1,152
Total transactions with owners of the Company	-	14,342	8,817	-	(2,649)	226,123	651	-	(312)	(13,527)	(12,191)	-	-	-	221,254	158,910	380,164
At December 31, 2013 (Restated)	**3,448,283**	**-**	**(42,291)**	**(19,439)**	**94,854**	**281,976**	**78,377**	**187,863**	**442,707**	**(495,850)**	**-**	**(17,312)**	**4,211**	**(107,486)**	**3,855,893**	**246,498**	**4,102,391**
Loss for the year	-	-	-	-	-	-	-	-	-	(1,897,480)	-	-	-	-	(1,897,480)	23,189	(1,874,291)
Absorption of losses with reserves	-	-	-	-	-	-	(78,377)	-	(442,707)	521,084	-	-	-	-	-	-	-
Foreign exchange gains (losses) on investments abroad	-	-	-	-	-	-	-	-	-	-	-	4,943	-	-	4,943	(395)	4,548
Mark-to-market gains (losses) - hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	163,591	163,591	-	163,591
Tax effects on carrying value adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	(55,621)	(55,621)	-	(55,621)
Constitution of reserves	-	-	-	-	-	-	-	37,140	-	(37,140)	-	-	-	-	-	-	-
Adjustment of associates	-	-	-	-	-	-	-	-	-	431	-	-	(431)	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	(78,377)	37,140	(442,707)	(1,413,105)	-	4,943	(431)	107,970	(1,784,567)	22,794	(1,761,773)
Reserve for options granted (note 23)	-	-	(15,886)	-	16,764	-	-	-	-	-	-	-	-	-	878	-	878
Total transactions with owners of the Company	-	-	(15,886)	-	16,764	-	-	-	-	-	-	-	-	-	878	-	878
At December 31, 2014	**3,448,283**	**-**	**(58,177)**	**(19,439)**	**111,618**	**281,976**	**-**	**225,003**	**-**	**(1,908,955)**	**-**	**(12,369)**	**3,780**	**484**	**2,072,204**	**269,292**	**2,341,496**

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

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Operating activities				
Profit (loss) for the year	(1,897,480)	29,930	(1,874,291)	42,660
Adjustments to:				
Depreciation and amortization (note 11)	1,884	2,352	551,911	486,727
Goodwill amortization (note 11)	56,036	56,185	56,035	57,342
Impairment of assets	89,196	-	1,103,195	-
Equity in the results of investees and gains/losses on investments (note	1,026,198	(451,602)	(8,868)	92,929
Provision for net capital deficiency (note 9)	315,415	35,588	-	-
Deferred income tax and social contribution (note 8)	-	-	(295,488)	(104,296)
Provision for unrealized profits	(744)	(744)	-	-
Realization of deferred revenue	-	-	244,333	99,135
Interest and foreign exchange variations on borrowings and debentures	36,469	20,684	(93,747)	(14,952)
Stock option granting	171	921	684	3,685
Provision for contingencies	2,214	-	221,493	237,895
Provision for impairment of trade receivables	4,101	-	(20,530)	(7,073)
Foreign exchange losses on discontinued operations	-	-	-	(10,518)
Results from discontinued operations	130,854	181,878	150,432	179,297
	(235,686)	(124,808)	35,159	1,062,831
Changes in assets:				
Securities				
Trade receivables	57,324	(62,382)	(114,527)	(67,363)
Inventories	(93)	2,815	66,177	(8,291)
Taxes and contributions recoverable	3,445	18,878	61,732	(123,742)
Dividends and interest on capital	84,483	1,072	(3,568)	1,483
Cash and cash equivalents from discontinued operations (note 30)	-	-	10,308	(39,414)
Other assets	2,948	(13,404)	15,606	(6,335)
	148,107	(53,021)	35,728	(243,662)
Changes in liabilities				
Trade payables	(35,389)	65,626	314,668	195,505
Labor and social security obligations	(386)	(8,887)	(36,141)	8,392
Taxes payable	(852)	(3,905)	(162,353)	5,128
Income tax and social contribution paid	-	-	(7,320)	(8,780)
Leases and concessions payable	-	-	238,640	181,901
Other liabilities	2,043	(5,077)	(40,428)	(200,039)
	(34,584)	47,757	307,066	182,107
Net cash provided by (used in) operating activities	**(122,163)**	**(130,072)**	**377,953**	**1,001,276**
Investing activities				
Purchases of property and equipment, net (note 9)	47,714	661	(1,225,048)	(1,197,924)
Investment securities (note 5)	(1,262)	15,832	(147,598)	(35,248)
Acquisition of investments	(532,089)	(632,891)	-	-
Net cash provided by (used in) investment activities	(485,637)	(616,398)	(1,372,646)	(1,233,172)
Investing activities				
Financing	17,797	-	1,202,704	1,845,111
Payment of principal on borrowings	(167,223)	(204,774)	(1,133,032)	(1,346,739)
Payment of interesets on borrowings	(15,720)	(17,882)	(372,865)	(250,006)
Capital increase and funds for capital increase	-	-	-	(35,727)
Share premium	-	-	-	226,124
Gains on non-controlling interests	-	-	(150)	159,735
Acquisitions/Stock options	-	-	194	-
Dividends and interest on capital	(3,080)	(55,957)	(7,288)	(55,354)
Lease	-	-	-	78,534
Related parties	734,720	28,643	(4,248)	(15,754)
Proceeds from debentures	-	225,067	-	-
Net cash provided by (used in) financing activities	566,494	(24,903)	(314,685)	605,924
Increase (decrease) in cash and cash equivalents	**(41,306)**	**(771,373)**	**(1,309,378)**	**374,028**
Cash and cash equivalents at the beginning of the year	70,945	842,318	2,636,499	2,262,472
Cash and cash equivalents at the end of the year	29,639	70,945	1,327,122	2,636,499
Increase (decrease) in cash and cash equivalents	**(41,306)**	**(771,373)**	**(1,309,378)**	**374,028**

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

ALL – AMÉRICA LATINA LOGÍSTICA S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
YEARS ENDED DECEMBER 31, 2014 AND 2013
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Revenue				
Sales of services	48,701	77,238	4,255,276	3,946,579
Other income	4,808	19,846	16,268	37,544
Provision for impairment of trade receivables	(4,101)	-	17,253	(7,073)
	49,408	**97,084**	**4,288,797**	**3,977,050**
Inputs acquired from third parties				
Cost of services	719	111	(1,331,355)	(852,151)
Materials, electricity, outsourced services and other	(39,927)	(38,449)	(702,741)	(339,440)
Impairment/recovery of assets	(624)	636	(16,935)	234
Other	(183)	(227)	(61,114)	(7,481)
	(40,015)	**(37,929)**	**(2,112,145)**	**(1,198,838)**
Gross value added	**9,393**	**59,155**	**2,176,652**	**2,778,212**
Depreciation and amortization	(147,116)	(58,537)	(1,711,141)	(544,069)
Net value added generated by the entity	**(137,723)**	**618**	**465,511**	**2,234,143**
Value added received through transfer				
Equity in the results of investees	(1,341,613)	416,014	8,868	(92,929)
Finance income	10,094	45,570	226,743	170,712
	(1,331,519)	**461,584**	**235,611**	**77,783**
Total value added to distribute	**(1,469,242)**	**462,202**	**701,122**	**2,311,926**
Distribution of value added				
Personnel				
Direct remuneration	6,238	4,868	344,516	268,670
Benefits	176	923	45,796	43,060
Government Severance Indemnity Fund for Employees (FGTS)	-	293	16,642	15,232
	6,414	**6,084**	**406,954**	**326,962**
Taxes and contributions				
Federal	5,641	8,722	32,634	260,880
State	-	-	65,141	67,967
Municipal	-	350	6,904	9,067
	5,641	**9,072**	**104,679**	**337,914**
Third party capital remuneration				
Interest	283,333	232,007	1,497,080	1,076,655
Rentals	1,996	994	393,080	333,471
	285,329	**233,001**	**1,890,160**	**1,410,126**
Remuneration of own capital				
Dividends	-	-	-	3,094
Retained earnings (losses)	(1,897,480)	29,930	(1,874,291)	39,566
Discontinued operations	130,854	184,115	150,431	181,534
Interest of non-controlling stockholders in retained earnings	-	-	23,189	12,730
	(1,766,626)	**214,045**	**(1,700,671)**	**236,924**
Total value added distributed	**(1,469,242)**	**462,202**	**701,122**	**2,311,926**

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"), a Brazilian company, was established on December 31, 1997, and is headquartered in the city of Curitiba, State of Paraná. Its shares are traded in the São Paulo Stock Exchange (ticker "alll4"). 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, and the exploration and management of bonded and general warehouses;

- the acquisition, leasing or lending of locomotives, wagons and other railway equipment to third parties.

The Company operates railroad transportation in the Southern region of Brazil through ALL – América Latina Logística Malha Sul S.A., and in the Mid-West region and State of São Paulo through its 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.

The concession terms are as follows:

Company	**End of concession period**	**Regions covered**
Subsidiary		
ALL Malha Sul	February 2027	South of Brazil and State of São Paulo
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
Portofer	June 2025	Porto de Santos (port in the State of São Paulo)
Investee		
Terminal XXXIX	October 2025	Porto de Santos (SP)
TGG - Terminal de Granéis do Guarujá	August 2027	Porto de Santos (SP)
Termag - Terminal Marítimo de Guarujá	August 2027	Porto de Santos (SP)

A list of all the companies that make up the ALL Group is provided in Note 3.

On March 5, 2009, the Company and its subsidiaries established a relationship with Rumo Logística Operadora Multimodal S.A. (Rumo) in order to improve sugar transport by rail from the State of São Paulo to the Port of Santos. This relationship, established to develop a partnership between the

parties, foresees a number of investments, including the duplication of the Campinas-Santos stretch, the acquisition of wagons and locomotives and improvements in the structures of loading and unloading terminals.

Rumo owns the terminals and rolling stock, while the Federal Government owns the railway, which is under the concession and control of ALL Malha Paulista S.A. Rumo's contributions are remunerated through a fee established by R$/ton, in accordance with specific volumes transported by the rail to the Port of Santos. The railway freight tariff is determined on the agreement and ensures competitiveness with the road transportation.

The project's investments can be divided into two different types and, therefore, are treated as follows:

i. The amount invested in rolling stock, owned by Rumo, refers to operational leases and the costs related to this leasing are accounted as operating costs;

ii. The amount invested in railways, owned by the Federal Government and under the concession and control of ALL Malha Paulista S.A., refers to a fixed asset of the Company whose reimbursement by Rumo is recorded as deferred income in liabilities.

On April 15, 2014, the Company’s Board of Directors approved a Proposal sent on February 24, 2014 by Rumo aiming at combining the activities of ALL and Rumo, through the merger of ALL shares by Rumo, pursuant to Article 252 of Law 6404/76 ("Brazilian Corporation Law").

As a result of the Proposal's approval, the Boards of Directors of ALL and Rumo signed the Protocol and Justification of Merger of ALL - América Latina Logística S.A. shares by Rumo Logística Operadora Multimodal S.A. ("Protocol and Justification").

The Merger of Shares was approved by stockholders at an Extraordinary General Stockholders Meeting on May 8, 2014. The effective Merger of Shares remained subject to the approval of the Brazilian Antitrust Authority ("CADE"), the Brazilian National Land Transportation Agency ("ANTT"), and any other public administration bodies whose authorizations are required, as well as to any other conditions precedent established in the Proposal, all of which were satisfied by the date of this report (see Note 33).

b) Operating restrictions and conditions of all 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 for the railroad networks.

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

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

- 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 will revert to the Government as being necessary to continue to provide the related services.

- Assets which revert will be indemnified by the Federal Government at their residual carrying values, computed based on the companies' accounting records, after the deduction of depreciation; such cost will be subject to technical and financial evaluations by the Federal Government. All and any improvements made to the permanent railroad superstructure will not be considered investments for indemnification purposes.

c) Termination of Vetria

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.

On December 10, 2014, the stockholders of Vetria announced that, as certain conditions established in the Association Agreement had not been met within the period specified in the agreement, and also considering current market conditions and trends, specifically the iron ore price levels, Vetria's stockholders decided to terminate the Association Agreement. The Parties will jointly evaluate, define and carry out all the actions and measures that may be necessary in view of such decision, in accordance with the Association Agreement. Accordingly, the Company has already written off the balance of the investment, as well as the deferred income initially recorded, and transferred to profit (loss) as effect of accumulated losses of the investments, which were accumulated in comprehensive income and recognized a provision arising from its portion of responsibility for the liabilities assumed for its joint subsidiary. The effects of Vetria's termination were treated as discontinued operations (Note 28).

d) Sale of Ritmo Logística S.A.

On December 30, 2014, the Company's Board of Directors approved the sale of subsidiary Ritmo Logística S.A. All of the sale's conditions have already been arranged between ALL and the buyers and only the legal procedures remain to be settled.

As a consequence of this decision, Ritmo's assets and liabilities were recorded as held for sale at December 31, 2014, and income (loss) at December 31, 2014 and 2013 was recorded as discontinued operations. The assets and liabilities balances were recorded at their realizable value in accordance with the selling price agreed between the parties.

e) Economic and financial situation of the Company

During the year ended December 31, 2014 the Company did not reach the minimum indices for financial covenants linked to its debts. As the Company did not obtain a waiver prior to December 31, 2014, the debts whose covenants were not met were reclassified to the short term. As consequence of that reclassification, the Company, on December 31, 2014, stated an excess of its current liabilities over its current assets the amount of R$ 6,273,941.

Up to the closing date of these financial statements, management renegotiated, conditioning the merger of shares by Rumo Logística Operadora Multimodal S.A. to the totality of the covenants for these debts and understand that will obtain the necessary waivers to reestablish the original maturity terms. The Company has been establishing measures that will allow it to present a balanced indebtedness structure aimed at the continuity of the operations. To 8th and 9th debentures emission, no waver was demanded.

2. Significant accounting policies

2.1. Basis of preparation

Declaration of compliance

The individual financial statement have been prepared in accordance with accounting policies adopted in Brazil. Since 2014 the IFRS allows the application of the equity method in a parent entity's separate financial statement, therefore the individual financial statements are also in compliance with International Reporting Standards (IFRS) issued by the International Accounting Standards Board(IASB).

The consolidated financial statements have been prepared and are being presented in accordance with accounting policies adopted in Brazil, which comprise the Corporation Law, the standards issued by the Brazilian Securities Commission (CVM) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee, (CPC), which are in compliance with the International Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies. IFRS does not require the presentation of these statements. As a consequence, for IFRS, this statement is presented as supplementary information, without detriment to the financial statements as a whole.

On March 30, 2015, the Company's Board of Directors approved the issue of the financial statements and authorized their disclosure.

Measurement basis

The financial statements have been prepared under the historical cost convention except for the derivatives financial instruments measured at fair value.

Functional and presentation currency

The individual and consolidated financial statements are presented in Brazilian Reais (R$), which is the Company's functional currency. Each subsidiary's financial statements included in consolidation and those used as basis for the assessments of investments under the equity method are prepared in each company's functional currency. The assets and liabilities of foreign subsidiaries were translated into Reais at the end of year closing exchange rate and the results were calculated at

the monthly average rate during the year. The translation effects are recorded in the equity of these subsidiaries.

2.2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board that makes the Company's and its subsidiaries' strategic decisions. For further details see Note 32.

2.3. New standards and interpretations not yet adopted

The following new standards were issued by IASB or by CPC but are not effective for 2014. The early adoption of standards, even though encouraged by IASB, has not been implemented in Brazil by the Brazilian Accounting Pronouncements Committee (CPC).

IFRS 9 - "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial instruments. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of income, unless this creates an accounting mismatch. The Company is still assessing IFRS 9's full impact. The standard is applicable as from January 1, 2018.

IFRS 15, "Revenue from Contracts with Customers" was issued on May 28, 2014, establishing a comprehensive model for the accounting of revenues from contracts with customers. IFRS 15 replaces the directions for the recognition of revenues in effect currently found in various standards and interpretations within the IFRS. The fundamental principle of this pronouncement is that the entity should recognize revenue reflecting the transfer of goods or services, measuring the amounts that the entity expects to receive for such goods or services. This new standard, however, is not applicable to leasing operations. This new standard is effective for years beginning on or after January 1, 2017 and its early adopt in reports is allowed. The Company is assessing the impact of this new pronouncement on the financial statements.

On December 22, 2014, CPC issued the "Review of Technical Pronouncements No. 07/2014", which was approved by CVM by means of Deliberation 733 of December 23, 2014, This review changes the wording of CPC 35 – "Separate Financial Statements" to include the changes made by IASB to IAS 27 – Separate Financial Statements, which now allows the adoption of the equity method for subsidiaries in the separate financial statements. This change makes it possible to achieve dual compliance (CPC and IFRS) in the parent company's individual financial statements, assuming that there are no differences between the two accounting practices. The Company has evaluated this new pronouncement and it has no impact.

There are no other IFRS standards or IFRIC interpretations not yet in effect expected to have a significant impact on the Company.

2.4. Translation of balances denominated in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of valuation when items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of operations.

Gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of operations within "Finance income or costs".

2.5. Revenue recognition

The Company recognizes revenue when it is probable that future economic benefits will flow to the Company and when its amount can be reliably measured. Revenue is measured based on the fair value of the consideration received, net of discounts, rebates and taxes or charges on sales. The following specific criteria also should be met before revenue is recognized:

Rendering of services

Rendering from services is recognized proportionally as the services are rendered and when its value can be reliably measured. Revenue is not recognized when there is significant uncertainty about its realization. The revenue of the Company and its subsidiaries comprise basically railroad and road freight and transport of containers, warehousing and transshipment.

Interest income

For all financial instruments carried at amortized cost and financial assets earning interest and classified as available-for-sale, finance income or costs are recognized using the effective interest rate, which discounts exactly future estimated payments or receipts over the estimated life of the financial instrument or, when applicable, in a shorter period the net carrying amount of the financial asset or liability. Interest income is included in finance income, in the statement of operations.

2.6. Taxes

Current income tax and social contribution

Tax assets and liabilities of the last financial year and previous years are calculated based on the expected recoverable value or amount payable to the tax authorities. The tax rates and tax laws used to calculate the amount are those enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income.

Current income tax and social contribution related to the items recognized directly in equity are recognized as such. Management periodically evaluates the tax positions involving interpretation of tax regulations and establishes provision when appropriate.

Deferred taxes

Deferred tax is generated from temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences, except:

• where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction other than a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• over the deductible temporary tax differences associated with investments in subsidiaries, in which the reversal of temporary differences can be controlled and it is likely that the temporary differences will not be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

• where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• over deductible tax temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is likely that temporary differences will be reversed in the near future and the taxable income will be available against which the temporary differences may be used.

The carrying amount of the deferred tax assets is revised at each balance sheet date and written down to the extent that it is no longer probable that taxable income will be available to permit the use of all or part of the deferred tax assets. Written-off deferred tax assets are reviewed at each balance sheet date and reinstated to the extent that it becomes likely that future taxable income will allow the deferred tax assets to be realized.

Deferred tax assets and liabilities are measured at the tax rates expected to be applicable in the year when the asset will be realized or the liability will be settled, based on the tax rate (and tax law) in effect on the balance sheet date.

Items of deferred tax are recognized in accordance with the transaction that originated the deferred tax in comprehensive income or directly in equity.

Deferred tax assets and liabilities are presented net when there is a legally enforceable or contractual right to offset the tax asset against the tax liability and the deferred taxes are related to the same legal entity and the same tax authority.

Taxes on sales

• when taxes on sales incurred on purchase of goods and services are not recoverable from tax authorities, in which case taxes on sales are recognized as part of the acquisition cost of the asset or expense item, as appropriate;

• when the amounts receivable and payable are presented together with the amount of taxes on sales; and

• when the net amount of taxes on sales, recoverable or payable, is included as a component of the amounts receivable or payable in the balance sheet.

Revenues from sales of the Brazilian operations are subject to the following taxes and contributions, at the following basic rates:

Tax/Contribution		Rate (%)
PIS	Social Integration Program	1.65
COFINS	Social Contribution on Revenues	7.60
CPRB	Social Security Contribution on Gross Revenue	1
ICMS	Value-Added Tax on Sales and Services	From 7 to 17

These charges are deducted from net revenue in the statement of operations. The credits arising from non-cumulative PIS/COFINS are presented as a deduction of cost of services in the statement of operations.

2.7. Government grants and assistance

Government grants and assistance are recognized when there is reasonable assurance that the benefit will be received and all the related conditions will be satisfied. The subsidiary ALL Malha Norte has a tax incentive whose benefit refers to an expense item, which is recognized as revenue over the benefit period, on a systematic basis in relation to the costs whose benefit it intends to offset.

The tax benefit includes a 75% reduction on nonrecoverable corporate income tax (IRPJ) and surtaxes, calculated on profit from exploration, which term began in 2008 and ends in 2024.

2.8. Retirement and other post-employment benefits

The indirect subsidiary ALL Malha Oeste sponsors a Benefit Plan with a Multi-sponsored Entity. This plan has predominant characteristics of a defined contribution type and for this reason the contributions are recognized in profit or loss when incurred.

2.9. Share-based payment benefits

The Company's main executives and officers receive part of their remuneration in the form of share-based payment, in which employees render services in exchange for equity instruments (equity-settled transactions).

The cost of equity-settled transactions with employees, and of premiums granted, is measured based on the fair value at the grant date. To determine the fair value, the Company uses an appropriate valuation method and market assumptions. For further details see Note 25.

The cost of equity-settled transactions is recognized, together with a corresponding increase in capital reserve, over the period in which the performance and/or service condition are fulfilled, ending on the date the employee is fully entitled to exercise the option (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity securities to be acquired. The expense or credit in the statement of operations for the year is recognized in administrative expenses and represents the change in cumulative expense recognized at the beginning and at the end of that year.

No expense is recognized for premiums that do not complete their vesting period, except premiums in which the acquisition is contingent on a market condition (a condition connected to the price of the Company's shares), which is treated as acquired, irrespective of whether the market conditions are satisfied or not, as long as all other vesting conditions are satisfied.

In an equity-settled transaction in which the plan is modified, the minimum expense recognized in profit or loss corresponds to expenses as if the terms had not been changed. An additional expense is recognized for any change that increases the total fair value of the equity-settled contract, or otherwise benefits the employee, measured at the change date.

When an equity-settled premium is canceled, it is treated as if it had been acquired at the cancelation date, and any unrecognized expense of the premium is immediately recognized. However, if a new plan replaces the canceled plan, and is designated as a substitute plan at the grant date, the canceled plan and the new plan are treated as if they were a modification to the original plan, as described in the previous paragraph.

The effect of dilution of the outstanding options is reflected as a dilution of additional share in the calculation of diluted earnings per share, as described in Note 27.

2.10. Financial instruments – Initial recognition, classification and measurement

(i) Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for sale financial assets, or derivatives classified as effective hedging instruments, according to the situation. The Company determines the classification of its financial assets upon their initial recognition, when they are contracted.

Financial assets are recognized initially at fair value, plus, in the case of investments not designated at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases and sales of financial assets that require delivery of goods or services within the time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, that is, the date on which the Company undertakes to purchase or sell the good or service.

The Company's financial assets include cash and cash equivalents, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, which may be as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the short term. This category includes derivative financial instruments contracted by the Company that do not meet the criteria for hedge accounting defined by CPC 38/IAS 39. Derivatives that are not closely related to the host contract and that should be separated are also classified as held for trading, unless they are classified as effective hedging instruments. Financial assets at fair value through profit or loss are presented in the balance sheet at fair value, with the related gains or loss recognized in the statement of operations.

The Company evaluated its financial assets at fair value through profit or loss considering its intention to sell them in the short term. When the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held-to-maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial measurement, these financial assets are carried at amortized cost using the effective interest rate method (effective interest rate), less any impairment loss. The amortized cost is calculated taking into consideration any discount or premium on the acquisition and rates or costs incurred. The amortization of the effective interest rate method is included in finance income in the statement of operations. Impairment losses are recognized as finance costs in the statement of operations.

Held-to maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has shown the intention and financial ability of holding them up to their maturity. After initial evaluation, investments held-to-maturity are valued at amortized cost using the effective interest rate method, less any impairment losses. The amortized cost is calculated taking into consideration any discounts or premium upon acquisition and rates or costs incurred. The amortization of effective interest is included in Finance income in the statement of operations. Impairment losses are recognized as finance costs in the statement of operations.

Derecognition (disposal)

A financial asset, or when applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

• The rights to receive cash flows from the asset expire;

• The Company has transferred its rights to receive cash flows from the asset or assumed an obligation to fully pay the cash flows received, without significant delay, to a third party under an onlending agreement; and (a) the Company has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Company has not transferred nor retained substantially all the risks and rewards of ownership of the asset, but transferred the control over the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into an onlending agreement, and has not transferred nor retained substantially all the risks and rewards of ownership of the asset, an asset is recognized to the extent of the Company's continuing involvement with the asset.

In this case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured based on the rights and obligations retained by the Company.

The continuing involvement in the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum consideration that may be required from the Company.

(ii) Impairment of financial assets

The Company assesses at the balance sheet dates if there is objective evidence that a financial asset or a group of financial asset is impaired. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that may be reliably estimated. Evidence of impairment may include indications that the debtors are experiencing significant financial difficulty.

Financial assets at amortized cost

For financial assets presented at amortized cost, the Company initially assesses individually if there is clear evidence of impairment for each financial asset that is individually significant, or on a collective basis for financial assets that are not individually significant. If the Company concludes that there is no evidence of impairment for a financial asset individually assessed, either significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and the Company assesses them on a collective basis for indications of impairment. Assets that are assessed individually for indications of impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment losses.

When there is clear evidence of impairment loss, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced by the provision and the amount of the loss is recognized in the statement of operations. Interest income continues to be computed on the carrying amount reduced based on the original effective interest rate for the asset. Borrowings, together with the related provision, are derecognized when there is no realistic expectation of their future recovery and all guarantees have been realized or transferred to the Company. If, in a subsequent period, the estimated impairment loss increases or decreases due to an event occurring after the impairment was recognized, the previously recognized loss is increased or decreased by adjusting the related provision. In the event of future recovery of the amount derecognized, this recovery is recognized in the statement of operations.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at amortized cost, borrowings or derivatives classified as hedging instruments, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are initially recognized at fair value and, in the case of borrowings and debentures, directly attributable transaction costs are added.

The Company's financial liabilities include trade and other payables, overdraft accounts (bank accounts with negative balance), borrowings, debentures, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, which may be as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the short term. This category includes derivative financial instruments contracted by the Company that do not satisfy the criteria for hedge accounting defined by CPC 38/IAS 39. Derivativesare also classified as held for trading, unless they are classified as effective hedging instruments.

Gains and losses on liabilities held for trading are recognized in the statement of operations.

Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of operations when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Reductions

A financial liability is derecognized when the obligation is revoked, canceled or expires.

When an existing financial liability is replaced by another of the same lender under terms substantially different, or the terms of an existing liability are significantly changed, this replacement or change is treated as derecognition of the original liability and recognition of a new liability, and the difference in the corresponding carrying amounts is recognized in the statement of operations.

(iv) Fair value of financial instruments

The fair value of financial instruments actively traded in organized financial markets is determined based on quoted market prices at the end of the reporting period, without deduction of transaction costs.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These may include the use of recent arm's length transactions, reference to the current fair value of another similar instrument, discounted cash flow analysis, or other valuation models.

An analysis of the fair value of the financial instruments and more details on how they are calculated are included in Note 30.

2.11. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward foreign exchange and interest rate swap contracts to protect against the risks of fluctuations in exchange rates and interest rates, respectively.

The derivative financial instruments designated as hedge transactions are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair

value. Derivatives are presented as financial assets when the fair value of the instrument is positive, and as financial liabilities when the fair value is negative.

Any gains or losses resulting from changes in the fair value of derivatives during the year are recognized directly in the statement of operations, except for the effective portion of the cash flow hedges, which is recognized directly in equity in other comprehensive income.

For hedge accounting purposes, there are three classifications: i) fair value hedge; ii) cash flow hedge and iii) net investment hedge.

At the initial recognition of a hedging relationship, the Company formally classifies and documents the hedging relationship to which it intends to apply the hedge accounting, as well as the management's objective and risk management strategy for undertaking hedging transactions. The documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the hedged risk, the nature of the risks excluded from the hedging relationship, the prospective demonstration of the effectiveness of the hedging relationship and the manner in which the Company will assess the effectiveness of the hedging instrument in order to offset changes in the fair value of the hedged item or cash flows related to the hedged risk. These hedges are expected to be highly effective to offset changes in fair value or cash flows and are subject to permanent assessment to determine whether they were highly effective over the base periods for which they were intended.

The ineffective portion is recognized in the statement of operations under profit (loss).

Classification

Derivative instruments not classified as effective hedge instrument (used as an economic hedge and with non-application of hedge accounting) are classified as short- and long-term based on an assessment of the contracted cash flows. Changes in the fair value of any of these derivative instruments are recognized immediately in the statement of operations under profit (loss).

Derivative instruments classified as such and that are effective hedging instruments are classified in a manner consistent with the classification of the corresponding hedged item.

The derivative instrument is segregated into short- and long-term portion only when a reliable allocation can be made.

2.12. Treasury shares

The Company's own equity instruments that are repurchased (treasury shares) are recorded at cost, as a reduction of equity. No gain or loss is recognized in the statement of operations on the purchase, sale, issue or cancelation of the Company's own equity instruments. On disposal, any difference between the carrying amount and the consideration received on sale is recognized in other capital reserves.

2.13. Non-current assets held for sale and discontinued operations

The Company classifies non-current assets as held for sale when their carrying amount is to be recovered principally through a sale transaction and not through continued use. These non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The classification criteria for items held for sale are considered met only when sale is considered highly probable and the asset is held for immediate sale at its present condition. Management should be committed to expected distribution within one year from the classification date.

Discontinued operations are excluded from profit (loss) of continued operations and are presented as a single amount in profit (loss) after taxes from discontinued operations in the statement of operations.

For additional disclosures see Note 29. All other Notes to the financial statements include amounts from continued operations, unless otherwise stated.

2.14. Property and equipment

Locomotives, wagons and permanent railroads are carried at cost, less accumulated depreciation and/or accumulated impairment losses, if applicable. Such cost includes the cost of property acquisition and equipment and borrowing costs of long-term construction projects, when the recognition criteria have been satisfied. When there is a replacement of a significant part of the property and equipment, these are capitalized in the respective assets. Likewise, when a significant inspection is made, its cost is recognized in the carrying amount of the property and equipment.

Depreciation is calculated on a straight-line basis over the useful life of the asset, at rates that take into consideration the estimated useful life of assets:

• Locomotives	25 years
• Wagons	30 years
• Permanent railroad	Limited to the concession period of 11 to 64 years
• Container	30 years
• Facilities and machinery and equipment	10 years
• Vehicles	4 years
• Software and IT equipment	5 years

A property and equipment item is written off when sold or when no future economic benefit is expected to arise from its use or sale. Any gain or loss resulting from the asset disposal (calculated as the difference between net sales value and the carrying amount of the asset) is included in the statement of operations for the year in which the asset was written-off.

2.15. Leases

The characterization of an agreement as a finance lease is based on substantive aspects related to the use of a specific asset or assets or to the right to use a certain asset, on the date of its execution.

Finance leases where the Company has substantially all the risks and rewards of ownership are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. When applicable, the initial direct costs incurred in the transaction are added to the cost. The finance lease payments are allocated between finance charges and the decrease in the principal of the lease liability, so as to obtain a constant interest rate on the remaining balance of liabilities. Finance charges are recognized in the statement of operations.

The leased assets are depreciated over their useful lives. However, when there is no reasonable certainty that the Company will finally own the item at the end of the agreed lease term, the asset is depreciated over its estimated useful life or lease period, whichever is shorter.

Operating lease payments are recognized as an expense on a systematic basis representing the period during which the benefit from the leased asset is obtained, even if payments are made on some other basis.

The amounts paid in advance by the Company are recognized in assets and allocated to profit (loss) on a straight-line basis over the period of the contract. The charges incurred in the grace period are recognized in profit (loss) and maintained as payables, and are derecognized proportionally to the payment of the current installments.

2.16. Borrowing costs

Borrowing costs directly related to the acquisition, construction or production of an asset that necessarily requires a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. All the other borrowing costs are recognized as finance costs when they are incurred. Borrowing costs comprise interest and other borrowing-related costs incurred by an entity.

2.17. Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, other than development costs, are not capitalized and expenditure is reflected in the statement of operations in the year the expenditure is incurred.

The useful life of the intangible asset is classified as finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, which are treated as changes in accounting estimates. The amortization of intangible assets with finite lives is recognized in the statement of operations in the expense category consistent with the utilization of the intangible asset.

Concession rights on acquisitions of subsidiaries that hold concession agreements and that have as an economic basis expected future profitability are considered intangible assets with a finite useful life and are amortized over the remaining concession period on a straight-line basis or based on the curve of generation of future economic benefits. They are also tested annually for impairment.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the Cash-Generating Unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not the useful life is changed from indefinite to finite on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of operations when the asset is derecognized.

2.18. Inventories

The Company's inventories refer to consumption and maintenance materials carried at average acquisition cost, which do not exceed their market value. Provision for slow-moving or obsolete inventories is recorded whenever considered necessary by management.

2.19. Impairment of non-financial assets

Management annually reviews the assets' net carrying amount for events or changes in economic, operating or technological circumstances that may indicate impairment. When there is such evidence and the net carrying amount of the asset exceeds its recoverable value, a provision for impairment is recorded, adjusting the net carrying amount to the recoverable amount. These losses, if recognized, are classified in the statement of operations under expenses, consistent with the function of the affected asset.

The recoverable value of an asset or a CGU is defined as the higher of the asset's value-in-use or its net sales price.

In estimating an asset's value-in-use, estimate future cash flows are discounted to present value, using a pre-tax discount rate reflecting the weighted average cost of capital for the industry in which the CGU operates. The net sales price is determined, whenever possible, based on firm sale contracts in a transaction on an arm's length basis, between well informed and willing parties, adjusted by expenses attributable to the asset sale, or, when there is no firm sale contract, based on the price in an active market or the most recent transaction price with similar assets.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill based on expected future profitability

The impairment test of goodwill (concession rights) is carried out annually (at December 31) or whenever circumstances indicate a possible impairment loss.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually at December 31, either individually or at the CGU level, as appropriate, and also when circumstances indicate that the carrying amount may be impaired.

2.20. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments redeemable in three months or less from the date of their contracting, with immaterial risk of change in value, used for the management of short-term obligations.

2.21. Provision

General

Provision is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. When the Company expects the value of a provision to be reimbursed, in whole or in part, for example, due to an insurance agreement, the reimbursement is recognized as a separate asset, but only when the reimbursement is practically certain. Onerous agreements are recognized at the present value of future obligations only considering the variable costs directly related to probable revenues.

The expense related to any provision is presented in the statement of operations, net of any reimbursement.

Provision for tax, civil and labor risks

The Company is party to various lawsuits and administrative proceedings. Provision is recognized for all contingencies related to lawsuits for which it is probable that an outflow of resources will be made to settle the contingency/obligation and a reasonable estimate can be made. The assessment of the likelihood of loss includes the evaluation of the available evidence, the hierarchy of laws, available case law, recent court decisions and their significance in the legal system, as well as the opinion of outside legal advisors. The provision is reviewed and adjusted to account for changes in circumstances, such as the applicable statute of limitations, completion of tax inspections, or additional exposure identified on the basis of new matters or court decisions.

2.22. Deferred revenue

Deferred revenue comprises amounts received to be realized in the future. It substantially includes amounts received from customers for investment in railroads against a railroad transportation service agreement.

2.23. Significant account judgments, estimates and assumptions

Judgments

The preparation of the Company's consolidated financial statements requires management to make certain judgments and estimates and adopt assumptions that have an impact on the stated amounts of revenues, expenses, assets and liabilities, as well as disclosures of contingent liabilities as at the financial statements date. However, the uncertainty related to these assumptions and estimates could lead to results that would require a significant adjustment to the carrying amount of the respective asset or liability in future years.

In the process of applying the Company's accounting policies, management made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements:

Lease commitments

The Company entered into lease commitments for rolling stock (locomotives and wagons) of customers and suppliers. The classification as an operating or finance lease is determined based on an assessment of the terms and conditions of the agreements. The Company identified the cases in which it assumes all significant risks and rewards of ownership of the assets and recorded these cases as finance leases.

Property and equipment and intangible assets

Calculation of depreciation and amortization of intangible assets and property and equipment considers their estimated useful lives. Furthermore, determination of fair value at acquisition date of intangible assets and property and equipment acquired in business combinations is a significant estimate.

The Company annually analyzes impairment indicators of intangible assets and property and equipment items. With respect to 2014, the Company identified impairment indicators guided especially by (i) termination of Vetria, (ii) market value of share lower than its net book value, (iii) failure to achieve budget and internal targets, (iv) interest rate increase; (v) plan for replacement and modernization of locomotives. These indicators supported the impairment test conducted in 2014 and a need for provision was identified. The main assumptions used to determine impairment in different CGUs are presented in Note 12.

Share-based payment transactions

The Company measures the cost of share-based payments to employees based on the fair value of the equity instruments on the grant date. The estimate of the fair value of the share-based payments requires the determination of the most adequate assessment model for the grant of equity instruments, which depends on the grant terms and conditions. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and corresponding assumptions. The assumptions and models used to estimate the fair value of the share-based payments are disclosed in Note 24.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, and the amount and timing of future taxable income. Given the wide business relationship aspects, the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provision, based on reasonable estimates, for possible consequences of audits by the tax authorities of the jurisdictions in which it operates. The amount of such provision is based on various factors, such as past tax audit experience and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective tax domicile.

Deferred tax assets are recognized for all unused tax losses, to the extent that it is probable that future taxable profits will be available to allow the utilization of such losses. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and the level of future taxable profits together with tax planning strategies.

Tax credits from other taxes are evaluated annually for their realization ability and, should it be deemed necessary, management sets up provisions in accordance with their expected realization.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow method. The data for these methods is based on market data, when possible. However, when this is not feasible, a certain level of judgment is required to establish the fair value. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The impact of possible variations of indicators, which are subject to variations according to the market volatility, and that could directly have in impact on these instruments, were subject to sensitivity analyses disclosed in Note 30.

Provisions for tax, civil and labor risks

The Company records provision for tax, civil and labor claims. The assessment of the likelihood of loss includes the evaluation of the available evidence, the hierarchy of laws, available case law, recent court decisions and their significance in the legal system, as well as the opinion of outside legal advisors. The provision is reviewed and adjusted to account for changes in circumstances, such as the applicable statute of limitations, completion of tax inspections, or additional exposure identified on the basis of new matters or court decisions.

2.24. Restatement of comparative amounts

Correction of errors

As mentioned in Note 1(a), due the business merge of the Company and Rumo, a transection team was set up to review the accounting policies adopted by the Company, During the revision process,

adjustments and reclassifications of prior years related to the subjects detailed below were identified in 2014. Accordingly, the parent company and consolidated financial statements at December 31 and January 1, 2013, presented for comparison purposes, were adjusted and are being restated.

(i) The Company analyzed the investment agreements signed with Company customers and identified the need to set up Deferred Revenue amounts for an agreement where the Company received funds for investment in the renovation and maintenance of wagons and railroad under its concession as consideration for goods transportation services. That agreement is now being treated in accordance with ICPC 11- Transfer of Assets from Clients. As a result of this adjustment, a liability of deferred revenue of R$ 110,560 (R$ 113,243 at January 1, 2013) and property and equipment of R$19,393 at December 31, 2013 (R$20,778 at January 1, 2013) were set up.

(ii) The Company identified an agreement with a clients that requires payments scheduled for future dates, and recorded that liability in its financial statements. Such liability arises from amounts that are being paid by the Company. As a result of this adjustment, an account payable was set up in the amount of R$153,906 (R$185,951 at January 1, 2013).

(iii) The management identified an onerous agreements with third parties in which the costs directly related to the agreement are higher than the benefits. That future liability was brought to present value resulting in an adjustment of R$29,183 at December 31, 2013 (R$33.493 at January 1, 2013).

(iv) Reclassification of operations covering the postponement of payments to suppliers contracted by the Company collateralized by its suppliers to the Borrowings group in the amount of R$ 48,280 at December 31, 2013 (R$ 139.650 at January 1, 2013). These operations, called "Drawee Risk", occur when suppliers assign credits and the finance charges of that transaction are borne by the Company which assumes the obligation of honoring such commitments and their respective charges with the financial institutions contracted.

(v) The Company has always accounted for the cost involved in Asset Lease Agreements with Rede Ferroviária Federal of concessionaires ALL Malha Sul, ALL Malha Paulista and ALL Malha Oeste in a bifurcated manner, allocating the amount of the initially negotiated installments as Cost of Services Rendered (nominal value) and the interest initially defined (12% p.a.) as well as the monetary restatement established in the agreement, as finance cost in the statement of operations. As it refers to an operating lease, it was decided that the whole amount of the expense should be charged to cost as there is no financial liability basis for a finance cost. The effect of this reclassification at December 31, 2013 amounted to R$ 147,395.

(vi) Reclassification of a portion of cash and cash equivalents in the amount of R$ 281,137 (R$ 245,888 at January 1, 2013 from current assets to:

a) Investment securities in the amount of R$ 166,294 at December 31, 2013 (R$ 155,874 at January 1, 2013) as it refers to restricted cash tied to loans from BNDES.

b) Investment securities under non-current assets the amount of R$ 78,007 at December 31, 2013 (R$ 62,729 at January 1, 2013) as it refers to restricted cash tied to other liabilities and contingences.
c) Investment securities the amount of R$ 16,558 at December 31, 2013 (R$ 7,075 at January 1, 2013), as it refers to fixed rate investments.
Debentures under the current liabilities as it was issued by the Company itself the amount of R$ 20,278 in December 31, 2013 (R$ 20,210 in January 1, 2013).

(vii) The Company reanalyzed the lease agreements with third parties and after reviewing the assumptions used to classify some of these agreements as operating lease supported by the denitions established in CPC 06 – Lease Operations, the Company considered the need to capitalize some of these agreements as from the beginning of the lease since it holds substantially all of the risks and rewards of ownership of the assets subject of these agreements. As result, were accounted under the current liabilities and non-current liabilities at December 31, 2013 leasing obligations the amount of R$ 76,354 and R$ 303,134 respectively.

Change in accounting practice

As a result of the merger into Rumo, in 201 the Company reanalyzed the accounting treatment adopted with respect to the agreement mentioned in Note 1, specifically in relation to the railroad. It used to be treated as finance lease, which was acceptable, but now it is incompatible with the new merger scenario and potential need to eliminate balances in consolidated financial statements.

Accordingly, management has decided to change its accounting practice and adopted the assumptions of ICPC 11- Transfer of Assets from Clients, whereby the amounts received by the Company as reimbursement for the construction of railroad are now treated as deferred revenue and the interest on construction in progress which were previously capitalized were reversed.

The effects of this change in accounting practice were recorded retroactively to January 1, 2013.

Discontinued operations

In addition, as subsidiaries Ritmo and Vetria weres discontinued, the balances of the statement of operations were reclassified to the discontinued operations line in 2013, and therefore were restated.

After reconsidering the accounting practices related to these subjects, the Company opted for restating the balances and the effects of these adjustments are shown below:

Restatement of January 1, 2013 amounts

Parent company

	Parent company			
		Restated Correction of error		
	01/01/2013	Equity in the results of subsidiaries	Cash and equivalents (vi)	01/01/2013
	Original balance			Restated balance
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	881,213	-	(38,896)	842,317
Investment securities	-	-	8,812	8,812
Total current assets	1,037,072	-	(30,084)	1,006,988
NON-CURRENT ASSETS				
Investment securities	-	-	30,084	30,084
Investments	7,409,088	(512,752)	-	6,896,336
Total non-current assets	7,809,827	(512,752)	30,084	7,327,159
TOTAL ASSETS	8,846,899	(512,752)	-	8,334,148

	Parent company			
		Restated Correction of error		
	01/01/2013	Equity in the results of subsidiaries	Cash and equivalents (vii) and (viii)	01/01/2013
	Original balance			Restated balance
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Total current liabilities	348,326	-	-	348,326
NON-CURRENT LIABILITIES				
Total non-current liabilities	4,294,825	-	-	4,294,825
TOTAL LIABILITES	4,643,151	-	-	4,643,151
Total equity	4,203,748	(512,751)	-	3,690,997
TOTAL LIABILITIES AND EQUITY	8,846,899	(512,751)	-	8,334,148

Consolidated

	Consolidated					
		Restated				
		Correction of error				
	01/01/2013	Incentive from customers (i)	Onerous contract (iii)	Cash and equivalents (vi)	Accounting practice Rumo	01/01/2013
	Original balance					Restated balance
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	2,508,360	-	-	(245,888)	-	2,262,472
Investment securities	-	-	-	7,075	-	7,075
Total current assets	3,675,265	-	-	(238,813)	-	3,436,452
NON-CURRENT ASSETS						
Investment securities	-	-	-	218,603	-	218,603
Deferred income tax and social contribution	581,493	31,438	11,387	-	125,526	749,844
Fixed assets	7,966,537	20,778	-	-	(117,946)	7,869,369
Total non-current assets	13,977,152	52,216	11,387	218,603	7,580	14,266,938
TOTAL ASSETS	17,652,417	52,216	11,387	(20,210)	7,580	17,703,390

	Consolidated							
		Restated						
		Correction of error						
	01/01/2013	Incentive from customers (i)	Other payables (ii)	Onerous contract (iii)	Drawee risk (iv)	Cash and equivalents (vi)	Accounting practice Rumo	01/01/2013
	Original balance							Restated balance
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Borrowings	860,655	-	-	-	139,650	-	-	1,000,305
Debentures	241,777	-	-	-	-	(20,210)	-	221,567
Trade payables	513,909	-	-	-	(139,650)	-	-	374,259
Other payables	53,609	-	57,848	4,309	-	-	-	115,766
Deferred revenue	2,611	2,683	-	-	-	-	-	5,294
Total current liabilities	2,481,753	2,683	57,848	4,309	-	(20,210)	-	2,526,384
NON-CURRENT LIABILITIES								
Other payables	7,877	-	128,104	29,183	-	-	251,246	416,410
Deferred revenue	2,022,256	110,560	-	-	-	-	-	2,132,816
Total non-current liabilities	10,894,242	110,560	128,104	29,183	-	-	251,246	11,413,335
Controling stakeholders	4,203,748	(61,027)	(185,952)	(22,105)	-	-	(243,667)	3,690,997
Non-controlling stockholders	72,674							72,674
Total equity	4,276,422	(61,027)	(185,952)	(22,105)	-	-	(243,667)	3,763,671
TOTAL LIABILITIES AND EQUITY	17,652,417	52,216	-	11,387	-	(20,210)	7,579	17,703,390

Restatement of December 31, 2013 amounts

Parent company

	Parent company				
		Restated			
		Correction of error		Accounting practice	
	12/31/2013	Equity in the results of subsidiaries	Cash and equivalents (vi)	Equity in the results of subsidiaries	12/31/2013
	Original balance				Restated balance
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	94,009	-	(23,064)	-	70,945
Investment securities	-	-	463	-	463
Total current assets	330,461	-	(22,601)	-	307,860
NON-CURRENT ASSETS					
Investment securities	-	-	22,601	-	22,601
Investments	8,395,524	(362,112)	-	(133,738)	7,899,674
Total non-current assets	8,536,917	(362,112)	22,601	(133,738)	8,063,668
TOTAL ASSETS	8,867,378	(362,112)	-	(133,738)	8,371,528

	Parent company				
		Restated			
		Correction of error		Accounting practice	
	12/31/2013	Equity in the results of subsidiaries	Cash and equivalents (vi)	Equity in the results of subsidiaries	12/31/2013
	Original balance				Restated balance
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Total current liabilities	360,414	-	-	-	360,414
NON-CURRENT LIABILITIES					
Total non-current liabilities	4,155,221	-	-	-	4,155,221
TOTAL LIABILITES	4,515,635	-	-	-	4,515,635
Total equity	4,351,743	(362,112)	-	(133,738)	3,855,893
TOTAL LIABILITIES AND EQUITY	8,867,378	(362,112)	-	(133,738)	8,371,528

	Parent company			
		Restated		
	12/31/2013	Correction of error	Accounting practice	12/31/2013
	Original balance	Equity in the results of subsidiaries	Equity in the results of subsidiaries	Restated balance
PROFIT (LOSS)				
Net services revenue	53,768	-	-	53,768
Cost of services	(59,532)	-	-	(59,532)
Gross profit	(5,764)			(5,764)
Sales, general and administrative expenses	(31,624)	-	-	(31,624)
Other operating income (expenses), net	19,619	-	-	19,619
	(12,005)			(12,005)
Results of investments				
Equity in the results of subsidiaries	535,297	10,707	3,955	549,959
Provision for net capital deficiency in subsidiaries	(35,588)	-	-	(35,588)
Gains/losses on investments	(98,357)	-	-	(98,357)
	401,352	10,707	3,955	416,014
Operating profit before finance result	383,583	10,707	3,955	398,245
Financial result	(186,437)	-	-	(186,437)
Operating profit before taxes	197,146	10,707	3,955	211,808
Current income tax and social contribution	-	-	-	-
Deferred income tax and social contribution	-	-	-	-
	-	-	-	-
Profit (loss) from continuing operations	197,146	10,707	3,955	211,808
Discontinued operations				
Loss from discontinued operations	(184,115)	2,237	-	(181,878)
Profit (loss) for the year	13,031	12,944	3,955	29,930

Consolidated

								Consolidated
		Restated						
		Correction of error					Accounting practice Rumo	
	12/31/2013	Incentive from customers (i)	Other payables (ii)	Onerous contract (iii)	Cash and equivalents (vi)	Finance lease (vii)		12/31/2013
	Original balance							Restated balance
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	2,917,636	-	-	-	(281,137)	-	-	2,636,499
Investment securities	-	-	-	-	16,558	-	-	16,558
Taxes and contributions recoverable	418,067	(248)	(5,351)	-	-	-	-	412,468
Total current assets	4,308,324	(248)	(5,351)	-	(264,579)	-	-	4,038,146
NON-CURRENT ASSETS								
Investment securities	-	-	-	-	244,301	-	-	244,301
Deferred income tax and social contribution	661,120	31,081	-	9,922	-	2,725	130,005	834,853
Fiexed assets	8,570,681	19,393	-	-	-	372,094	(216,482)	8,745,686
Total non-current assets	14,573,392	50,474	-	9,922	244,301	374,819	(86,477)	15,166,431
TOTAL ASSETS	18,881,716	50,226	(5,351)	9,922	(20,278)	374,819	(86,477)	19,204,577

	Consolidated								
		Restated							
		Correction of error						Accounting practice Rumo	
	12/31/2013	Incentive from customers (i)	Other payables (ii)	Onerous contract (iii)	Drawee risk (iv)	Cash and equivalents (vi)	Finance lease (vii)		12/31/2013
	Original balance								Restated balance
LIABILITIES AND EQUITY									
CURRENT LIABILITIES									
Borrowings	889,302	-	-	-	48,280	-	-	-	937,582
Debentures	241,154	-	-	-	-	(20,278)	-	-	220,876
Leases	144,106	-	-	-	-	-	76,354	-	220,460
Trade payables	721,112	-	-	-	(48,280)	-	-	-	672,832
Other payables	51,494	-	57,387	4,547	-	-	-	-	113,428
Deferred revenue	223,972	2,683	-	-	-	-	-	165,886	392,541
Total current liabilities	2,821,154	2,683	57,387	4,547	-	(20,278)	76,354	165,886	3,103,712
NON-CURRENT LIABILITIES									
Leases	1,313,080	-	-	-	-	-	303,134	-	1,616,214
Other payables	22,247	-	96,519	24,636	-	-	-	-	143,402
Deferred revenue	2,013,699	107,877	-	-	-	-	-	-	2,121,577
Total non-current liabilities	11,462,287	107,877	96,519	24,636	-	-	303,134	-	11,998,474
Controling stakeholders	4,351,743	(60,334)	(159,223)	(19,261)	-	-	(4,669)	(252,363)	3,855,893
Non-controlling stockholders	246,532								246,498
Total equity	4,598,275	(60,334)	(159,223)	(19,261)	-	-	(4,669)	(252,363)	4,102,391
TOTAL LIABILITIES AND EQUITY	18,881,716	50,226	(5,317)	9,922	-	(20,278)	374,819	(86,477)	19,204,577

										Consolidated
		Restated								
		Correction of error					Accounting practice Rumo	Descontinued operations (Ritmo e Vetria)	12/31/2013
	12/31/2013	Incentive from customers (i)	Other payables (ii)	Onerous contract (iii)	Finance expense (v)	Finance lease (vii)			
	Original balance								Restated balance
PROFIT (LOSS)									
Net services revenue	3,641,427	2,435	52,497	-	-	-	-	(260,398)	3,435,960
Cost of services	(2,156,521)	(1,385)	-	4,309	(147,395)	16,636	(47,213)	239,681	(2,091,888)
Gross profit	1,484,906	1,049	52,497	4,309	(147,395)	16,636	(47,213)	(20,717)	1,344,072
Sales, general and administrative expenses	(215,042)	-	-	-	-	-	-	9,337	(205,705)
Other operating income (expenses), net	33,711	-	-	-	-	-	-	(3,648)	30,063
	(181,331)	-	-	-	-	-	-	5,689	(175,643)
Results of investments									
Equity in the results of subsidiaries	11,238	-	-	-	-	-	-	(2,237)	9,001
Gains/losses on investments	(101,930)	-	-	-	-	-	-	(0)	(101,930)
	(90,692)	-	-	-	-	-	-	(2,237)	(92,929)
Operating profit before finance result	1,212,883	1,049	52,497	4,309	(147,395)	16,636	(47,213)	(17,266)	1,075,500
Financial result	(1,043,069)	-	(25,802)	-	147,395	(24,029)	34,037	5,525	(905,943)
Operating profit before taxes	169,814	1,049	26,695	4,309	-	(7,393)	(13,176)	(11,741)	169,558
Current income tax and social contribution	(55,073)							3,177	(51,896)
Deferred income tax and social contribution	98,827	(357)	-	(1,465)	-	2,725	4,480	87	104,296
	43,754	(357)	-	(1,465)	-	2,725	4,480	3,264	52,400
Profit (loss) from continuing operations	213,568	693	26,695	2,844	-	(4,669)	(8,696)	(8,477)	221,957
Discontinued operations									
Loss from discontinued operations	(185,590)	-	-	-	-	-	-	6,293	(179,297)
Profit (loss) for the year	27,978	693	26,695	2,844	-	(4,669)	(8,696)	(2,185)	42,659
Attributable to									
Owners of the Company	13,029								29,930
Non-controlling interests	14,949								12,729

Statement of cash flows

Parent company

	12/31/2013	Adjstments	12/31/2013 (Restated)
Net cash provided by (used in) operating activities	(122,590)	(7,482)	(130,072)
Net cash provided by (used in) investment activities	(632,230)	15,832	(616,398)
Net cash provided by (used in) financing activities	(24,903)	-	(24,903)
Increase (decrease) in cash and cash equivalents	(779,723)	8,350	(771,373)

Consolidated

	12/31/2013	Adjstments	12/31/2013 (Restated)
Net cash provided by (used in) operating activities	1,072,959	(71,683)	1,001,276
Net cash provided by (used in) investment activities	(925,092)	(19,080)	(944,172)
Net cash provided by (used in) financing activities	411,684	(94,760)	316,924
Increase (decrease) in cash and cash equivalents	559,551	(185,523)	374,028

3. Basis of consolidation

Consolidated financial statements

a) Subsidiaries

The consolidated financial statements include the financial statements of ALL – América Latina Logística S.A. and its subsidiaries at December 31, 2014, as follows:

Company	Description	12/31/2014	12/31/2013	01/01/2013
Direct and indirect subsidiaries				
ALL Intermodal	A company of road transportation segment of ALL. Since june of 2011, the operational activities of Intermodal are operated by Ritmo Logística, a compnay formed d by the merge of ALL Intermodal (controler) and Ouro Verde Transportes.	100.00	100.00	100.00
ALL Malha Oeste	A company of railroad transportation segment in Brazil	100.00	100.00	100.00
ALL Malha Paulista	A company of railroad transportation segment in Brazil	100.00	100.00	100.00
ALL Malha Sul	A company of railroad transportation segment in Brazil	100.00	100.00	100.00
ALL Malha Norte	A company of railroad transportation segment in Brazil	99.24	99.24	99.24
ALL Participações	Investments in other companies, ventures and consortia, whose objectives are related to transportation services, including railway transportation.	100.00	100.00	100.00
ALL Armazéns gerais	Prestação de serviços de armazenagem em geral, movimentação, transbordo.	100.00	100.00	100.00
Portofer	Administration of railroad transportation along the stretch withing Port of Santos.	50.00	50.00	50.00
Boswells	A financial investment company established in Uruguay	100.00	100.00	100.00
Brado Holding	Its main business purpose is holding interest in other entities, consortia or ventures, either locally or abroad.	100.00	100.00	100.00
Tezza	Provide administrative services to companies of ALL	99.99	99.99	99.99
ALL Equipamentos	Provide services of manufacture, adaptation, assembly and recovery of wagons, locomotives, and other railroad goods.	99.99	99.99	99.99
ALL Argentina	A company of railroad transportation segment in Argentina. Since May 2013, the railroad operations in Argetina were descontinued when the local government assumed its control.	90.96	90.96	90.96
Paranagua S.A.	A company formed to manage the closure of ALL Argentina.	99.83	99.83	-
Ritmo Logística	Formed on July 1, 2011 through the combination of the highway operations of ALL Intermodal S.A. (wich 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 AAL 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 estabilishing a strategic association in the highway segment.	65.00	65.00	65.00
ALL Rail Management	A company that provides management consulting to intermodal logistic business in Brazil and abroad.	50.01	50.01	50.01
Indirect subsidiaries				
Vetria Mineração	Vetria was formed on December 3, 2012 by ALL and its stakeholders, with the objective to develop an integrated system between mine-railroad-port.	50.38	50.38	-
Equity in the results of subsidiaries				
Rhall Terminais	Serviço de transbordo no terminal de Maringá	30.00	30.00	30.00
PGT Grains Terminal	Port operator of grains in the Port of Paranguá/PR	100.00	100.00	100.00
Terminal XXXIX	Port operator estabilished in the Port of Santos/SP	50.00	50.00	50.00

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

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

Profit or loss for the year 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 include 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 equal or exceed the carrying amounts 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 in which the Company exercises significant influence.

Based on the equity method, 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 variations, and discloses this in the statement of changes in equity, when applicable. Unrealized gains and losses arising from transactions between the Company and its associates are eliminated proportionally to the interest held in that associate.

The interests in associates are 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 have suffered impairment. If any impairment is identified, the Company calculates the amount of the loss based on 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 the disposal is recorded in the statement of operations.

The associates’ financial statements are prepared for the same reporting period as that of the Company. When necessary, adjustments are made to ensure the accounting policies are consistente 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 re-measured to its fair value, with any change in 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 in an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income related 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 (loss) 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 its 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 they are 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 re-measured to its fair value at the acquisition date, and the impact is recognized in the statement of operations.

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 re-measured to its fair value at the acquisition date, and the impact is recognized in the statement of operations.

Initially, goodwill is measured as the excess of the consideration paid over the fair value of the net assets acquired (identifiable assets acquired 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. Cash and cash equivalents

	Parent Company			Consolidated		
	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Banks - operating account	2,239	3,161	1,344	6,427	16,725	19,842
Financial investments	27,400	67,784	840,974	1,320,695	2,619,774	2,242,630
	29,639	70,945	842,318	1,327,122	2,636,499	2,262,472

The financial investments refer substantially to exclusive highly-liquid funds composed as follows:

	Parent company			Consolidated		
	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Investments in exclusive funds						
DPGE (i)	45	528	561	2,807	27,493	1,904
Investment funds (ii)	954	2,274	161,504	110,632	225,458	72,976
Government bonds	6,924	17,179	156,544	139,277	711,344	425,034
	7,923	**19,981**	**318,609**	**252,716**	**964,295**	**499,914**
Investments in banks						
Bank deposit certificates - CDB (iii)	13,017	40,447	426,390	894,013	1,272,350	1,407,015
Treasury bills (iv)	6,460	7,356	95,975	173,966	383,129	335,701
	19,477	**47,803**	**522,365**	**1,067,979**	**1,655,479**	**1,742,716**
	27,400	**67,784**	**840,974**	**1,320,695**	**2,619,774**	**2,242,630**

(i) Refer to investments in Bank Deposit Certificates (CBD) of financial institutions with special guarantee from the Credit Guarantor Fund.

(ii) Refer to the purchase of assets, especially government bonds, with repurchase agreement at a previously established rate, usually with a one-day term.

(iii) Refer mainly to Bank Deposit Certificates (CDBs), issued by Brazilian financial institutions with original maturities of 90 days or less, for which there are no penalties or other restrictions for early redemption.

(iv) Refer to investments in Financial Bills from banks.

5. Securities

	Parent company			Consolidated		
Short term	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Debentures (i)	805	463	8,812	3,870	3,827	3,459
Government bonds	-	-	-	2,748	12,732	3,616
Restricted cash (ii)	-	-	-	184,359	-	-
	805	463	8,812	190,977	16,559	7,075
Long term						
Restricted cash (ii)	23,521	22,601	30,084	197,565	78,007	62,729
Government bonds	-	-	-	-	166,294	155,974
	23,521	22,601	30,084	197,565	244,301	218,703

(i) Refer to investments in Company exclusive funds that applied resources in debentures issued by the Company

(ii) Includes at December ,31 ,2014, the balance of R$ 184,359 classified as restricted cash in order to meet the loan from BNDES (R$ 166,294 in 2013 and R$ 155,874 in January, 1, 2013).

6. Trade receivables

	Parent company			Consolidated		
	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Trade receivables						
In Brazil	37,662	69,847	17,961	421,855	487,738	384,716
In Argentina	-	-	-	7,702	12,667	45,553
	37,662	69,847	17,961	429,557	500,405	430,269
(-) Provision for impairment of trade receivables						
In Brazil	(4,101)	-	-	(14,774)	(35,304)	(28,232)
In Argentina	-	-	-	(7,481)	(11,826)	(9,240)
	(4,101)	-	-	(22,255)	(47,130)	(37,472)
	33,561	69,847	17,961	407,302	453,275	392,797
Current assets	7,889	39,757	17,961	381,630	423,185	392,797
Non-current assets	25,672	30,090	-	25,672	30,090	-

At December 31, 2014 and December 31, 2013, the balance of trade receivables, by maturity, was as follows:

Years	Amount not yet due and with no impairment	Overdue balances					Provision for impairment of trade receivables	Total
		< 30 days	31 - 60 days	61 - 90 days	91 - 180 days	> 181 days		
12/31/2014	168,858	42,222	15,558	10,758	47,343	144,818	(22,255)	407,302
12/31/13 (Restated)	210,076	99,757	61,481	22,459	59,502	47,130	(47,130)	453,275
01/01/2013 (Restated)	239,398	58,112	37,172	18,885	39,230	37,472	(37,472)	392,797

Provision for impairment of trade receivables

The provision was calculated based on a credit risk analysis, which considers historical losses, the individual customer 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 and accounts receivable that although past due management believes are realizable (comprising mainly amounts receivable from Rumo). The provision is considered sufficient to cover any losses on amounts receivable.

Changes in the provision for impairment of trade receivables for the year ended December 31, 2014 are shown in the table below:

	Parent company						
	01/01/2013 (Restated)	Adition	Reduction	12/31/2013 (Restated)	Adition	Reduction	12/31/2014
Provision for impairment of trade receivables	-	-	-	-	(4,101)	-	(4,101)

	Consolidated						
	01/01/2013 (Restated)	Adition	Reduction	12/31/2013 (Restated)	Adition	Reduction	12/31/2014
Provision for impairment of trade receivables	(28,232)	(7,782)	710	(35,304)	(3,578)	24,108	(14,774)

7. Taxes and contributions recoverable

	12/31/2014		12/31/2013 (Restated)		01/01/2013 (Restated)	
	Current assets	Long-term receivables	Current assets	Long-term receivables	Current assets	Long-term receivables
Parent company						
Income tax and social contribution recoverable - prepayment	-	69,469	72,973	-	85,513	1,878
Other	901	-	901	-	3,715	-
	901	69,469	73,874	-	89,228	1,878
Subsidiaries						
ICMS (i)	9,935	211,651	144,011	16,026	80,440	25,568
ICMS CIAP (ii)	90,940	125,192	76,811	115,826	67,986	93,993
Income tax and social contribution recoverable - prepayment	21,839	86,099	59,861	44,308	52,409	36,989
Federal tax credits to be offset PIS/COFINS	-	-	32,014	87,119	-	151,147
Excise tax (IPI) (iii)	233,000	162,870	155,224	171,134	133,019	146,084
Other	4,458	43,073	3,507	26,736	37,843	7,034
	360,172	628,885	471,428	461,149	371,697	460,815
Consolidated						
Taxes and contributions recoverable	339,234	542,786	412,468	416,841	323,003	423,826
Income tax and social contribution recoverable	21,839	155,568	132,834	44,308	137,922	38,867
	361,073	698,354	545,302	461,149	460,925	462,693

(i) ICMS credits related to the acquisition of inputs and diesel used in the rendering of transportation services.
(ii) ICMS credits arising from the acquisition of property and equipment
(iii) In 2014, the Company concluded to be difficult the realization of IPI credit, and set up a provision of the entire outstating balance of R$ 151,943.

8. Current and deferred income tax and social contribution

The reconciliation of income tax and social contribution at the nominal rates compared to the effective rates for the years ended December 31, 2014 and 2013 is as follows:

	Parent company		Consolidated	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Profit before taxation	(1,766,904)	211,808	(1,930,531)	169,557
Standard rate	34%	34%	34%	34%
Taxes at nominal rate	600,747	(72,015)	656,381	(57,649)
Tax adjustments for:				
Equity in the results of investees and provision for net capital deficiency	(456,149)	176,581	3,780	3,821
Differences in rates for companies taxed under the deemed profit method	-	-	6,250	3,990
Amortization of goodwill	(19,052)	(19,103)	(656)	(707)
Effect of temporary differences	(67,273)	(28,651)	(361,769)	(19,057)
Effect of tax loss	(88,280)	(55,324)	(149,501)	60,128
Recording of stock options granted	(58)	(415)	(232)	(1,357)
Effect of Worker's Meal Program (PAT) and other tax incentives	-	-	4,844	3,344
Income tax surcharge	-	-	72	132
Effect of rate decrease - Superintendence for the Development of the Amazon (SUDAM) incentive	-	-	38,576	64,145
Descontinud operations results	31,204	(760)	31,202	(760)
Other permanent differences	(861)	(313)	(22,275)	(3,630)
Effective tax income (expense)	278	-	206,672	52,400
Current taxes	-	-	(88,816)	(51,896)
Deferred taxes	278	-	295,488	104,296
Effective rate	-0.02%	0.00%	-10.71%	30.90%

Deferred tax credits on tax losses and temporary differences held by the Company, as well as the portion recorded in the balance sheet at December 31, 2014 and December 31, 2013, are as follows:

	Consolidated		
	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Tax losses	993,475	964,842	941,422
Amortization of goodwill	39,030	39,030	-
Provision for ICMS with difficult realization	12,598	11,247	3,496
Provision for tax issues	16,058	17,096	18,108
Labor litigation	60,883	34,865	37,166
Provision for civil claims	12,654	15,338	13,019
Provision for impairment of trade receivables	9,569	16,548	14,179
Provision	143,025	65,089	321,553
Provision for impairment	321,573	-	-
Customer incentive	378,258	130,005	-
Lease	10,227	58,072	-
Deferred expenses	60,435	61,592	-
Other	5,234	24,877	8,549
Total tax credits	**2,063,019**	**1,438,601**	**1,357,492**
(-) Offset deferred income tax - Law 12.996/2014	(99,477)	-	-
(-) Unrecorded credits	(938,505)	(603,747)	(607,648)
(=) Net credits recorded	**1,025,037**	**834,854**	**749,844**

Reconciliation of deferred tax assets

	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Opening balance	834,854	749,844	509,617
Adjustment of balances of subsidiaries	(5,828)	761	165,219
Acquisition of subsidiary	-	(3,713)	2,649
Tax income (expenses) recorded in the statement of income	295,488	104,210	73,012
Effect of deferred income tax on discontinued operations	-	-	(653)
Offset deferred income tax	(99,477)	(16,248)	-
Closing balance	**1,025,037**	**834,854**	**749,844**

Deferred tax assets are expected to be realized as follows:

	Consolidated
	12/31/2014
2015	149,732
2016	142,821
2017	149,113
2018	93,103
After 2018	490,268
Total	1,025,037

The Company, together with its subsidiaries, has tax losses to offset amounting to R$ 2,921,982 (R$ 2,837,774 in 2013). These losses refer to subsidiaries that present a history of losses that do not prescribe and that cannot be utilized for offset against taxable profits in another company of the Group, as well as to losses whose estimated realization exceeds a reasonable period. The offset of accumulated tax losses is restricted to the limit of 30% of the taxable profit generated in the fiscal year. These subsidiaries do not have taxable temporary differences or tax planning that could partially justify the recognition of deferred tax asset.

Tax credits on losses were not recognized at subsidiaries ALL Intermodal, ALL Malha Sul, ALL Malha Oeste and ALL S.A. in view of the tax losses recorded in recent years.

9. Investments

a) Interest in subsidiaries, jointly-controlled subsidiaries and associates (Parent company)

		Subsidiaries/associates				Equity in the results of subsidiaries		Parent company: Investment value		Goodwill		Total investments	
		Assets	Liabilities	Equity	Net revenue	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Direct subsidiaries													
ALL Malha Sul		2,562,755	2,127,039	435,716	991,174	(877,217)	(27,575)	435,716	782,959	-	-	435,716	782,959
ALL Intermodal		183,275	100,324	82,951	(55)	(102,807)	1,071	82,951	185,758	-	-	82,951	185,758
ALL Overseas	(i)	-	-	-	-	-	398	-	-	-	-	-	-
ALL Serviços		27,350	2,841	24,509	47,846	27,729	22,305	24,507	100	-	-	24,507	100
ALL Equipamentos		286	-	286	-	-	61	286	286	-	-	286	286
ALL Malha Paulista		4,846,721	4,510,465	336,256	1,265,457	(226,110)	202,744	336,256	562,238	273,402	292,412	609,658	854,650
ALL Malha Norte		5,861,424	3,956,861	1,904,563	2,029,196	121,310	335,735	1,890,088	1,787,316	1,921,346	1,950,994	3,811,434	3,738,310
Boswels		16,749	-	16,749	-	471	17	16,749	12,998	-	-	16,749	12,998
ALL Malha Oeste		649,105	984,758	(335,653)	105,932	-	-	-	-	-	96,576	-	96,576
Rail Management		6,277	639	5,638	12,898	2,602	342	2,820	218	-	-	2,820	218
Brado Holding		944,632	577,797	366,835	290,001	32,379	18,184	366,835	334,456	-	-	366,835	334,456
Paranaguá S.A.		935	853	82	-	(4,554)	(3,323)	82	1,068	-	-	82	1,068
Vétria Meneração S.A		293,142	230,168	62,974	-	-	-	-	1,892,295	-	-	-	1,892,295
						(1,026,197)	549,959	3,156,290	5,559,692	2,194,748	2,339,982	5,351,038	7,899,674

		Subsidiaries/associates				Investment value		Goodwill		Total investments	
		Assets	Liabilities	Equity	Net revenue	12/31/13 (Restated)	01/01/2013 (Restated)	12/31/13 (Restated)	01/01/2013 (Restated)	12/31/13 (Restated)	01/01/2013 (Restated)
Direct subsidiaries											
ALL Malha Sul		3,450,565	2,667,606	782,959	1,041,000	782,959	379,537		-	782,959	379,537
ALL Intermodal		285,687	99,929	185,758	261,930	185,758	184,687	-	-	185,758	184,687
ALL Overseas	(i)	-	-	-	-	-	4,345	-	-	-	4,345
ALL Serviços		36,390	36,290	100	44,570	100	100	-	-	100	100
ALL Equipamentos		286	-	286	(2)	286	25,162	-	-	286	25,162
ALL Malha Paulista		4,071,692	3,509,454	562,238	1,066,648	562,238	140,018	292,412	311,423	854,650	451,441
ALL Malha Norte		5,892,693	4,091,690	1,801,003	1,816,878	1,787,316	1,502,965	1,950,994	1,980,639	3,738,310	3,483,604
ALL Argentina		12,883	32,886	(20,003)	90,442	-	429	-	-	-	429
Boswels		12,998	-	12,998	-	12,998	12,981	-	103,955	12,998	116,936
ALL – Sisa		-	-	-	-	-	146,956	-	-	-	146,956
Araucária Rail Technology		-	-	-	-	-	325	-	-	-	325
Santa Fé Vagões		-	-	-	-	-	8,654	-	150	-	8,804
ALL Malha Oeste		840,683	861,257	(20,574)	94,995	-	14,116	96,576	-	96,576	14,116
Rail Management		1,456	1,020	436	3,951	218	218	-	-	218	218
Brado Holding		803,994	469,538	334,456	276,342	334,456	82,493	-	-	334,456	82,493
Paranaguá S.A.		2,017	947	1,070	-	1,068	-	-	-	1,068	-
Vétria Meneração S.A		5,940,237	2,184,193	3,756,044	-	1,892,295	1,997,183	-	-	1,892,295	1,997,183
						5,559,692	4,500,169	2,339,982	2,396,167	7,899,674	6,896,336

	Changes									
	12/31/2013 (Restatement)	Equity in the results of subsidiaries	Capital increase/decrease	Adjustments	Gain/loss on investment	Dividends	Reductions	Results from discontinued operations	Foreign exchange variation - profit or loss	12/31/2014
Investment:										
ALL Malha Sul	782,959	(877,217)	528,000	1,974	-	-	-	-	-	435,716
ALL Intermodal	185,758	(102,807)	-	-	-	-	-	-	-	82,951
ALL Serviços	100	27,729	-	-	-	(3,322)	-	-	-	24,507
ALL Equipamentos	286	-	-	-	-	-	-	-	-	286
ALL Malha Paulista	562,238	(226,110)	-	128	-	-	-	-	-	336,256
ALL Malha Norte	1,787,316	121,310	-	128	-	(18,666)	-	-	-	1,890,088
Boswels	12,998	471	-	-	-	-	-	-	3,280	16,749
Rail Management	218	2,602	-	-	-	-	-	-	-	2,820
Brado Holding	334,456	32,379	-	-	-	-	-	-	-	366,835
Vetria Mineração S.A	1,892,295	-	-	206,339	-	-	(55,914)	(2,042,720)	-	-
Paranaguá S.A.	1,068	(4,554)	4,089	-	(1)	-	-	-	(520)	82
	5,559,692	**(1,026,197)**	**532,089**	**208,569**	**(1)**	**(21,988)**	**(55,914)**	**(2,042,720)**	**2,760**	**3,156,290**
Net capital deficiency:										
ALL Participações	(10,247)	(207)	-	-	-	-	-	-	1,195	(9,259)
ALL Argentina	(9,735)	-	-	-	-	-	-	(2,052)	988	(10,799)
ALL Malha Oeste	(20,574)	(315,208)	-	129	-	-	-	-	-	(335,653)
	(40,556)	**(315,415)**	**-**	**129**	**-**	**-**	**-**	**(2,052)**	**2,183**	**(355,711)**
	5,519,136	**(1,341,612)**	**532,089**	**208,698**	**(1)**	**(21,988)**	**(55,914)**	**(2,044,772)**	**4,943**	**2,800,579**

		Changes											
	01/01/2013 (Restated)	Equity in the results of subsidiaries	Capital increase/decrease	Merger	Advance for future capital increase	Reductions	Transaction with non-controlling interests	Adjustments	Gain/loss on investment	Dividends	Foreign exchange variations-profit or loss	Results from discontinued operations	Foreign exchange variations-equity	12/31/2013 (Restatement)
Investment:														
ALL Malha Sul	379,537	(27,575)	400,000	8,654	-	-	-	22,343	-	-	-	-	-	782,959
ALL Intermodal	184,687	1,071	-	-	-	-	-	-	-	-	-	-	-	185,758
ALL Overseas	4,345	398	(4,704)	-	-	-	-	-	(39)	-	(339)	-	339	-
ALL Serviços	100	22,305	-	-	-	-	-	-	-	(22,305)	-	-	-	100
ALL Equipamentos	25,162	61	(24,939)	-	-	-	-	-	2	-	-	-	-	286
ALL Malha Paulista	140,018	202,744	220,000	-	-	-	-	(524)	-	-	-	-	-	562,238
ALL Malha Norte	1,502,965	335,735	-	-	-	-	-	(333)	-	(51,051)	-	-	-	1,787,316
Boswels	12,981	17	-	-	-	-	-	-	-	-	-	-	-	12,998
ALL – Sisa	146,956	-	39,460	-	-	(16,695)	-	-	(3,892)	-	8,122	(169,436)	(4,515)	-
Araucária Rail Technology	325	-	-	-	-	(325)	-	-	-	-	-	-	-	-
Santa Fé Vagões	8,654	-	-	(8,654)	-	-	-	-	-	-	-	-	-	-
Rail Management	218	342	-	-	(534)	-	-	-	-	(342)	-	-	-	218
Brado Holding	82,493	18,184	-	-	-	-	221,085	-	-	12,694	-	-	-	334,456
Vetria Mineração S.A	1,997,183	-	-	-	-	-	5,038	(112,127)	(36)	-	-	-	-	1,890,058
Paranaguá S.A.	-	(3,323)	379	-	-	-	-	-	8,121	-	1,515	-	(5,624)	1,068
	4,485,624	**549,959**	**630,196**	-	**(534)**	**(17,020)**	**226,123**	**(90,641)**	**4,156**	**(61,004)**	**9,298**	**(169,436)**	**(9,800)**	**5,557,455**
Net capital deficiency:														
ALL Participações	(10,689)	(1,432)	-	-	-	-	-	-	-	-	-	-	1,874	(10,247)
ALL Argentina	429	-	102,513	-	-	-	-	-	(102,513)	-	-	(14,678)	4,514	(9,735)
ALL Malha Oeste	14,116	(34,156)	-	-	(534)	-	-	(534)	-	-	-	-	-	(20,574)
	3,856	**(35,588)**	**102,513**	-	**(534)**	-	-	**(534)**	**(102,513)**	-	-	**(14,678)**	**6,388**	**(40,556)**
	4,489,480	**514,371**	**732,709**	-	**(1,069)**	**(17,020)**	**226,123**	**(91,175)**	**(98,357)**	**(61,004)**	**9,298**	**(184,114)**	**(3,412)**	**5,516,899**

The Company records the goodwill paid for expected future profitability, represented by the concession cost in investment acquisition, in the Investment subgroup, and in Intangible Assets subgroup in the consolidated balance sheet, as cost of concession acquired in business combinations, as detailed in Note 11.

Significant information on investments

ALL Overseas

Overseas was disposed of on December 31, 2013. ALL no longer holds any interest in this company.

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.

ALL recorded the interest obtained as investment, which corresponds to 50.38% (R$ 1,997,183 at December 31, 2012) of Vetria's capital, as contra entry to deferred revenue, which would be appropriated to income (loss) as the iron ore was being transported. This appropriation would begin upon the completion of the investments required for the projected volume flow of more than 27 million tons per year.

On December 10, 2014, the stockholders of Vetria announced that, as certain conditions established in the Association Agreement had not been met within the period specified in the agreement, and also considering current market conditions and trends, specifically the iron ore price levels, the stockholders of Vetria decided to terminate the Association Agreement. The Parties will jointly evaluate, define and carry out all the actions and measures that may be necessary in view of such decision, in accordance with the Association Agreement. Accordingly, the Company has already written down the amount of the investment as well as the deferred revenue initially recorded. It has also recorded the recycling to effects of accumulated gains (losses) in comprehensive income (loss) and its portion of responsibility for the liabilities assumed by its jointly-owned subsidiary. In addition, the Company remains as guarantor of the borrowings contracted by Vétria, which will be settled with funds provided by the stockholders upon the completion of Vetria's settlement. The provision established covers the guarantee offered by the Company for such borrowings.

Brado Participações e Logística S.A

On August 5, 2013, Brado Logística e Participações S.A.'s equity was increased by R$ 400,000 through a capital contribution from the new partner, Investment Fund of the Guarantee Fund for Length of Service (FI-

FGTS). The new partner now holds 22.22% and the interests of the former stockholders were diluted proportionately. Thus, the Company now holds 62.22%, compared to the previous interest of 80%.

With the entry of the new partner, 2,857,143 new shares were issued, increasing the capital of Brado by R$ 28,552, with the remaining amount contributed, R$ 371,448, being recorded as goodwill related to the issuance of shares. Of that amount, R$ 226,123 were recorded as income from transaction with stockholders in equity.

The expenses incurred with the issue of the new shares, amounting to R$ 9,683, were recorded, reducing the goodwill described above.

The stockholders of FI-FGTS and the former stockholders will have the right to request the agreement's liquidity option, whereby it will be possible to change the number of Brado LP's shares for a number of ALL shares, considering the calculation of the exchange ratio of the economic value of Brado shares in face of the value of ALL shares, at the date the option is exercised. The decision of perform the request is exclusive for the Company upon stock shares or cash payment.

Disposal of the interest in Araucária Rail Technology S.A. ("ART")

The disposal of Araucária Rail Technology S.A. occurred on March 12, 2013, based on the equity value of the Company at December 31, 2012, according to an appraisal report, which corresponded to R$ 325. According to the contract for purchase and sale signed by the parties, ALL will still be entitled to a variable amount equivalent to 37.38% of any payments related to dividends, interest on capital, reimbursement, redemptions, capital decrease and any other securities issued by the purchaser, net of any taxes and/or charges, except for income tax.

Disposal of Ritmo Logística S.A.

As disclosed in Note 1, the Board of Directors approved the sale of indirect subsidiary Ritmo Logística S.A., which is now shown as an held for sale asset and discontinued operations in the consolidated financial statements.

b) Subsidiaries with net capital deficiency (Parent company)

Provisions were set up for the subsidiaries with net capital deficiency and are recorded in the balance sheet under non-current liabilities. The provisions were calculated as follows:

		Subsidiaries		Parent company				
				Changes in the provision for net capital deficiency in the period		Provision for net capital deficiency		
		Net capital deficiency	Result for the period	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Direct subsidiaries								
ALL Participações		(9,260)	(208)	(208)	(1,432)	9,259	10,247	10,689
ALL Argentina	(i)	(10,799)	(2,052)	-	-	10,799	9,735	-
ALL Malha Oeste		(84,716)	(61,883)	(301,968)	(34,156)	322,414	20,574	-
				(302,176)	(35,588)	342,472	40,556	10,689

(i) As presented in Note 30, ALL Argentina terminated the concession contracts for the provision of transportation services of its subsidiaries, discontinuing their operations from the date of termination of the contract.

c) Associates and jointly-controlled company (Consolidated)

Stated on the equity method of accounting	Investment carrying amount		
	12/31/2014	12/31/2013 (Restated)	01/01/13 (Restated)
Associates			
Rhall Terminais	3,503	3,251	2,956
TGG	15,826	12,876	10,231
Terminal XXXIX	15,680	15,836	-
Termag	6,220	1,076	-
Jointly-controlled subsidiaries			
Vetria Mineração S.A.	-	1,892,295	1,997,183
	41,229	1,925,334	2,010,370

10. Property and equipment – Consolidated

	12/31/2014			12/32/2013 (Restated)	01/01/2013 (Restated)
	Cost	Accumulated depreciation	Net	Net	Net
Leasehold improvements					
Locomotives	1,553,680	(593,429)	960,251	980,069	817,408
Wagons	740,845	(181,559)	559,286	520,287	596,550
Track	3,404,429	(1,394,474)	2,009,955	3,056,627	2,047,736
Other	253,271	(152,129)	101,142	100,481	140,273
	5,952,225	(2,321,591)	3,630,634	4,657,464	3,601,967
Own property and equipment in use					
Locomotives	207,832	(83,448)	124,384	154,762	268,288
Wagons	234,098	(42,139)	191,959	179,607	272,278
Track	1,971,092	(212,017)	1,759,075	1,060,005	1,078,174
Warehouses	122,566	-	122,566	9,291	5,822
Land	51,454	-	51,454	41,876	36,653
Buildings	141,307	(42,002)	99,305	68,641	61,205
Furniture and fittings	16,776	(14,045)	2,731	3,401	3,014
Road vehicles	2,691	(2,598)	93	61,085	60,620
Data processing equipment	108,882	(96,300)	12,582	21,318	27,628
Telecommunication and signaling equipment	90,818	(44,126)	46,692	32,091	25,670
Equipment for track and railroad transportation maintenan	100,497	(82,288)	18,209	27,493	37,711
Aircraft	12,622	(2,807)	9,815	11,050	9,154
Machinery and equipment	47,658	(17,095)	30,563	45,273	39,391
Other	318,065	(81,980)	236,085	106,586	135,679
	3,426,358	(720,845)	2,705,513	1,822,479	2,061,287
Leases					
Locomotives	920,033	(422,694)	497,339	682,940	497,932
Wagons	1,409,300	(587,090)	822,210	856,436	702,089
Civil construction	126,502	(20,858)	105,644	115,014	12,956
Equipment	17,286	(9,888)	7,398	9,127	10,858
	2,473,121	(1,040,530)	1,432,591	1,663,517	1,223,835
Construction in progress					
Locomotives	8,473	-	8,473	33,653	33,137
Wagons	37	-	37	55	51,097
Track	697,641	-	697,641	539,846	814,820
Other	36,539	-	36,539	28,672	83,226
	742,690	-	742,690	602,226	982,280
	12,594,394	(4,082,966)	8,511,428	8,745,686	7,869,369

Summary of changes in property and equipment:

	At 12/32/13 (Restated)			Changes in the year						At 12/31/14		
Classes of property and equipment	**Gross cost**	**Accumulated depreciation**	**Net**	**Acquisitions**	**Changes that do not affect cash**	**Disposals**	**Transfers**	**Impairment**	**Net depreciation**	**Accumulated cost**	**Accumulated depreciation**	**Net**
Locomotives	1,518,570	(383,739)	1,134,831	13,397	18,616	175	210,754	(427,000)	133,862	1,761,512	(676,877)	1,084,635
Wagons	920,828	(220,934)	699,894	67,808	(62,860)	(363)	49,530	-	(2,764)	974,943	(223,698)	751,245
Track	4,931,510	(814,878)	4,116,632	442	69,873	(9,697)	383,393	(578,208)	(213,405)	5,375,521	(1,606,491)	3,769,030
Lease	2,281,331	(617,814)	1,663,517	-	174,079	-	17,711	-	(422,716)	2,473,121	(1,040,530)	1,432,591
Construction in progress	602,226	-	602,226	969,443	53,505	(46,984)	(835,500)	-	-	742,690	-	742,690
Warehouse -fixed investment	9,291	-	9,291	113,275	-	-	-	-	-	122,566	-	122,566
Other	1,020,884	(501,589)	519,295	44,220	(83,510)	(11,665)	174,112	-	(33,781)	1,144,041	(535,370)	608,671
TOTAL	**11,284,640**	**(2,538,954)**	**8,745,686**	**1,208,585**	**169,703**	**(68,534)**	**-**	**(1,005,208)**	**(538,804)**	**12,594,394**	**(4,082,966)**	**8,511,428**

	At 01/01/2013 (Restated)			Changes in the year					At 12/32/13 (Restated)		
Classes of property and equipment	**Gross cost**	**Accumulated depreciation**	**Net**	**Acquisitions**	**Changes that do not affect cash**	**Disposals**	**Transfers**	**Net depreciation**	**Accumulated cost**	**Accumulated depreciation**	**Net**
Locomotives	1,544,085	(458,389)	1,085,696	69,827	(256,041)	(194,333)	355,032	74,650	1,518,570	(383,739)	1,134,831
Wagons	1,183,191	(314,363)	868,828	178,109	(255,451)	(276,782)	91,761	93,429	920,828	(220,934)	699,894
Track	3,781,359	(655,449)	3,125,910	2,096	(2,269)	(2,497)	1,152,821	(159,429)	4,931,510	(814,878)	4,116,632
Lease	1,686,545	(462,710)	1,223,835	-	594,786	-	-	(155,104)	2,281,331	(617,814)	1,663,517
Construction in progress	982,280	-	982,280	1,167,143	236,716	(38,881)	(1,745,032)	-	602,226	-	602,226
Warehouse -fixed investment	5,822	-	5,822	3,469	-	-	-	-	9,291	-	9,291
Other	1,047,652	(470,654)	576,998	192,001	(189,898)	(174,289)	145,418	(30,935)	1,020,884	(501,589)	519,295
TOTAL	**10,230,934**	**(2,361,565)**	**7,869,369**	**1,612,645**	**127,843**	**(686,782)**	**-**	**(177,389)**	**11,284,640**	**(2,538,954)**	**8,745,686**

During the year ended December 31, 2014, R$ 4,187 (R$ 56,401 at December 31, 2013) was capitalized as construction in progress, related to financial charges generated by loans used to finance such construction.

The Company's main ongoing project is the duplication of the Campinas – Santos stretch of the railway.

The provision for impairment recorded in 2015 is explained in Note 12.

Leases and construction in progress

The carrying amount of property and equipment held under finance lease agreements at December 31, 2014 was R$ 1,432,591 (R$ 1,663,517 in December 2013). As detailed in Note 16.1, finance lease agreements are classified as property and equipment and are depreciated consistently with the criteria applicable to other property and equipment items. The properties and equipment of this statement are held as guarantee in lease contracts.

11. Intangible assets – Consolidated

		12/31/2014			12/31/2013 (Restated)	01/01/2013 (Restated)
		Cost	**Accumulated amortization**	**Net**	**Net**	**Net**
Concession right	(i)					
ALL Malha Oeste		125,277	(125,277)	-	96,576	103,955
ALL Malha Paulista		350,904	(77,506)	273,398	292,411	311,423
ALL Malha Norte		2,055,057	(133,709)	1,921,348	1,950,992	1,980,638
Santa Fé		462	(462)	-	-	150
		2,531,700	(336,954)	2,194,746	2,339,979	2,396,166
Grant right - Concession agreements	(ii)					
ALL Malha Oeste		3,118	(1,933)	1,185	1,288	1,392
ALL Malha Paulista		12,252	(8,580)	3,672	3,935	4,197
ALL Malha Sul		10,830	(6,462)	4,368	4,727	5,086
		26,200	(16,975)	9,225	9,950	10,675
Other		140,953	(69,707)	71,246	60,315	57,705
		2,698,853	(423,636)	2,275,217	2,410,244	2,464,546

(i) The concession rights are based on the expected future profitability, and are amortized using the realization curve over the life of the concessions, since this asset has a finite useful life.

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

	At 12/32/13 (Restated)			Changes in the year				At 12/31/14		
	Gross cost	Accumulated amortization	Net	Additions	Disposals	Impairment	Amortization	Gross cost	Accumulated amortization	Net
Goodwill on the acquisition of investments	2,531,700	(191,721)	2,339,979	-	-	(89,196)	(56,037)	2,531,700	(336,954)	2,194,746
Concession agreements	26,200	(16,250)	9,950	-	-	-	(725)	26,200	(16,975)	9,225
Other	113,538	(53,223)	60,315	28,523	(1,108)	(8,791)	(7,693)	140,953	(69,707)	71,246
	2,671,438	**(261,194)**	**2,410,244**	**28,523**	**(1,108)**	**(97,987)**	**(64,455)**	**2,698,853**	**(423,636)**	**2,275,217**

	01/01/2013 (Restated)			Changes in the year			31/12/2013 (Reapresentado)		
	Gross cost	Accumulated amortization	Net	Additions	Disposals	Amortization	Gross cost	Accumulated amortization	Net
Goodwill on the acquisition of investments	2,531,700	(135,534)	2,396,166	-	-	(56,187)	2,531,700	(191,721)	2,339,979
Concession agreements	26,200	(15,525)	10,675	-	-	(725)	26,200	(16,250)	9,950
Other	105,297	(47,592)	57,705	8,247	(6)	(5,631)	113,538	(53,223)	60,315
	2,663,197	**(198,651)**	**2,464,546**	**8,247**	**(6)**	**(62,543)**	**2,671,438**	**(261,194)**	**2,410,244**

12. Analysis of impairment in cash generating units containing goodwill

As mentioned in Note 2.23, in the year ended December 31, 2014 indicators were identified requiring impairment tests for intangible assets and property and equipment, in accordance with Technical Pronouncement CPC 1 – Impairment of Assets

(i) Impairment due to locomotive replacement plan

In 2014, management identified locomotives that did not meet certain operational efficiency standards, generating above average maintenance, operation and fuel consumption costs. This prompted the decision to replace the fleet to improve the productivity of the Company's railroad activities.

As there is a formal plan, and the Board of Directors approved in 2014 part of the fleet, the Company recognized a provision for the disposal of the locomotives included in this plan, amounting to R$ 427,000, with a contra entry in provision for impairment in the statement of operations, since although they are still being used, they will be discontinued in the short term. Accordingly, the recoverability of these assets will not occur through the value-in-use method but through the fair value less selling expenses method, in accordance with Technical Pronouncement CPC 1 – Impairment of Assets. Therefore, based on the calculation of fair value less selling expenses, a provision for impairment was established. The fair value was classified as level two in the fair value hierarchy framework.

	Malha Sul	Malha Norte	Malha Paulista	Total
Replacement of fleet	198,000	168,000	61,000	427,000

(ii) Impairment of intangible assets and property and equipment

In addition to the test described in item (i), management identified in Malha Sul and Oeste that the present values of free cash flows of these businesses (value-in-use method), as well as using the fair value method, are not sufficient to recover the corresponding balances of intangible assets and property and equipment.

Therefore, management set up a provision for impairment in the amount of R$ 757,268, with a contra entry in provision for impairment expense caption in the statement of operations. The assets with lower liquidity were used as provision consumption criterion for the higher liquidity assets.

	Malha Sul	Malha Oeste	Total
Concession right	-	89,196	89,196
Intangible assets	8,327	464	8,791
Property and equipment	339,092	239,116	578,208
	347,419	328,776	676,195

No need for a provision for impairment was identified in the CGUs composed by Malhas Norte and Paulista ("CGU Malha Norte")

The recoverable value of the CGUs (CGU Malha Norte, Malha Sul and Malha Paulista) was determined in December 2014 by calculating the value-in-use based on cash projections established in the budgets approved by management for the five-year period extrapolated for the same period.

Main assumptions used in value-in-use calculations

The value-in-use calculation for Malha Norte, Malha Oeste and Malha Sul DGUs is more sensitive to the following assumptions:

Operating margins

The operating margins are based on the average amounts obtained in the three years prior to the beginning of the budget period. These margins vary over the projection period, according to the implementation and development of the company's projects.

Discount rates

The discount rates reflect the current market assessment related to the CGU. The discount rate was estimated based on the average weighted cost of capital for the segment and is equivalent to 9.9% p.a. This rate was adjusted to reflect the market assessment of any risk specific to the CGU.

Growth rate estimates

The rates are based on management's expectations for the next years. The long-term rates of 4% to 8.5% p.a., on average, were used to extrapolate the budget, which has been adjusted by any additional element identified by management.

Sensitivity to changes in assumptions

Determination of asset recovery ability depends on certain key assumptions, as described before, which are affected by market, technological, and economic conditions in effect at the time when such recovery is tested, therefore it is not possible to determine if new impairment losses will occur in the future and, should they occur, if they would be material.

13. Borrowings

	Annual charges	Effective rate	Maturity	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Parent company						
In local currency						
Commercial banks	107.5% of the CDI	11.62%	July 2015	70,184	138,929	206,623
Investments - BNDES	TJLP+1.8%	6.80%	Quarterly/monthly up to June 2017	24,131	33,805	43,485
Total parent company				**94,315**	**172,734**	**250,108**
Current portion				94,315	83,865	83,334
Long-term portion				-	88,869	166,774
Subsidiaries						
In local currency						
ALL Malha Sul				**1,149,975**	**1,488,766**	**1,709,373**
Commercial banks	CDI + 1.30%	9.74%	October 2013	-	-	59,693
	CDI + 1.30%	9.34%	April 2014	-	25,907	-
	CDI + 1.30%	12.07%	February 2015	39,958	-	-
	CDI + 1.25%	12.15%	September 2015	111,091	220,843	328,858
	CDI + 1.23%	12.13%	October 2014	-	145,000	132,409
BNDES (Investments)	TJLP + 1.4%		Quarterly up to July 2022	826,278	774,835	565,679
	TJLP + 2.5%		Quarterly/monthly up to June 2017	107,862	150,925	188,471
	TJLP + 1.5%	6.50%	Quarterly/monthly up to June 2022	-	-	6,647
	TJLP + 1.8%	6.40%	Quarterly/monthly up to June 2017	53,058	74,267	95,486
BNDES (FINAME)	TJLP + 3.75%	7.50%	January 2017	415	614	814
NCC	105.9% of the CDI	11.44%	July 2015	11,313	22,413	33,331
	107.0% of the CDI	8.75%	March 2013	-	-	203,526
NCE	11.77% Fixed BRL	11.68%	June 2013	-	-	92,489
	108.00% of the CDI	11.68%	June 2014	-	73,962	-
FINIMP	122.30% of the CDI	9.91%	April 2013	-	-	1,970
Ritmo				**-**	**36,301**	**15,229**
Commercial banks	CDI + 2.30%	10.04%	Monthly up to November 2017	-	302	410
BNDES (FINAME)	2.50% Fixed BRL	2.50%	Monthly up to March 2017	-	35,999	14,819

Continued

	Annual charges	Effective rate	Maturity	31/12/14	31/12/13 (Reapresentado)	01/01/13 (Reapresentado)
ALL Malha Paulista				**585,757**	**495,656**	**444,572**
Commercial banks	CDI + 1.30%	9.74%	October 2013	-	-	30,962
	CDI + 1.30%	9.34%	April 2014	-	13,017	-
	CDI + 1.30%	12.07%	February 2015	40,208	-	-
Investments BNDES	TJLP + 1.4% p.a.	6.40%	Quarterly/monthly up to June 2022	48,137	417,507	330,880
	TJLP + 2.5%	7.50%	Quarterly/monthly up to October 2017	497,412	65,132	82,730
ALL Malha Norte				**1,796,284**	**1,550,140**	**852,276**
Commercial banks	CDI + 1.30%	9.74%	October 2013	-	-	44,338
	CDI + 1.30%	9.34%	April 2014	-	7,903	-
	CDI + 1.30%	12.07%	February 2015	22,005	-	-
Investments BNDES	TJLP + 1.5%	6.50%	Quarterly/monthly up to September 2016	26,817	135,269	243,691
	TJLP + 3%	8.00%	Quarterly/monthly up to January 2016	34,092	65,548	97,007
	TJLP + 2.71%	7.71%	Quarterly/monthly June 2029	502,838	521,516	386,778
	TJLP +1.4%	6.40%	Quarterly/monthly June 2022	229,195	165,306	79,416
BNDES (FINAME)	Fixed 2.50%	2.50%	Quarterly/monthly January 2023	155,834	87,999	-
	Fixed 3.50%	3.50%	Quarterly/monthly January 2024	1,760	-	-
NCE	URTJLP + 5.95%	10.95%	July 2015	116,362	104,726	-
	109% of the CDI	11.79%	September 2018	304,959	304,046	-
	112% of the CDI	12.14%	October 2018	399,410	150,873	-
FINIMP	3.10% Fixed USD	4.12%	February 2024	3,012	6,954	1,046
ALL Malha Oeste				**98,293**	**99,332**	**82,790**
Commercial banks	CDI + 1.30%	9.74%	October 2013	-	-	4,644
	CDI + 1.30%	9.34%	April 2014	-	1,455	-
	CDI + 1.30%	12.07%	February 2015	3,778	-	-
Investments BNDES	TJLP + 1.4%	6.40%	Quarterly/monthly up to June 2022	94,515	97,877	78,146
Brado				**254,495**	**182,829**	**81,907**
Commercial banks (terminal)	260.1% of the CDI	20.98%	Up to June 2016	7,503	10,441	14,909
BNDES (FINAME)	TJLP + 1.5%	3.70%	Up to July 2023	202,961	113,942	39,301
NCE	8.66%	8.66%	Up to October 2014	-	6,000	16,020
Finem and BNDES automatic	TJLP + 3.85%	9.85%	Up to July 2022	44,031	52,446	11,677

Foreign currency (in Argentine Peso - P$)

	Annual charges	Effective rate	Maturity	31/12/14	31/12/13 (Reapresentado)	01/01/13 (Reapresentado)
ALL Argentina				**-**	**-**	**191**
Commercial banks	16.00%	16.00%	March 2013	-	-	191
Total subsidiaries				**3,884,804**	**3,853,024**	**3,186,338**
Total consolidated				**3,979,119**	**4,025,758**	**3,436,446**
Current portion				3,757,335	937,582	1,000,305
Long-term portion				221,784	3,088,176	2,436,141

Borrowing transactions are guaranteed by sureties granted by ALL Holding and its concessionaires, at the same agreed amounts and conditions, except for financed locomotives, wagons and trucks, for which the items themselves are pledged as guarantees.

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

The calculation of the effective rates considered an annual average CDI of 8.03%, a TJLP of 5% for the year, and IPCA of 5.91%.

Covenants

The Company and its subsidiaries are subject to covenants included in most borrowing agreements, based on certain financial and nonfinancial indicators. Financial indicators include: (i) consolidated net debt/EBITDA; (ii) EBITDA/finance income (costs) (only interest on debentures, borrowings and hedge operations are considered). It is necessary to determine quarterly on the date of publication of the financial statements, using the consolidated results.

Dívida líquida consolidada/EBITDA ajustado consolidado	**2014**
Limite contratual	2.50
Medição em 12/31/2014	5.02

EBITDA ajustado consolidado/ Resultado financeiro	**2014**
Limite contratual	2.20
Medição em 12/31/2014	1.67

At December 31, 2014, the Company and its subsidiaries were not in compliance with all agreement clauses, therefore the debts related to those agreements, as well as those with cross default clauses, were reclassified to the short-term at December 31, 2014.

Within the ambit of ALL's merger into Rumo, the latter has negotiated, on behalf of ALL conditioned by the merge of shares into Rumo and other matters, the covenants for those operations and understand that will obtain the necessary waivers for December 31, 2014 and 2015 quarters, against the commitment that they will be reestablished by December 31, 2015 at levels compatible with Rumo's new accounting policies and the effects of the investment plan that will be carried out. Except for BNDES, whose net debt/ebitda and ICD indicators have not yet been defined, all other creditors have agreed with a ratio of up to 5,5x net debt/ebitda, it being understood that negotiations with BNDES require a lower leverage ratio, and that what is agreed will be extended to all other creditors with equivalent covenant conditions.

Even with the adjustments mentioned in Note 2.24 the covenants of December 31, 2014 were in compliance.

14. Debentures – consolidated

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

						12/31/2014		12/31/2013 (Restated)		01/01/2013 (Restated)	
Series	**Date**	**Amount**	**Final maturity**	**Annual remuneration**	**Effective rate**	**Current liabilities**	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
Parent company											
5th issue	9/1/2005	200,000	9/1/2014	CDI + 2,40%	10.15%	-	-	11,685	-	22,761	21,536
6th issue	7/1/2006	700,000	7/1/2014	CDI + 2,40%	10.15%	-	-	60,238	-	72,159	66,409
8th issue - 1st	4/15/2011	539,160	4/15/2016	CDI + 1,65%	9.34%	551,572	-	18,084	305,186	17,108	295,339
8th issue - 2nd	4/15/2011	270,840	4/16/2018	IPCA + 8,4%	15.00%	344,294	-	11,492	537,254	8,693	537,392
9th issue - 1st	8/22/2011	145,769	7/15/2016	CDI + 1,65%	9.34%	148,783	-	6,272	142,111	5,029	141,629
9th issue - 2nd	8/22/2011	219,150	7/15/2016	CDI + 1,65%	9.34%	228,771	-	9,494	214,198	7,601	213,029
10th issue	10/1/2012	750,000	10/2/2017	CDI + 1,30%	8.97%	769,883	-	18,310	747,048	1,755	745,992
						2,043,303	-	135,575	1,945,797	135,106	2,021,326
Direct subsidiaries											
ALL Malha Sul											
3rd issue	9/8/2008	166,666	7/31/2018	108% CDI	8.20%	172,904	-	6,175	164,649	4,748	164,086
						172,904	-	6,175	164,649	4,748	164,086
ALL Malha Norte											
1st issue	7/1/1997	100,000	6/30/2016	TJLP + 1,5%	6.50%	61,781	2,490	66,295	62,245	68,780	124,491
6th issue	9/8/2008	166,666	7/31/2018	108% of the CDI	8.20%	172,903	-	3,288	163,593	4,748	164,086
8th issue	10/18/2012	160,000	10/19/2020	10,10% Fixed BRL	10.10%	162,867	-	3,036	159,721	2,973	159,673
Debentures	7/1/1997	100,000	6/30/2016	% CDI		21,657	43,317	20,610	61,831	20,674	66,808
						419,208	45,807	93,229	447,390	97,175	515,058
ALL Malha Paulista											
1st issue	9/10/2008	166,666	7/31/2018	108% of the CDI	8.20%	172,903	-	6,175	164,649	4,748	164,086
						172,903	-	6,175	164,649	4,748	164,086
Elimination debentures over investment securities						(40,192)	-	(20,278)	-	(20,210)	-
Consolidated						2,768,126	45,807	220,876	2,722,485	221,567	2,864,556

Breakdown of long-term liabilities by year of maturity:

	Consolidated		
	12/31/2014	**12/31/2013 (Restated)**	**01/01/13 (Restated)**
2015	-	520,888	162,231
2016	45,807	765,967	521,215
2017	-	961,480	645,196
2018	-	341,236	1,062,185
From 2019	-	132,914	473,729
Total	**45,807**	**2,722,485**	**2,864,556**

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

Subsidiary ALL Malha Norte has with BNDES Participações S.A., a stockholder of ALL, debentures convertible into shares, bearing market interest and amounting to R$ 129,246 at December 31, 2014, which mature through June 2016.

Covenants

The debentures include covenants under the same conditions as those described in Note 13 "Borrowings".

At December 31, 2014, the Company and its subsidiaries were not in compliance with all agreement clauses, as indicated in Note 13. "Borrowings". Consequently, the debentures related to those agreements and with cross default clauses were reclassified to the short-term at December 31, 2014.

15. Lease agreements – consolidated

Finance leases

The Company and its subsidiaries have lease agreements, particularly for 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 related to the 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 year were recorded as finance costs. There were no direct initial costs to be capitalized, nor were there any contingent payments and sub-leases related to the corresponding agreements.

Lease agreement obligations are as follows:

Assets	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
ALL Malha Sul			
Wagons	152,883	204,553	247,349
ALL Malha Norte			
Rolling stock	930,367	972,625	611,873
Terminals	105,173	107,953	-
ALL Malha Paulista			
Rolling stock/ Track - Rent inc.	610,271	546,114	617,149
Brado Logística			
Wagons/IT Equipment	4,832	5,429	9,575
	1,803,526	1,836,674	1,485,946
Current liabilities	432,563	220,460	154,519
Non-current liabilities	1,370,963	1,616,214	1,331,427

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

	Total future payments - years		
Assets	**Up to 1**	**From 1 to 5**	**Over 5**
ALL Malha Sul			
Wagons	89,251	180,805	-
ALL Malha Norte			
Rolling stock / Terminals	118,358	874,503	169,067
ALL Malha Paulista			
Rolling stock	409,253	640,462	-
Brado Logística			
Wagons/IT Equipment	1,037	3,795	-
	617,899	1,699,565	169,067

Lease agreements have various maturities, the last of which is in June 2022. Amounts are subject to annual adjustments based on the General Market Price Index (IGP-M) plus the TJLP or CDI.

Operational leases

		Total future minimum payments		
Assets		**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**
Locomotives	(i)	28,850	144,169	226,848
Wagons	(i)	17,232	86,160	121,896
Terminals	(ii)	19,540	97,701	136,782
		65,622	328,030	485,526

The payments of installments of the operating leases (rental) are recognized as expenses on a straight-line basis over the life of the respective agreement.

(i) Agreements for locomotives and wagons used in the concessionaires are in force up to 2028. The amounts will be mostly remunerated at the Amplified Consumer Price Index (IPCA).

(ii) Agreements for terminals used in the concessionaires are in force up to 2027. The amounts will be mostly remunerated at the IPCA.

16. Leases and concessions – consolidated

The Company and its subsidiaries record their liabilities related to lease and concession agreements on a straight-line basis, in accordance with the effective terms of these liabilities. Non-current amounts refer to amounts which have not been paid 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.

	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Leases			
ALL Malha Sul	40,559	43,707	45,884
ALL Argentina	-	-	25,401
ALL Malha Paulista	999,935	867,159	766,778
ALL Malha Oeste	764,072	660,994	583,997
Concession			
ALL Malha Sul	24,730	24,710	24,244
ALL Malha Paulista	24,247	23,831	21,910
ALL Malha Oeste	50,358	44,860	40,548
	1,903,901	1,665,261	1,508,762
Current liabilities	18,453	17,878	42,459
Non-current liabilities	1,885,448	1,647,383	1,466,303

Initial lease and concession agreement conditions are as follows:

	Lease 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 General Price Index – Internal Availability (IGP-DI) variations and interest at agreed-upon rates. Installments for the grace period (1997 to 1999) are being paid, with corresponding monetary restatements, over the remaining concession agreement term.

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

In 2005, the subsidiary ALL Malha Paulista suspended lease payments to RFFSA, which was in liquidation. This was legally supported by a preliminary decision to make judicial deposits in the name of the Federal Government. Through a legal authorization obtained in 2007, these judicial deposits were released and the Company took out bank sureties to guarantee installment payments. For more information, see Note 18.

Considering that ALL Malha Norte needs the ALL Malha Paulista lines to continue its transportation business, starting in Mato Grosso and Mato Grosso do Sul States and ending in Santos (SP), ALL Malha Norte executed with ALL Malha Paulista, on January 10, 2006, a Private Instrument of Guarantee, whereby it made a judicial deposit in favor of ALL Malha Paulista amounting to R$ 114,692 at December 31, 2014 and R$ 113,740 at December 31, 2013.

In order to comply with the investment agreements with stockholders, 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, based on a Memorandum of Understanding dated September 23, 2005.

ANTT approved this transfer through Resolution 1010, published in the Federal Official Gazette on July 28, 2005.

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

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

Concessions may be extinguished and, as a result, the Concession Agreement may be terminated due to: a) voluntary agreement between the parties, preceded by negotiations and financial adjustments payable by one party to the other, b) the end of the agreement's effective term, c) expropriation or redemption, in the public interest after the Concession, through appropriate indemnification, d) annulment of the Concession or agreement due to illegality, e) severe and continued infractions by one of the parties, which damage 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 to the stockholders will be calculated based on the fair value of concession-related net assets, computed at the time of expropriation.

ALL Malha Oeste – As described in Note 18, due to a lawsuit, this direct subsidiary has suspended concession and lease payments. Quarterly installments are guaranteed by bank sureties as they fall due.

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

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

		12/31/2014	12/31/13 (Restated)	01/01/2013 (Restated)
ALL S.A. (parent company)	(i)	118,637	148,773	176,679
ALL Malha Norte	(ii)	241,300	287,172	336,215
		359,937	435,945	512,894
Current liabilities		359,937	155,264	151,030
Non-current liabilities		-	280,681	361,864

The balance is composed of two CRI operations:

(i) CRI I: On February 29, 2008, the Company entered into an assignment of credits agreement arising from the leasing of Terminal Intermodal de Tatuí. Real estate credits (CRIs) were issued remunerated at the rate of 12.38% p.a., hedged at 100% of the CDI rate, from the issue date to the maturity date of each CRI. The

effective terms and maturities are fixed, and the first CRI matured in March 2009 and the last one matures in 2018. The financial charges of this transaction are allocated on a monthly basis to profit (loss).

(ii) CRI II: On November 28, 2008, ALL Malha Norte entered into an assignment of credits agreement arising from the leasing of Terminal de Alto Araguaia (Mato Grosso). Real estate credits (CRIs) were issued remunerated based CDI + 2.6% p.a., from the issue date to the maturity date of each CRI. The 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 profit (loss).

18. Trade payables

The Company's trade payables comprise:

	12/31/2014	12/31/2013 (Restatement)	01/01/2013 (Restated)
Materials	542,729	457,683	221,084
Services	441,953	189,713	151,526
Other	1,464	25,436	1,649
	986,146	672,832	374,259

19. Judicial deposits and provision for lawsuits

	Judicial deposits			Contingencies – Probable			Contingencies – Possible		
	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Labor									
In Brazil	187,276	190,204	190,994	179,432	103,052	111,339	575,217	353,807	409,126
Civil, regulatory and environmental									
In Brazil	131,322	129,173	128,341	37,309	45,230	38,636	305,096	596,426	280,278
In Argentina	-	-	-	7,586	8,807	9,459	-	-	-
Tax									
In Brazil	12,212	10,789	9,149	51,669	53,581	58,680	1,969,612	1,738,981	1,923,543
	330,810	330,166	328,484	275,996	210,670	218,114	2,849,924	2,689,214	2,612,947

	12/31/2013 (Restated)	Additions	Payments	Reversals	12/31/2014
Labor	103,052	206,710	(130,543)	213	179,432
Civil, regulatory and environmental	54,037	16,482	(25,624)	-	44,895
Tax	53,581	10,709	-	(12,621)	51,669
Total	210,670	233,901	(156,167)	(12,408)	275,996

	01/01/2013 (Restated)	Additions	Payments	Reversals	12/31/2013 (Restated)
Labor	111,339	59,091	(64,383)	(2,995)	103,052
Civil, regulatory and environmental	48,095	19,515	(13,573)	-	54,037
Tax	58,680	6,272	(716)	(10,655)	53,581
Total	218,114	84,878	(78,672)	(13,650)	210,670

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 provision, which corresponds to the amounts at stake in lawsuits considered "probable losses".

a) Labor

The subsidiaries are parties to several labor claims and recorded provisions to cover claims for which an unfavorable outcome was considered probable. Of all 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

Civil

The subsidiaries are parties to several civil disputes, mostly involving claims and actions for damages in general, such as: collisions in level crossings, rail accidents, traffic accidents, possessory actions in general, actions for enforcement of extrajudicial instruments and contractual rights and obligations with clients.

Management, based on the opinion of its legal advisors, evaluated the circumstances regarding the various civil claims, and recorded sufficient and appropriate provisions for the probable risk of losses representing, at the balance sheet date, its best estimate of the disbursements that might be required to settle these lawsuits. One of the main discussions of the Company was related to the agreement with Rumo which was at the arbitration chamber. Due to the Company's merger into Rumo the arbitration was terminated as well as any lawsuits involving that litigation.

Regulatory

Among the more significant claims, both ALL Malha Paulista and ALL Malha Oeste are currently challenging in court the economic and financial imbalances of their lease and concession agreements.

In May 2005, ALL Malha Paulista filed a Declaratory Action with the 20th reu uma perícia para apuração de novo valor para as parcelas de arrendamento e concessão, bem como suspensão do pagamento das parcelas vencidas e vincendas até a efetiva perícia, para constatar o valor adequado.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 should be the responsibility of the Federal Railroad Company (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 falling due up to the effective date of the expert inspection to determine the proper amount. In July 2005 the injunction was granted. In September 2005, this injunction was reversed by the Rio de Janeiro Federal Regional Court. AThe proceeding is still pending judgment and is awaiting the final conclusion and presentation of the expert report. Management deposited the amounts related to the lease installments with the court until September 2007, when legal authorization to substitute bank surety letters for judicial deposits was obtained. Based on the opinion of its lawyers, the Company considers the likelihood of favorable outcome in this matter as possible, but keeps the debt recorded as it is a legal obligation.

A ALL Malha Oeste is making a claim for the reestablishment of the economic and financial balance lost due to the cancelation of the transportation contracts existing at the time of privatization, characterizing change in the regulatory scenario and conditions established in the Privatization Notice. In addition, the growth estimates that defined the amount of the business failed to materialize. The claim is in progress at the 16th Rio de Janeiro Federal Court of Justice. The amount related to ALL Malha Oeste's overdue amounts was guaranteed through the acquisition of government bonds (Financial Treasury Bills – LFT), which were recorded in non-current assets. In March 2008 the Company obtained authorization to substitute bank surety letters for this guarantee and in May 2008 this deposit was redeemed. In December 2014 the Court recognized the economic and financial imbalance of the contracts and now it remains for the expert report to determine the amount of such imbalance

and related aspects. Based on the opinion of its lawyers, the Company considers the likelihood of favorable outcome as probable, but keeps the debt recorded as it is a legal obligation not yet definitely decided favorably to the Company.

Concession agreement related liabilities are recorded under lease and concession agreements, as disclosed in Note 17.

Environmental

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

c) Tax

A provision amounting to R$ 51,669 (R$ 53,582 at December 31, 2013) was recognized to cover claims whose loss is considered probable, as shown below:

Probable	12/31/2014	12/31/2013
Export ICMS	26,671	25,497
ISSQN	10,695	9,582
COFINS	1,587	13,096
Other	12,716	5,406
Total	51,669	53,581

Lawsuits considered as possible losses amount to R$ 1,969,612 (R$ 1,738,981 at December 31, 2013), as shown below:

Possible	31/12/2014	31/12/2013
Financial operations abroad	845,326	787,013
ALL S.A. goodwill	425,215	395,303
MP 470 debits payable in installments	106,165	101,574
PIS/COFINS – mutual traffic	86,689	82,072
Intermodal	71,480	66,809
Export ICMS	70,661	67,611
IRRF Swap	58,087	53,886
Purchase of Stock Option Plan	46,101	41,356
PIS/COFINS Malha Sul	45,715	41,716
ICMS bonded warehouses	45,250	-
Social security contributions	42,762	40,196
Other	126,161	61,445
Total	1,969,612	1,738,981

Financial operations abroad

The State tax authorities have assessed Malha Sul and disallowed the interest on financial investments abroad and borrowings expenses, alleging that such expenses were not deductible. In addition, a tax assessment notice was issued questioning the failure to pay PIS and COFINS on hedge operations. The likelihood of loss is considered possible as: a) the financial investments were made with countries with which Brazil has no taxation treaties; and b) levy of PIS and COFINS on hedge operations was dismissed by decree in 2005. The amount at December 31, 2014 approximates R$ 845,326, which has already been reduced to R$400,665 million based on partially favorable decisions rendered up to the present date. The Treasury Department is still entitled to file an appeal.

ALL S.A. goodwill

Tax assessment notices issued by the Federal Revenue Service in 2011 and 2013 against ALL Holding related to: a) disallowance of goodwill expense based on future profitability, as well as finance expenses; and b) nontaxation of supposed capital gain on the sale of interest in company of the same economic group. The likelihood of loss considered possible and the amount at December 31, 2014 of approximately R$425,215 has already been reduced to R$315,047 based on partially favorable decisions rendered up to the present moment at the administrative sphere. The Treasury Department is still entitled to file an appeal.

MP 470 – Debits payable in installments

The Federal Revenue Service has partially denied the requests for installment payment of federal taxes by Malha Sul and Intermodal alleging that the tax losses offered by the companies were not sufficient to settle the respective debits. The likelihood of loss is considered possible, as the losses involved existed and were available for that use. The updated amount of the debits at December 31, 2014 is R$ 95,507 for Malha Sul and R$ 10,658 for Intermodal.

PIS/COFINS – Mutual traffic

The State tax authorities has assessed Malha Paulista for failure to levy PIS and COFINS on revenues from mutual traffic and right-of-way billed to Malha Norte. The likelihood of loss is considered remote since the tax has already been paid by the concessionaire responsible for transportation upon shipment. The updated amount at December 31, 2014 of approximately R$ 86,689 has already been reduced to R$43,000 based on favorable decisions rendered up to the present moment. The Treasury Department is still entitled to file an appeal. ,

Intermodal

Tax assessment notice to Intermodal issued by the Federal Revenue Services related to the disallowance of expenses corresponding to the payment of variable installments of lease agreement. The likelihood of loss is considered possible since the expense is usual and necessary for the company's operations. The updated amount at December 31, 2014 is approximately R$ 71,480 reduced to R$43,921 based on partially favorable decisions rendered up to the present moment at the administrative sphere. The Treasury Department is still entitled to file an appeal.

Export ICMS

The State tax authorities have issued tax assessments against the Malhas for failure to levy ICMS in the invoices for the provision of services of railroad transportation of goods for export, which restated amounts are detailed below. All of these assessments were challenged since there is a judgment by higher courts favorable to the taxpayers based

on the Federal Constitution and on Supplementary Law 87/1996. The proceedings are being discussed at the Judiciary Branch. The updated amount at December 31, 2014 is R$ 148,616, of which R$ 31,036 is related to Malha Norte, R$84,014 to Malha Sul, and R$33,566 to Malha Oeste.

Part of the lawsuit was considered as remote loss (R$ 51,284) and part as probable at Malha Sul (R$22,258) and at Malha Oeste (R$ 4,413).

IRRF – Swap

Malha Paulista had a portion of its withholding income tax (IRPJ) partially disallowed by the Federal Revenue Service based on the allegation that the company had no right to offset IRRF levied on swap operations. The likelihood of loss is considered possible based on current legislation. The restated amount at December 31, 2014 is approximately R$ 58,087.

Stock Option Plan

Tax assessment notice issued by the federal tax authorities related to failure to pay social security contribution on company stock option plans offered to its employees, based on the understanding that they were compensation for services provided. The likelihood of loss is considered possible based on jurisprudence and case law. The restated amount at December 31, 2014 is approximately R$ 46,101, which may be reduced based on partially favorable administrative decisions rendered up to the present moment.

PIS/COFINS Malha Sul

In 2012 ALL filed a request for the refund of PIS/COFINS credits on fuel alleging that the prices charged exceed the effective credit. However the Federal Revenue Service of Paraná did not recognize the request for refund and applied a fine because it understood that the request was undue. The restated amount through December 31, 2014 is R$ 45,715. ALL has filed an appeal and is awaiting an administrative decision on the matter.

ICMS – General Warehouse

In 2013 the São Paulo branch of ALL Armazéns Gerais received a tax assessment notice from the São Paulo State tax authorities alleging that the company was not authorized to operate as a general warehouse in that State. The company filed an appeal in the administrative sphere. However, the company is duly registered with the trade board and with general warehousing as corporate purpose, and this same corporate purpose is recorded with the Federal Revenue Service as well as with the State tax authority. At the time of releasing the registration, the State authority released the company's activity, including the issue of invoices. The restated amount at December 31, 2014 is approximately R$ 45,250. Management understands that the likelihood of loss is possible.

Social security contributions

The federal tax authority assessed Malha Paulista for nonpayment of social security on labor indemnification. The likelihood of loss is considered possible due to the nature of the amounts, as well as their ad hoc character. The restated amount at December 31, 2014 is approximately R$ 42,762, already reduced to R$780 based on partially favorable administrative decisions rendered up to this date. The Treasury Department is still entitled to file an appeal.

Due to the characteristics of the Brazilian legal and regulatory environment, it is not possible to safely estimate the time when the lawsuits will be judged.

20. Related party transactions

Entities considered related parties are reported in Note 3.

	Parent company											
	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Revenue		Expenses/Costs	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Subsidiaries												
ALL Argentina	-	-	3,102	2,322	-	-	4,732	4,462	-	-	-	-
ALL Equipamentos	-	-	-	-	-	-	270	270	-	-	-	-
ALL Malha Norte	-	274	-	-	-	50,085	475,300	-	22,538	1,210	-	-
ALL Malha Paulista	-	8,685	-	-	-	20,613	274,700	13,000	22,476	47,929	-	-
ALL Malha Sul	-	-	4,394	-	-	-	-	4,440	-	-	-	-
ALL Malha Oeste							-					
ALL Participações	-	-	-	-	-	-	11	11	-	-	-	-
ALL Serviços	-	-	-	-	-	73	11,047	-	-	-	364	436
Boswells	-	-	-	-	-	-	12,763	12,761		-	-	-
Vêrtia Mineração	-	-	-	-	-	-	-	-		-	-	-
Associates												
PGT	-	-	-	-	-	-	76	77	-	-	-	-
	-	8,959	7,496	2,322	-	70,771	778,899	35,021	45,014	49,139	364	436

Related party transaction terms and conditions

Related party transactions are carried out strictly in accordance with the agreed-upon conditions.

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. Some 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 year ended December 31, 2014, 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 impairment of trade receivables on existing balances.

Subsidiary ALL Malha Norte mantém com o BNDES Participações S.A., has with BNDES Participações S.A., a stockholder of ALL, debentures convertible into shares, bearing market interest and amounting to R$ 129,246 at December 31, 2014, which mature through June 2016.

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

	Guaranteed entities				
	ALL S.A.	ALL Malha Sul	ALL Malha Paulista	ALL Malha Norte	Total
Guarantor					
ALL S.A. (parent company)					
Debentures	-	174,921	174,921	338,067	687,909
BNDES	-	107,826	49,200	-	157,026
CCB	-	122,910	-	-	122,910
Other	-	-	-	-	-
	-	405,657	224,121	338,067	967,845
ALL Malha Sul					
Debentures	2,051,293	-	-	-	2,051,293
ALL Malha Norte					
Debentures	2,051,293	-	-	-	2,051,293
ALL Malha Paulista					
Debentures	2,051,293	-	-	-	2,051,293
ALL Malha Oeste					
Debentures	2,051,293	-	-	-	2,051,293
ALL Intermodal					
CCB	-	111,530	-	-	111,530
	-	111,530	-	-	111,530

Management remuneration

At the General Meeting held on April 10, 2014, the stockholders set out the amount of R$ 792 as the global annual remuneration for members of the Audit Committee and the amount of up to R$ 27,791 as the global annual remuneration for the directors. These amounts remain valid until the next Annual General Meeting.

The table below shows the composition of payments:

	12/31/2014	12/31/2013
Remunerations	25,205	22,757
Share-based payment (i)	3,498	5,698

(i) The related conditions are disclosed in Note 25.

No guarantees are given or received for management remuneration.

21. Deferred revenue – consolidated

		12/31/2014	12/31/13 (Restated)	01/01/2013 (Restated)
Vetria Mineração S.A	(iv)	-	1,991,237	1,997,183
Subsidiaries				
ALL Intermodal	(i)	372	404	438
ALL Malha Norte	(ii)	8,251	9,779	11,306
ALL Malha Paulista	(iii)	756,387	510,303	158,169
ALL Malha Sul		2,202	2,395	2,586
		767,212	2,514,118	2,169,682
Current liabilities		226,071	392,541	36,866
Non-current liabilities		541,141	2,121,577	2,132,816

(i) This refers to deferred revenue arising from capital contributions in the form of 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) The deferred revenue recorded at ALL Malha Paulista arises mainly of R$610,430 (R$ 495,123 at December 31, 2013) from transportation and investment agreements signed with customers, whose object is the renovation, acquisition of construction of Company assets, especially railroads, against a pre-established transportation flow, which should be carried out throughout the life of the Cargo Railroad Transportation Utility Service Concession Agreement (through 2028).

(iv) Investment in Vetria, with a counter-entry within deferred revenue in non-current liabilities, which would be appropriated to profit (loss) in accordance with the depletion and sale of the ore at the beginning of the operation. The balance was written off because the project was discontinued, as mentioned in Note 2.24.

22. Taxes and social security contributions payable in installments – consolidated

	12/31/2014	12/32/13 (Restated)	01/01/2013 (Restated)
Law 11.941/09 (i)	8,875	170,275	194,284
Education allowance	-	343	343
ISS	-	211	707
INSS	19,677	401	684
ICMS / IVA	1,577	475	259
	30,129	171,705	196,277
Current liabilities	7,296	25,382	35,124
Non-current liabilities	22,833	146,323	161,153

(i) In order to reduce their exposure to tax risk, the Company and its subsidiaries during the fourth quarter of 2009 enrolled with the Program for Debt Payment in Installments of the General Counsel to the National Treasury and Federal Revenue Secretariat (SRF), created through Law 11941/09, which was approved in June 2011.

The Company has been paying the installments promptly.

23. Equity

a) Share capital

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

	12/31/2014	12/31/2013
Common	687,664,312	687,664,312

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

b) Treasury shares

In 2014, 17,924 shares were used (1,236,539 at December 31, 2013) to settle share options exercised during the year. The transfers were recorded at the R$ 10.84 weighted average cost of treasury shares, totaling R$ 194.

During 2014 and 2013, the Company recorded 1,332,000 shares at the average price of R$ 12.07 for the registration of shares that are the subject of the purchase of shares option terminated in the period. At December 31, 2014, the Company held 5,665,847 common shares in treasury (4,358,371 at December 31, 2013), totaling R$ 58,177.

c) Distribution of dividends and interest on capital

Stockholders are entitled to a minimum mandatory dividend of 25% on profits adjusted under the terms of Article 202, Law 6404/76, as amended and revoked by Law 11638, of December 28, 2007, and Law 11941, of May 27, 2009.

In 2014 the Company did not pay interest on capital and, in view of its loss, did not propose dividends.

d) Revenue reserves

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

A reserve for investments is set up based on the bylaws and supported by the Company’s investment plan represented by uses and sources approved by the Board of Directors and pursuant to Article 194 of Law 6404/76 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 6404/76, 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.

Considering the loss for the year ended December 31, 2014, the Company used the total of its revenue reserve to absorb part of this loss.

e) Tax incentives – SUDAM

ALL Malha Norte obtained through the Amazon Development Agency (SUDAM) the right to reduce the corporate income tax (IRPJ) and non-refundable surcharges computed on its operating profit, since it is located in the area which comprises the Legal Amazon and because the transportation sector is considered a priority for regional development.

The benefit consists in the reduction of 75% in IRPJ and non-refundable surcharges determined on exploration profit for a period of 10 years starting in 2008 and ending in 2017. On May 30, 2014, ALL Malha Norte was granted an extension of the term through 2023 against a modernization project of the enterprise located in the Legal Amazon area.

The effect of the 75% reduction in IRPJ and non-refundable surcharges calculated up to December 31, 2014 over the profit from the operation was R$ 37,424 (R$ 59,897 at December 31, 2013), recorded as a reduction in the IRPJ and CSLL expenses for the subsidiary ALL Malha Norte, according to CPC 07.

24. Share-based payment

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$ 4,853 at December 31, 2014 (R$ 3,692 at December 31, 2014).

Stock option plan:

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 yearly contributions for the acquisition of 18% of total shares, so that, by the end of the 5th year, the beneficiary will have made contributions for the acquisition of 100% of the shares. The contribution amount (option price) is adjusted by the IGP-M variations.

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

(i) the acquisition of the right to make contributions for share acquisitions changes from 10% on the grant date and 18% in subsequent years, as in Agreement A, to 10% on the grant date, 5% in the first year, 10% in the second, 15% in the third, 25% in the fourth and 35% in the fifth and last year. In the event that a 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, under 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 does not provide for the 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:

	2014		2013	
	No.	MPPE	No.	MPPE
Opening	6,729,773	13.68	11,597,787	12.63
New grants	-	-	-	-
Lost	(2,033,303)	14.59	(4,749,128)	12.31
Exercised	(17,924)	10.86	(118,886)	9.76
Closing balance	**4,678,546**	14.20	**6,729,773**	13.68

During the year ended December 31, 2014, 17,924 shares were exercised with a weighted average price of R$5.75. In 2013, the weighted average price was R$ 9.76.

The weighted average of the remaining stock option contractual term was 4.43 years at December 31, 2014. The minimum and maximum option exercise prices at December 31, 2014 were R$ 18.70 and R$ 6.86 respectively.

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

	2009
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

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 five-year volatility history prior to the grant date indicates a future trend, which may not reflect the actual results.

Restricted Share Options Plan

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.

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. As the targets were not met, the remaining balance of these options was lost.

25. Cost of services

	Parent Company		Consolidated	
	Year ended 12/31/2014	Year ended 12/31/2013 (Restated)	Year ended 12/31/2014	Year ended 12/31/2013 (Restated)
Cost of services				
Fuel and lubricants	-	-	689,902	613,394
Depreciation and amortization	56,035	56,185	602,659	539,484
Rumo agreement	-	-	409,799	47,213
Personnel expenses	-	-	277,275	291,224
Lease and concession	-	-	170,190	158,569
Operating lease cost/expenses	-	-	143,466	120,468
Indemnification	-	-	127,203	49,536
Contingencies	-	-	221,493	34,106
Other operating costs	783	3,347	271,760	237,895
	56,818	**59,532**	**2,913,747**	**2,091,888**
Impairment	**89,196**	**-**	**1,103,195**	**-**
Selling, general and administrative expenses				
Personnel expenses	23,699	6,624	80,454	73,545
Outsourced services	15,807	16,273	77,964	63,850
Depreciation and amortization	-	-	9,005	4,325
Other	14,670	8,727	102,101	63,986
	54,176	**31,624**	**269,524**	**205,706**

26. Finance income and costs

	Parent company		Consolidated	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Interest on indebtedness	(278,147)	(230,232)	(820,600)	(719,538)
Fines/interest Tax/suppliers	(2,098)	-	(483,469)	(218,648)
Interest on leases and concession	-	-	(162,604)	(120,010)
Other	(3,088)	(1,775)	(30,407)	(18,459)
Total finance income	(283,333)	(232,007)	(1,497,080)	(1,076,655)
Income from financial investments	10,094	31,370	226,438	169,488
Remuneration on debentures	-	14,200	-	-
Other	-	-	305	1,224
Total finance income	10,094	45,570	226,743	170,712
Finance result, net	(273,239)	(186,437)	(1,270,337)	(905,943)

27. Earnings (loss) per share

The following tables detail the calculation of earnings (loss) per share from continuing and discontinued operations (in thousands of reais, except amounts per share):

Continuing operations

	Consolidated	
	12/31/2014	12/31/2013 (Restated)
Basic earnings per share		
Numerator		
Profit (loss) for the year attributed to the Company's stockholders	(1,747,048)	209,227
Denominator (in thousands of shares)		
Weighted average number of common shares	682,208	683,096
Basic earnings (loss) per share:		
Per common share	(2.5609)	0.3063
Diluted earnings (loss) per share		
Numerator		
Profit for the year attributed to the Company's stockholders	(1,747,048)	209,227
Denominator (in thousands of shares)		
Weighted average number of common shares	682,208	683,096
Dilution effect		
Stock options	-	7,556
Weighted average number of common shares adjusted by the dilution effect	682,208	690,652
Diluted earnings:		
Per common share	(2.5609)	0.3029

Discontinued operations

	Consolidated	
	12/31/2014	12/31/2013 (Restated)
Basic earnings (loss) per share		
Numerator		
Loss for the year attributed to the Company's stockholders	(150,432)	(179,297)
Denominator (in thousands of shares)		
Weighted average number of common shares	682,208	683,096
Basic earning (loss):		
Per common shares	(0.2205)	(0.2625)
Diluted loss per share		
Numerator		
Loss for the year attributed to the Company's stockholders	(150,432)	(179,297)
Denominator (in thousands of shares)		
Weighted average number of common shares	682,208	683,096
Dilution effect		
Stock options	-	7,556
Weighted average number of common shares adjusted by the dilution effect	682,208	690,652
Diluted earnings (loss):		
Per common share	(0.2205)	(0.2596)

28. Other operating information

28.1 Other operating income/expenses

Other operating income

	Parent company		Consolidated	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Disposal of unusable assets	200	-	5,872	13,526
Sale of property and equipment	744	19,164	1,671	22,382
Indemnification received	-	-	5,043	-
Other	3,864	682	3,682	1,636
Total	**4,808**	**19,846**	**16,268**	**37,544**

Other operating expenses

	Parent company		Consolidated	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Rates	183	227	3,571	3,817
Deductible donations	-	-	1,061	16
Write-off of uncollectible items	-	-	56,482	-
Other	-	-	-	3,648
Total	**183**	**227**	**61,114**	**7,481**
	4,625	**19,619**	**(44,846)**	**30,063**

(i) Reffer to provision of realziation of IPI credit, as mentioned in Note 7. The balance correspond to the originalvalue paid when the credit was purhased, whereas the the remaning balance was recorded in financial expenses ledger, due the fact of being a provision over monetary update and the gain over the reversion of negative goodwill.

28.2 Net revenue

	Parent company		Consolidated	
	12/31/2014	12/31/2013 (Restated)	12/31/2014	12/31/2013 (Restated)
Gross revenue	48,701	77,238	4,255,276	3,946,579
(-) Deductions (Taxes, discounts and cancellations)	(5,188)	(23,470)	(593,026)	(510,619)
Net revenue	**43,513**	**53,768**	**3,662,250**	**3,435,960**

29. Discontinued operations

The results from discontinued operations at December 31, 2014 and 2013 are summarized as follows:

	12/31/2014				12/31/2014 (Restated)			
	Argentina	Ritmo	Vetria	Total	Argentina	Ritmo	Vetria	Total
Net services revenue	-	226,067	-	226,067	90,442	260,398	-	350,840
Cost of services	-	(211,019)	-	(211,019)	(109,737)	(239,681)	-	(349,418)
Gross profit	-	15,048	-	15,048	(19,295)	20,717	-	1,422
Results of investments and others	-	-	(128,548)	(128,548)	(483)	-	2,237	1,754
Sales, general and administrative expenses	(3,590)	(28,577)	-	(32,167)	(160,121)	(5,689)	-	(165,810)
Financial result	1,344	(6,208)	-	(4,864)	(10,349)	(5,525)	-	(15,874)
Operating profit before taxes	(2,246)	(19,737)	(128,548)	(150,531)	(190,248)	9,503	2,237	(178,508)
Current income tax and social contribution	(9)	-	-	(9)	(249)	(3,177)	-	(3,426)
Deferred income tax and social contribution	-	363	-	363	(17)	(86)	-	(103)
Non-controlling interests	-	(255)	-	(255)	4,924	(2,184)	-	2,740
Profit (loss) from descontinued operations	(2,255)	(19,629)	(128,548)	(150,432)	(185,590)	4,056	2,237	(179,297)

Cash flow from discontinued operations

	12/31/2014			12/31/2013 (Restated)		
	Argentina	Ritmo	Total	Argentina	Ritmo	Total
Net cash provided by (used in) operating activities	(478)	16,602	16,124	(41,792)	19,879	(21,913)
Net cash provided by (used in) investment activities	-	(2,135)	(2,135)	(10,377)	(14,131)	(24,508)
Net cash provided by (used in) financing activities	-	(3,681)	(3,681)	10,688	(3,681)	7,007
Increase (decrease) in cash and cash equivalents	(478)	10,786	10,308	(41,481)	2,067	(39,414)

ALL Argentina

Resolution 436/2013, of June 3, 2013, of the Argentinian Transportation Ministry, establishes the termination of the Concession Agreement for the provision of cargo railroad transportation services corresponding to the National Railroad Network of Argentina, carried out by ALL Central and ALL Mesopotàmica. From the date of termination of the Concession Agreement, the parent company will present the accounting balances of these subsidiaries as discontinued operations, according to CPC 31/IFRS 5.

ALL Central and ALL Mesopotàmica still exist. However, they are unable to carry out railroad operations. Due to the loss of the concessions, ALL Argentina recorded a loss due to the impairment of its property and equipment of R$ 194,300, and wrote off the deferred tax assets recorded in its balance sheet, amounting to R$ 23,772, as well as of other credits of R$ 14,091, which were considered non-performing credits.

A provision for debts to related parties that would be capitalized was recorded in the amount of R$ 100,772. This provision does not have an effect on the consolidated profit.

Management has been analyzing alternatives to recover a portion of the investments made. However, as of this date, there was no expectation of the recovery of these amounts.

There were no asset and liability disposal groups classified as held for sale at December 31, 2013.

On August 26, 2013, ALL Argentina filed for bankruptcy. The Parent Company will provide the resources to fulfill all the obligations on this agreement.

A proposal was presented by the Company in 2014 to pay the debt balances. This proposal has already been approved by the majority of ALL Argentina's creditors with a negative goodwill of 50% of the outstanding balance and a term of three years to settle the balance.

Ritmo

As mentioned in Note 1 the Company Board of Directors approved the sale of its interest in subsidiary Ritmo.

Accordingly, the Company classified this asset as available for sale non-current asset, reduced to the expected realization amount of R$ 44,416.

The results of this subsidiary are presented under "Discontinued Operations" in the statements of operations stating the amount of R$ 18,902 related to impairment.

Net equity	93,850
ALL interest 65%	61,003
Goodwill on acquisition of investment	2,315
Carrying value	**63,318**
Fair value less sales expenses	44,416
Impairment loss	**(18,902)**

The summary of assets and liabilities balance of Ritmo treated as held for sale disclosed as follows.

	12/31/2014
Cash and cash equivalents	40,160
Trade receivables	35,538
Taxes and contributions recoverable	5,860
Property and equipament	59,561
Other assets	4,165
Provision for impairment	(18,902)
Total assets	126,382
Borrowings and loans	33,850
Trade payables	5,604
Taxes payable	2,117
Taxes and social security contributions	3,631
Other liabilities	3,917
Total liabilities	49,119

Vetria

As mentioned in Note 1, the stockholders of Vetria decided to terminate the Association Agreement and will jointly evaluate, define and carry out all the actions and measures that may be necessary in view of such decision, in accordance with the Association Agreement. Accordingly, the Company has already written off the balance of the investment as well as the deferred income initially recorded and its portion of responsibility for the liabilities assumed by its joint subsidiary. The effects of Vetria's termination, in the amount of R$ 128,548, were treated as discontinued operations.

30. Financial instruments

Financial risk management

Overview

The Company is exposed to the following risks arising from the use of financial instruments:

- Exchange rate risk;
- Interest rate risk;
- Credit risk;
- Liquidity risk.

This Note presents information on the exposure of the Company and its subsidiaries to each one of the risks mentioned above, the Company's objectives, policies and procedures to measure and manage such risks.

At December 31, 2014, the Company and its subsidiaries held the following financial instruments:

	Carrying amount			Fair value		
	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Financial assets						
Cash and cash equivalents	1,327,122	2,636,499	2,262,472	1,327,122	2,636,499	2,262,472
Investment securities	388,542	260,859	225,678	388,542	260,859	225,678
Trade receivables	381,630	423,185	392,797	381,630	423,185	392,797
Total	**2,097,294**	**3,320,543**	**2,880,947**	**2,097,294**	**3,320,543**	**2,880,947**

	Carrying amount			Fair value		
Financial liabilities	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Debentures	2,813,933	2,943,361	3,086,123	2,883,203	3,042,049	3,086,123
Derivative instruments	13,040	31,193	49,025	13,040	31,193	49,025
Leases	1,803,526	1,836,674	1,485,946	1,803,526	1,836,674	1,485,946
Borrowings and loans	3,757,335	4,025,758	3,436,446	3,757,335	3,999,337	3,436,245
Advances on real estate credits	359,937	435,945	512,894	359,937	435,945	512,894
Total	**8,747,771**	**9,272,931**	**8,570,434**	**8,817,041**	**9,345,198**	**8,570,233**

Risk management structure

The Company follows and manages the market risks to which its business is exposed, when applicable, to discuss and establish a hedge strategy in accordance with its policies and guidelines.

The management of risks associated with financial operations is carried out by applying strategies defined by management. These strategies establish guidelines for managing the risks, their measure and consequent mitigation of market risks, estimated cash flow and establishment of exposure limits. Consequently, every financial operation performed must be the best alternative available, both financially and economically, and must never be carried out with speculative purposes, that is, there must always be a reason justifying the contracting of a certain operation.

The contracting of financial instruments with hedging objectives is made by means of an analysis of the risk exposure that management intends to cover.

At December 31, 2014 and 2013 and January 1, 2013, the fair values of transactions involving derivative financial instruments to hedge the Company's risk exposure used observable data, such as prices quoted in active markets or discounted flows based on market curves, shown below:

			Notional amount			Fair value		
	Annual charges	Maturity	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Parent company								
In local currency								
Swap transaction	100% CDI	March 2018	150,000	150,000	150,000	8,240	10,545	17,320
	8.96% fixed	January 2014	-	898,836	898,836	-	4,497	(9,752)
Total parent company			**150,000**	**1,048,836**	**1,048,836**	**8,240**	**15,042**	**7,568**
Current asset portion						-	6,162	(10,571)
Long-term receivable portion						8,240	8,880	18,139
Subsidiaries								
In local currency								
ALL Malha Sul			-	**15,680**	-	-	**3,174**	-
Currency forward contract		February 2014	-	15,680	-	-	3,174	-
ALL Malha Norte			-	**5,635**	-	-	**1,146**	-
Currency forward contract		February 2014	-	5,635	-	-	1,146	-
Swaps								
			228,995	**401,666**	**1,200,740**	**(21,280)**	**(50,555)**	**(56,593)**
ALL Malha Sul			-	**241,666**	**766,666**	-	**(23,457)**	**(56,047)**
Swap transactions			-	241,666	766,666	-	(23,457)	(56,047)
ALL Malha Paulista			**68,995**	-	**166,666**	**1,662**	-	**(1,561)**
Swap transactions			68,995	-	166,666	1,662	-	(1,561)
ALL Malha Oeste			-	-	**107,408**	-	-	**(5,109)**
Swap transactions			-	-	107,408	-	-	(5,109)
ALL Malha Norte			**160,000**	**160,000**	**160,000**	**(22,942)**	**(27,098)**	**6,124**
Swap transactions			160,000	160,000	160,000	(22,942)	(27,098)	6,124
Total consolidated			**378,995**	**1,471,817**	**2,249,576**	**(13,040)**	**(31,193)**	**(49,025)**
Current liabilities						(13,040)	(9,630)	(24,474)
Long-term portion						-	(21,563)	(24,551)

Exchange rate risk

The table below presents the derivative financial instruments used to mitigate exchange rate risks:

Derivatives	Purchased/Sold	Market	Contract	Maturity	Notional (USD)	Notional (R$)	Fair value
Breakdown of balances of derivative financial instruments not designated in *hedge accounting:*							
Swap	Sold	Spot	Swap	March 2015	26,328	69,932	(22,942)
December 31, 2014					26,328	69,932	(22,942)
December 31, 2013					8,457	22,463	929
January 1, 2013					3,018	8,015	(12)

Interest rate risks

The Company and its subsidiaries monitor the fluctuations of variable interest rates pegged to some debts, especially those tied to the risk of variable interest that generate exposure to market interest rate fluctuations, and uses derivative financial instruments to minimize such risks.

To avoid fluctuations in the Company's profit or loss arising from variations of the Interbank Deposit Certificates (CDI) to which the financial liabilities are pegged, and in order to protect Company assets, fixed DI swaps were contracted in order to fix the interest rate for a portion of indebtedness previously pegged to CDI.

The flows that are being restated by fixed rates based on the hedge performed where those of the 3rd issue of debentures of ALL – América Latina Logística Malha Sul S.A., Bank Credit Note ("CCB") maturing in 2014, 9th issue of debentures of ALL – América Latina Logística S.A., 8th issue of debentures of ALL – América Latina Logística Malha Norte and 8th issue of debentures of ALL – América Latina Logística S.A..

These swaps mitigate the interest rate effect on the Company's profit and loss. These instruments are recorded as hedge instruments.

Credit risk

The Company and its subsidiaries are potentially subject to credit risks in their trade receivables or investments with financial institutions. The procedures adopted to minimize commercial risks include the selectivity in accepting customers and of the financial institutions with which we operate, through adequate credit analyses, establishment of sales limits and determining short-term maturities for trade notes receivable. A provision has been made for the full amount of the estimated losses related to the receivables, when applicable. 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 ratings agencies. Management sets a maximum limit for investments, according to the equity and risk classification of each institution.

Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries will have difficulty in satisfying their financial liabilities that are settled in cash or other financial assets. The approach of the Company and its subsidiaries in managing liquidity is to ensure as much as possible the existence of a liquidity level sufficient to settle obligations falling due, under normal and stress conditions, without causing unacceptable losses or facing the risk of damaging the reputation of the Company or its subsidiaries.

The Company's non-derivative financial liabilities classified by maturity at December 31, 2014 (based on non-discounted cash flows) are as follows:

					12/31/2014
	Up to year	From 1 to 2 years	From 3 to 5 years	Over 5 years	Total
Debentures	(787,489)	(1,076,778)	(328,440)	(159,913)	(2,352,620)
Finance lease	(617,898)	(679,826)	(1,019,740)	(169,067)	(2,486,531)
Borrowings	(565,173)	(543,122)	(494,291)	(1,224,010)	(2,826,596)
Advances on real estate credits	(138,864)	(138,864)	(158,217)	-	(435,945)
Payables to suppliers	(997,948)	-	-	-	(997,948)
	(3,107,372)	(2,438,590)	(2,000,688)	(1,552,990)	(9,099,640)

As previously described, the Company did not reach the minimum indices for the financial covenants pegged to its debts. As the Company did not obtain a waiver prior to December 31, 2014, the debts whose covenants were not met were reclassified to the short-term.

Hedge Accounting - Vétria

Jointly-controlled subsidiary Vétria recorded hedge in view of the royalties payable in U.S. dollars to the former stockholders of Vetorial Mineração, as part of the payment for the purchase of the company, which is made as the mine is depleted. As mentioned in Note 1.c, the activities of the jointly-controlled subsidiary are being terminated. Therefore, the amount recorded as hedge accounting was transferred using the equity method, in the amount of R$ 206,339, as contra entry to discontinued operations.

Sensitivity analysis

i. Sensitivity analysis assumptions

The tables below present the change in the fair value of derivative financial instruments and borrowings in a probable scenario and in two adverse scenarios, which could result in significant gains or losses for the Company. The Company adopted three scenarios, one probable and two scenarios of stress for impairment of the fair value of financial instruments.

ii. Sensitivity analysis

(a) Sensitivity analysis for changes in exchange rates

			Impacts on result			
	Risk factors	Probable scenario	Probable scenario 25% - increase	Remote scenario 50% -increase	Possible scenario 25% - reduction	Remote scenario 50% - reduction
Foreign currency appreciation (depreciation) risk						
Long-term suppliers	Increase (decrease) in foreign exchange rate R$/US$	22,843	38,394	86,858	(38,394)	(86,858)
Asset position swaps	Increase (decrease) in foreign exchange rate R$/US$	(22,843)	(38,987)	(87,066)	38,987	87,066
		-	(593)	(208)	593	208

Based on financial instruments denominated in U.S. dollars at December 31, 2014, the Company conducted a sensitivity analysis increasing and decreasing the exchange rates (R$/US$) by 25% and 50%. The probable scenario considers the Company's estimates for the exchange rates on the maturity of operations for companies whose functional currency is the (positive and negative, before taxes), as follows:

	Sensitivity analysis of foreign exchange rates (R$/US$)					
	12/31/2014	Probable	25%	50%	-25%	-50%
December 31, 2014	2.6562	2.6562	3.3203	3.9843	1.9922	1.3281

(b) Sensitivity analysis – changes in interest rates

			Impacts on result			
	Risk factor	Probable scenario	Possible scenario 25% - increase	Remote scenario 50% - increase	Possible scenario 25% - reduction	Remote scenario 50% - reduction
Interest rate appreciation (depreciation) risk						
Cash and cash equivalents and Securities						
Investments indexed at CDI	Increase (decrease) in CDI	148,393	185,491	222,590	111,295	92,745
Fixed investments	Increase (decrease) in Fixed rate	17,455	17,455	17,455	17,455	17,455
		165,848	202,946	240,045	128,750	110,200
Borrowings, Debentures, and Taxes in installments						
Borrowings indexed at TJLP	Increase (decrease) in TJLP	(221,865)	(263,679)	(305,494)	(180,051)	(138,236)
Borrowings indexed at CDI	Increase (decrease) in CDI	(89,447)	(111,460)	(133,473)	(67,434)	(45,421)
Debentures indexed at CDI	Increase (decrease) in CDI	(497,257)	(569,975)	(642,693)	(424,539)	(351,821)
Borrowings indexed at IPCA	Increase (decrease) in IPCA	(54,106)	(60,383)	(66,661)	(47,829)	(41,551)
Advances on real estate credits (CRIs) indexed to CDI	Increase (decrease) in CDI	(54,442)	(66,144)	(77,847)	(42,740)	(31,037)
8th Issue Debentures Malha Norte	Increase (decrease) in interest rate	(22,834)	16,478	(16,478)	(16,478)	16,478
Asset position swaps	Increase (decrease) in interest rate	22,834	(16,478)	16,478	16,478	(16,478)
Taxes in installments	Increase (decrease) in CDI	(3,575)	(4,469)	(5,362)	(2,681)	(1,788)
		(920,692)	(1,076,110)	(1,231,530)	(765,274)	(609,854)
		(754,844)	(873,164)	(991,485)	(636,524)	(499,654)

The sensitivity analysis of interest rates on borrowings and the yield of financial investments based on CDI with increase and decrease o 25% and 50% are as follows:

	Sensitivity analysis of foreign exchange rates (R$/US$)					
	12/31/2014	Probable	25%	50%	-25%	-50%
CDI - average	12.50%	12.50%	15.63%	18.75%	9.38%	6.25%
TJLP	5.50%	5.50%	6.88%	8.25%	4.13%	2.75%
IPCA	6.71%	6.71%	8.39%	10.07%	5.03%	3.36%

Category of financial instruments

The categories of the financial instruments are as follows:

Assets	Assets measured at fair value through profit or loss	Borrowings and receivables	Total
Cash and cash equivalents	-	1,327,122	1,327,122
Securities	-	388,542	388,542
Trade receivables	-	407,302	407,302
	-	2,122,966	2,122,966

Liabilities	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
Borrowings	-	3,979,119	3,979,119
Debentures	-	2,813,933	2,813,933
Financial lease	-	1,803,526	1,803,526
Advances on real estate credits	-	359,937	359,937
Trade payables	-	986,146	986,146
	-	9,942,661	9,942,661

Capital management

Management monitors return on capital adequate to each of its businesses, defined by the Company as the result of operating activities divided by total equity.

Fair value hierarchy

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 estimates:

- Cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their corresponding carrying amounts, mainly due to the short-term maturities of these instruments.

- The fair value of nonnegotiable instruments, bank loans and other financial debts, financial lease obligations, as well as other non-current financial liabilities, is estimated by means of discounted future cash flows using currently available rates for debts or similar remaining terms.

- 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 investment grade ratings. Derivatives, which are valued using techniques based on data observable in the market, include interest rate swaps and forward foreign exchange agreements. The most frequently used valuation techniques include swap and forward contract pricing models, with present value calculations. These models utilize various data, including counterparty credit quality, forward and spot foreign exchange rates and interest rate curves.

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments based on the evaluation methodology used:

- Level 1: prices quoted in active markets for identical assets or liabilities;

The fair value of assets and liabilities traded in active markets is based on market prices quoted on the balance sheet date. A market is considered active if the prices quoted are promptly and regularly available from a stock exchange, distributor, broker, group of industries, pricing services, or regulatory agency, and those prices represent actual transactions occurring regularly under normal market conditions:

- Level 2: other techniques where all data having significant effects on the fair value recorded are directly or indirectly observable;

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of data adopted by the market where they are available and rely as little as possible on specific estimates of the entity. If all significant information required for the fair value of an instrument is adopted, that instrument is included in Level 2. If one or more significant information items are not based on data adopted by the market, the asset or liability is included in Level 3.

Specific valuation techniques used to value the financial instruments include:

I. Quotation prices or quotations by brokers for similar instruments;

II. The fair value of interest rate swaps is calculated as the present value of future cash flows estimated based on the yield curves adopted;

III. Other techniques, such as analysis of discounted cash flows, are used to determine the fair value of the remaining financial instruments.

- Level 3: inputs for instruments that are not based on observable market data (that is, nonobservable inputs). There are no financial instruments classified as Level 3 at December 31, 2014 and December 31, 2013.

Following are the fair values of the Company's financial instruments classified as Levels 1 and 2:

Assets	Level I	Level II	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Cash and cash equivalents	-	1,327,122	1,327,122	2,636,499	2,262,472
Securities	-	388,542	388,542	260,859	225,678
Trade receivables	-	407,302	407,302	453,275	392,797
	-	2,122,966	2,122,966	3,350,633	2,880,947

Liabilities	Level I	Level II	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
Borrowings	-	3,979,119	3,979,119	4,025,758	3,436,446
Debentures	-	2,813,933	2,813,933	2,943,361	3,086,123
Financial lease	-	1,803,526	1,803,526	1,836,674	1,485,946
Advances on real estate credits	-	359,937	359,937	435,945	512,894
Trade payables	-	986,146	986,146	672,832	374,259
	-	9,942,661	9,942,661	9,914,570	8,895,668

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings (if available) or to historical information about counterpart default rates:

	Parent Company			Consolidated		
	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)	12/31/2014	12/31/2013 (Restated)	01/01/2013 (Restated)
AAA	27,861	69,385	745,263	1,294,713	2,707,965	2,377,615
AA	2,583	2,023	105,867	240,685	189,111	130,745
A	-	-	-	22,893	20,560	-
	30,444	71,408	851,130	1,558,291	2,917,636	2,508,360
Debentures issued by ALL over investment securities	-	-	-	(40,192)	(20,278)	(20,210)
	30,444	71,408	851,130	1,518,099	2,897,358	2,488,150

31. Post retirement benefits – Social Security

Direct subsidiary ALL Malha Oeste sponsors a Benefit Plan with a Multi-sponsored Entity. This plan has characteristics of a defined contribution type whose only defined contribution during the accumulation period is equivalent to six months' salary in the event of death, disability or retirement, calculated according to the formulas and conditions established in the plan's regulations.

Contributions are made, on average, in the proportion of 67% for the sponsor and 33% for active plan participants. Contributions related to minimum benefits are fully made by the sponsor, as defined in an actuarial technical note, and are re-measured 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 concluded December 31, 2014. The base date used in the assessment was October 2013.

	12/31/2014	12/31/2013
Participants	32	39
Program assets	3,998	10,329
Actuarial liabilities	3,735	2,892
Sponsor's contribution (% payroll)	0.79%	0.89%
Participation payroll	594	792

The plan also has a defined benefit portion in the concession phase, whose actuarial liability refers to monthly life annuities granted to its participants. The present value of the actuarial liability of Sponsored Participants was calculated based on the mortality table AT-2000 and on a financial discount rate of 6.75% p.a., being fully covered by the Plan's Net Assets, and an actual rate of return on assets of 11.55%, resulting in a return on assets of R$ 445.

The plan has financial coverage of actuarial liabilities and a surplus of R$ 30 at December 31, 2014. This reserve relates to the remaining balances of the sponsor's contributions, arising from participants leaving the plan who partially redeemed their benefits, and who are no longer eligible for any plan benefits

32. Information by segment

Information on segments is based on information used by the Company's management to evaluate the performance of operating segments and make decisions on the use of funds. Management evaluates the performance of its operating segments based on EBITDA, and the segment is examined through operating income.

Operating segments

(i) Railroad operations: comprises railroad transportation of agricultural commodities and manufactured products. Includes all Group entities with the exception of Brado and Discontinued Operations.
(ii) Brado: comprises the Group company focused on the logistics of containers, either by railroad or by road transportation.

Previously reported segments, such as Ritmo and ALL Argentina are presented as discontinued operations.

Following is the information on results and on assets by segment, measured in accordance with the same accounting practices used in preparing the consolidated information:

December 31, 2014

	Railroad operations	Brado	Eliminations	Consolidated
Current assets	2,215,986	464,734	(65,454)	2,615,266
Non-current assets	13,105,446	479,898	(366,835)	13,218,509
Current liabilities	8,823,156	109,891	(43,939)	8,889,108
Non-current liabilities	4,368,366	248,755	-	4,603,072
Net revenue	3,410,884	288,054	(36,688)	3,662,250
Cost of services	(2,734,760)	(215,675)	36,688	(2,913,747)
Gross profit	676,124	72,379	-	748,503
Selling, general and administrative expenses	(228,409)	(41,115)	-	(269,524)
Other expenses and equity in the results of subsidiaries	(19,279)	15,679	(32,378)	(35,978)
Impairment provision	(1,103,195)			(1,103,195)
Operating profit (loss)	(674,759)	46,943	(32,378)	(660,194)
Depreciation and amortization	582,800	25,146	-	607,946
Impairment	1,103,195	-	-	1,103,195
EBITDA	1,011,236	72,089	(32,378)	1,050,947

December 31, 2013 (Restated)

	Railroad operations	Brado	Eliminations	Consolidated
Current assets	3,618,091	442,677	(22,622)	4,038,146
Non-current assets	15,139,570	361,317	(334,456)	15,166,431
Current liabilities	3,023,471	93,785	(13,544)	3,103,712
Non-current liabilities	11,237,074	176,261	-	11,413,335
Net revenue	3,215,689	277,592	(57,321)	3,435,960
Cost of services	(1,935,474)	(213,735)	57,321	(2,091,888)
Gross profit	1,280,215	63,857	-	1,344,072
Selling, general and administrative expenses	(162,496)	(43,210)	-	(205,706)
Other expenses and equity in the results of subsidiaries	(60,241)	14,798	(17,423)	(62,866)
Operating income (loss)	1,057,478	35,445	(17,423)	1,075,500
Depreciation and amortization	524,494	19,575	-	544,069
EBITDA	1,581,972	55,020	(17,423)	1,619,569

January 1, 2013

	Railroad operations	Brado	Eliminations	Consolidated
Current assets	3,424,672	55,798	(44,018)	3,436,452
Non-current assets	14,167,120	206,724	(106,906)	14,266,938
Current liabilities	2,428,828	62,093	35,463	2,526,384
Non-current liabilities	11,355,056	94,140	(35,861)	11,413,335

33. Subsequent event

On February 11, 2015, in compliance with Article 2 of CVM Instruction 358/2002, the Brazilian Antitrust Authority ("CADE") has unanimously approved, as required by Article 61 of Law 12529/2011, the Act of Concentration related to the merger of ALL's shares by Rumo (Merger) through the execution of a Concentration Control Agreement ("ACC").

In compliance with the ACC, the new Company will adopt certain behaviors aimed at eliminating concerns about competition identified in CADE's General Superintendency.

These obligations will be in effect for up to seven year and are aimed mainly at ensuring isonomy of cargo railroad transportation services to users, especially through the reinforcement of governance rules, adoption of transparency mechanisms for tariff parameters, control of services and limitation of railroad transportation by related parties.

On March 19, 2015 the National Agency of Water Transport ("ANTAQ") approved the change of control, which was the last precedent condition for the completion of the merger.

On March 23, 2015, the Company Board of Directors approved the merger of ALL into Rumo. From April 1, 2015 the shares of Rumo (ticker: "rumo3"), considering the reflections of shares incorporation, will be listed on São Paulo Stock Exchange, and, the shares of ALL (ticker: "all3") will no longer be listed on São Paulo Stock Exchange in March 31, 2015.

EARNINGS RELEASE 2014

Curitiba, March 31st , 2015 – América Latina Logística S.A. – ALL (BM&FBOVESPA: ALLL3; OTCQX: ALLAY) ("ALL" or "Company") announces today its results for the year ended December 31, 2014. The results are presented on a consolidated basis in accordance with accounting rules adopted in Brazil and internationally (IFRS).

Conference Call

Portuguese
April 01, 2015
1:00 p.m. (EST)
Phone: + 55 11 3193 1001
+ 55 11 2820 4001
Code: ALL

English
April 01, 2015
2:30 p.m. (EST)
Phone (BR): + 55 11 3193 1001
+ 55 11 2820 4001
Phone (USA): +1 786 924 6977
Code: ALL

ALL BUSINESS UNITS



ALLL3 NOVO MERCADO BM&FBOVESPA

INVESTOR RELATIONS
E-mail: ir@all-logistica.com
Phone: +55 (41) 2141 7459
Website: www.all-logistica.com.br/ir

Message from the Management

*2014 was remarkable for **ALL,** not only from an operational point of view, but also on the strategic aspects of the Company.*

In our operations, we have seen very different scenarios between the two halves of the year. In the first half, the reduction of demand from China led to a drop in the transported volume of soybeans, however, our average tariff did not decrease and we maintained market share in the ports we serve. In the second half, the United States had record crops of corn, reducing international prices, affecting Brazilian exports and consequently our transported volumes. As a response to this scenario, we decided to reduce our average tariff, which led us to gain market share in the ports we serve. On the other hand, the soybean meal and sugar transported volumes grew, so we could expand the average tariff charged and our share in the ports also increased.

*From a strategic point of view, we decided to end the **Vetria Mineração** project due to the non-fulfillment of certain conditions stipulated in the contract and especially due to market conditions and the current outlook in relation to the prices charged for iron ore. And following the focus strategy in the railway sector, at the end of December 2014, we agreed with the full sale of **Ritmo Logística**.*

*On March 23, 2015, the merger of **Rumo** and **ALL** was finally approved since all the precedent conditions necessary for the transaction between the companies were met. Therefore, from April 1, 2015, Rumo's shares (RUMO3) will be traded on the BM&FBOVESPA, reflecting the effects of the merger.*

The results presented in this report went through some adjustments that represent corrections of previous earnings releases and changes in accounting practices, as well as the results of the impairment test performed in the Company's assets.

*The merger between **Rumo** and **ALL** marks an important step for the development of a transformer logistics project that will expand the cargo transportation business in Brazil through efficient logistics. A practical effect of this change is reflected in the investment plan developed by the transition team that prepares the way for the resumption of a trajectory focused on the efficiency and growth of our operations.*

We started 2015 with focus and motivation to seek opportunities in the logistics business and for the generation of value for our shareholders.

1. Rumo and ALL merger conclusion

On March 23, 2015, Rumo Logística S.A. ("Rumo") and ALL's Board of Directors' Meetings were held, which among other matters confirmed that all the precedent conditions necessary for the approval of the merger of the companies were met, including among other measures (i) approval of the Brazilian Antitrust Authority (CADE), (ii) the National Land Transportation Agency (ANTT) and (iii) of the National Water Transportation Agency (ANTAQ).

Therefore, as per the Protocol and Justification of the Merger of ALL's shares into Rumo, all the precedent conditions necessary for the Merger of Shares were obtained and all prior arrangements have been made, so that, from April 1, 2015 the Rumo's shares (BM&FBovespa: RUMO3) will be traded on the BM&FBovespa, reflecting the effects of the Merger. As a result of this process, ALL's shares (BM&FBovespa: ALLL3) will no longer be traded on the BM&FBOVESPA from March 31, 2015.

In addition, as provided in the Protocol, the Companies approved the adjustment of ALL's share exchange ratio for Rumo's shares, due to the dividends distributed by both Rumo and ALL from the signing of the Protocol, which changed to 2.879303067 common shares, nominative, book entry and with no par value issued by Rumo for each 1 common share, nominative, book entry and with no par value issued by ALL.

It is worth mentioning that the companies officially suspended, on May 12, 2014, the procedures of arbitration and all legal proceedings related to the fulfillment of the contracts entered into on March 05, 2009 and subsequently added. As a result, there is no dispute in progress involving Rumo and ALL.

2. Discontinued operations

ALL Argentina

On June 5, 2013, the Argentine Government terminated ALL's concessions in the country, in which the Company had economic rights. As an effect of the termination, the results from operations in Argentina are now presented as "Results of Discontinued Operations". Therefore, discussions of ALL Rail Operations refer only to Brazilian operations, unless otherwise stated.

Vetria Mineração

In December 10, 2014, the Vetria Mineração S.A. ("Vetria") project was discontinued. The project was under an association agreement signed on December 19, 2011 between ALL, Triunfo Participações e Investimentos S.A. and Vetorial Participações S.A. for the implementation of a strategic alliance aimed at the creation of an integrated mine-railroad-port. As certain conditions set out in the agreement were not met within the stipulated time, and also considering market conditions and the current outlook, especially regarding the prices charged for iron ore, the parties decided to end the project. Therefore, the results from Vetria are presented as "Results of Discontinued Operations".

Ritmo Logística

On December 30, 2014, the Company, through its Board of Directors, approved the sale of the subsidiary Ritmo Logística S.A. ("Ritmo") for R$55 million. All terms of the sale have been agreed between the Company and the buyers, leaving legal procedures for enforcement. As a result of this decision, the assets and liabilities of Ritmo were presented as held for sale on December 31, 2014 at probable realizable value (discounted at present value) of R$44.4 million, and the results of 2014 and 2013 as "Results of Discontinued Operations".

3. Impairment of assets

The Management performed an impairment tests on the Company's fixed assets as the following indicators were identified on December 31, 2014 and were not present on December 31, 2013:

(i) Closure of Vetria Mineração
(ii) Stock market value below its equity value
(iii) Non achievement of the budget and internal goals
(iv) Increase in interest rates and worsening of the economic scenario
(v) Replacement and modernization plan of locomotives

As a result of the conducted test, a total impairment of R$1.103.2 billion was recognized, of which R$427.0 million was due to the locomotive replacement plan and R$676.2 million of provision for loss of intangible assets and fixed assets of the South and West rail tracks, since there was no recovery perspective of its depreciation/amortization with future results.

4. Adjustment of previous periods and change in accounting practices

Due to the combination of ALL and Rumo activities, a transition group was created to review the accounting practices adopted by the Company. In this process, adjustments and reclassifications have been identified in previous fiscal years, as well as changes in accounting practices. The results disclosed in this report consider the numbers restated by the Company for 2013, related to both corrections and changes in accounting practices (Rumo contract), as detailed in the 2014 Financial Statements, and therefore differ from the numbers previously disclosed.

The main adjustments resulting from the corrections include: (i) restatement of certain operational lease agreements to financial lease, (ii) the reclassification of part of the expenditure on leasing of assets from the grant of the financial result for the cost of sales, (iii) correction of accounting for some incentive contracts received by clients, with the establishment of deferred revenue liability to reflect future discount rate, (iv) reclassification of applications considered as cash and cash equivalents for securities and (v) record of an onerous contract.

For more details about the adjustments made and changes in accounting practices see Item 11 - Appendix 1 at the end of this report.

5. ALL Consolidated Results

ALL Consolidated financial information reflects 100% of the financial performance of the Rail Operations and the Brado Logística results, regardless of ALL's participation in Brado. For guidance purposes, all explanations will focus on annual changes without emphasizing the changes between quarters.

Summmary of Financial Information - ALL Consolidated (Amounts in R$ MM)	2014	2013 Restated
Net Revenue	**3,662.3**	**3,436.0**
Gross Profit	**748.5**	**1,344.1**
Gross Margin (%)	20.4%	39.1%
Selling Expenses, General and Administrative Expenses	**(269.5)**	**(205.7)**
Other Operating Revenues (Expenses)	**(44.8)**	**30.1**
Result of ownershio interest	**8.9**	**(92.9)**
Impairment	**(1,103.2)**	**-**
Operating Profit (Loss)	**(660.2)**	**1,075.5**
EBITDA	**1,050.9**	**1,619.6**
EBITDA Margin (%)	28.7%	47.1%
Net Income (Loss) before non-controlling Interest	**(1,897.5)**	**29.9**
Net Income (Loss)	**(1,874.3)**	**42.7**
Net Margin (%)	-51.2%	1.2%
Investments (CAPEX)	**1,225.0**	**1,197.4**
Net Debt	**5,275.0**	**4,149.8**
Shareholders' Equity and Non-Controlling Interests	**2,341.5**	**4,102.4**

For reconciliation purposes of consolidated EBITDA, the Adjustments and Eliminations column refers to the transactions eliminations of related parties for the consolidation of results.

Results by Business Unit 2014	Rail Operations	Brado Logística	Adjusts and Eliminations	Consolidated
Net Revenue	**3.410,9**	**288,1**	**(36,7)**	**3.662,3**
Cost of Goods and Services	**(2.734,8)**	**(215,7)**	**36,7**	**(2.913,7)**
Gross Profit	**676,1**	**72,4**	**-**	**748,5**
Gross Margin(%)	19,8%	25,1%	-	**20,4%**
Selling Expenses, General and Administrative Expenses	**(228,4)**	**(41,1)**	**-**	**(269,5)**
Other Operating Revenues (Expenses)	**(19,3)**	**15,7**	**(32,4)**	**(36,0)**
Impairment	**(1.103,2)**	**-**	**-**	**(1.103,2)**
Depreciation and Amortization	**(582,8)**	**(25,1)**	**-**	**(607,9)**
EBITDA	**1.011,2**	**72,1**	**(32,4)**	**1.050,9**
EBITDA Margin (%)	29,6%	25,0%	-	**28,7%**

6. EBITDA reconciliation

EBITDA disclosed in this report follows CVM Instruction 527/12, released on October 4, 2012 by the Brazilian Securities and Exchange Commission and may differ from the amounts reported in prior periods as a result of the equity accounting income adjustment. Accordingly, EBITDA shall be composed of the operational profit (loss) before net financial expenses, plus depreciation and amortization and equity earnings.

EBITDA (Reconciliation ICVM 527) (Amounts in R$ MM)	2014	2013 Restated
Lucro (Prejuízo) Líquido	**(1,874.3)**	**42.7**
Equity Pick-up	(8.9)	92.9
Income from Discontinued Operations	150.4	179.3
Income Taxes	(206.7)	(52.4)
Impairment	1,103.2	-
Net Financial Expense (Revenue)	1,270.3	905.9
Depreciation and Amortization	607.9	544.1
EBITDA (before ICVM 527)	**1,042.1**	**1,712.5**
Equity Pick-up	8.9	(92.9)
EBITDA (after ICVM 527)	**1,050.9**	**1,619.6**

As mentioned in item 4 (above), several adjustments were performed in the 2014 Financial Statements, which ended up significantly impacting ALL's consolidated EBITDA, reaching R$1,050.9 million. However, excluding the effects of items considered as non-recurring by the Management resulting from the adjustments, ALL would have reported normalized EBITDA of R$1,359.3 million. Below are the effects considered non-recurring for this normalization:

EBITDA Normalized (Amounts in R$ MM)	2014
EBITDA (after ICVM 527)	**1.050,9**
Accounting practices changes	
(+) Receivable and costs nomarlization (Rumo and ALL contract)[1]	193,2
Estimatives changes	
(+) Federal Government receivables provision	59,5
(+) Tax credits provision (IPI)	55,7
EBITDA Normalized	**1.359,3**

Note 1: This refers to the difference between the net balances that ALL had against RUMO and that RUMO had against ALL in 2014. If these companies were consolidated, as will be the case from April/2015, this difference would have been eliminated.

7. Result per business unit

7.1 Rail Operations

Present below are the results of the Rail Operations unit that consists of 4 rail concessions in Brazil, totaling 12,000 km of railways, through which the Company transports agricultural commodities and industrial products.

The rail network operates in an area that accounts for approximately 80% of Brazil's GDP, where 4 of the most active ports of the country are located, through which about 80% of all grain exports are shipped annually.

	ASSETS	QUANTITY APPROXIMATELY
OPERATIONS	Malha Ferroviária (km)	12.000
	Locomotivas (unidades)	1.000
	Vagões (unidades)	25.000
	STRECHES	**CONCESSION MATURITY**
RAILWAY CONCESSIONS	ALL Malha Norte (MS/MT)	2079
	ALL Malha Paulista (SP)	2028
	ALL Malha Sul (SP/PR/SC/RS)	2027
	ALL Malha Oeste (MS)	2026
	PORT	**STATE**
PORTS SERVED	Santos	São Paulo
	Paranaguá	Paraná
	São Francisco	Santa Catarina
	Rio Grande	Rio Grande do Sul

Operational Figures

Operational Figures (TKU million)	2014	2013 Restated	Chg. %
Total Volume	**42.959,2**	**41.606,5**	**3,3%**
Agricultural Commodities	**32.638,8**	**31.738,2**	**2,8%**
Corn	11.408,2	12.463,4	-8,5%
Soybean	10.800,7	9.851,9	9,6%
Soybean meal	4.495,2	3.400,5	32,2%
Sugar	4.347,1	4.194,5	3,6%
Fertilizers	976,5	1.241,2	-21,3%
Wheat	342,3	283,3	20,8%
Rice	268,8	303,4	-11,4%
Industrial Products	**10.320,4**	**9.868,3**	**4,6%**
Fuels	4.641,1	4.664,7	-0,5%
Containers	2.155,1	1.770,8	21,7%
Wood, Pulp and Paper	1.770,0	1.376,0	28,6%
Construction	873,3	905,5	-3,6%
Steel and Mining	728,0	910,3	-20,0%
Others	97,4	139,7	-30,2%
Food	30,5	77,6	-60,7%
Vegetal Oil	25,0	23,8	4,9%

In 2014, the volume transported by ALL was 42,959.2 million RTK, 3.3% higher than in 2013. The variation is composed of the increase of (i) 2.8% in the volume of agricultural commodities transported and (ii) 4.6% in the volume of industrial products transported, reflecting the competitiveness of our logistics solutions during a year of difficult demand scenario and low prices in international markets.

Market outlook

The scenario of agricultural commodities was very different between the first and second halves of 2014, generally representing the soybean and corn crops respectively.

In the first half, soybeans exports grew 7.0% over the previous year while the volume transported by ALL fell 2.7% compared to 2013, impacted by lower shipments to China in 2Q14, which caused a decrease in the tariff of road freight from May 2014. The railway transportation tariffs increased by 6.2%, since ALL did not follow the price reduction occurred in May. With this, ALL's market share of soybeans in the ports we serve fell from 28% to 27%.

In the second half, the situation was different. The United States had a record corn harvest, shrinking international prices, affecting Brazilian exports which fell 22% compared to the previous year and consequently reducing by 13.3% the

volume transported by ALL. The Company reduced its average tariff by 7.1%, highly pressured by road freight in Mato Grosso state, which fell on average 22% in the second half compared to 2013. With that, ALL gained market share in the ports we serve, which went from 45.4% to 53.6% y-o-y.

Regarding the soybean meal, which experiences transport demand continuously throughout the year, Brazilian exports grew 3% while the volume transported by ALL grew 18.5%. The average tariff increased 13.3% and the market share in the ports we serve went from 28.6% to 33.9%.

Finally, the sugar market fell by 13% in exports while ALL's transported volume had an increase of 5.6%. The average tariff increased 10.7% and the market share in the ports we serve increased from 26.4% to 31.3%.

Net Revenue

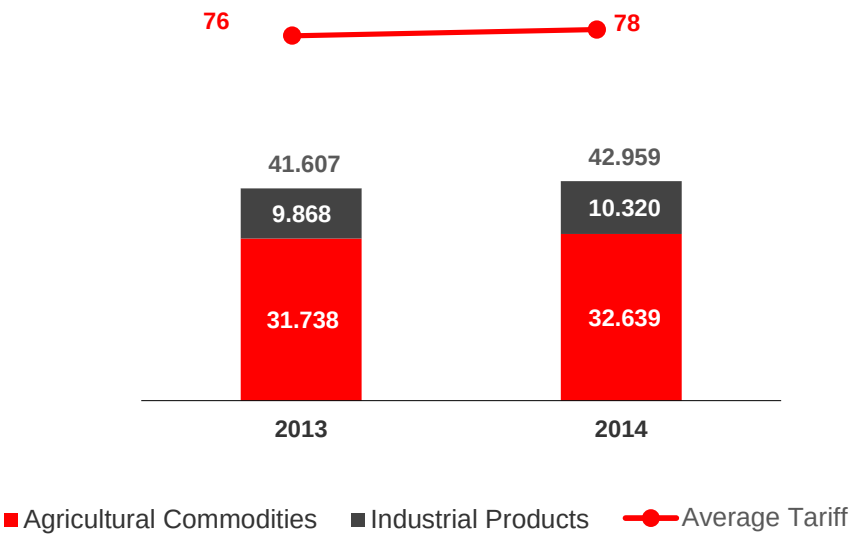
Sales Breakdown (Amounts in R$ MM)	2014	2013 Restated	Chg. %
Net Operating Revenue	**3.410,9**	**3.215,7**	**6,1%**
Rail Operations	3.353,0	3.151,4	6,4%
Other Railways Net Revenue	57,9	64,3	-10,0%
Average Yield (R$/000 TKU)	**2014**	**2013 Restated**	**Chg. %**
Average Yield Rail Operations	**78,1**	**75,7**	**3,0%**

Net revenue from Rail Operations totaled R$ 3,410.9 million in 2014, reflecting an increase of 6.1% compared to 2013, when the reported value was R$3,215.7 million.

This growth is mainly due to the 3.0% increase in the average tariff of Rail Operations (excluding the volume of other railways) that went from R$75.7/thousand RTK in 2013 to R$78.1/thousand RTK in 2014.

Rail Operations

Transported Volume (RTK million) and Average Tariff (R$/RTK '000)



Cost of Services

Costs of Services (Amounts in R$ MM)	2014	2013 Restated	Chg. %
Costs of Services	**(2.734,8)**	**(1.935,5)**	**41,3%**

In 2014, ALL's cost of services went up by 50.2% compared to 2013, reaching R$2,734.3 million.

This cost increase was mainly driven by the following aspects:

(i) Increase of 12.6%, equivalent to approximately R$77 million of fuel and lubricants expenses, reflecting the increase in diesel consumption due to the transported volume growth, as well as to increases in the price of diesel and the inflation adjustments;

(ii) Increase of 11.1% (R$53 million) in depreciation and amortization, mainly due to full capacity operations in the Rondonópolis terminal;

(iii) Incremental costs related to the change in accounting practices of Rumo's contract, equivalent to R$363 million;

(iv) Growth of approximately R$92 million in compensation payments to clients due to commercial agreements for liabilities resolution;

(v) Increase in provision for labor and civil contingencies of approximately R$187 million;

(vi) Provision for non-performing receivables against the Federal Government of R$59 million.

Gross Profit

Gross Profit (Amounts in R$ MM)	2014	2013 Restated	Chg. %
Gross Profit	**676,1**	**1.280,2**	**-47,2%**
Gross Margin (%)	19,8%	39,8%	-20,0 p.p.

Rail Operations' gross profit totaled R$ 676.1 million in 2014, down 47.2% from the R$1,280.2 million reported in 2013. Gross margin in 2014 was 19.8%, down 20.0 percentage points compared to 2013. As mentioned above, this drop reflects the increase in cost of services due to adjustments made in 2014 in greater proportion than the volume growth in the comparison between the years.

Selling, general and administrative expenses and provision for impairment

Selling, General and Administrative Expenses (Amounts in R$ MM)	2014	2013 Restated	Chg. %
Selling, General and Administrative Expenses	**(228,4)**	**(162,5)**	**40,6%**
Other Revenues (Expenses)	**(19,3)**	**(60,2)**	**-68,0%**
Impairment	**(1.103,2)**	**-**	**n/a**

Rail Operations' selling, general and administrative expenses reached R$228.4 million in 2014, representing an increase of 40.6% compared to 2013 mainly due to (i) higher personnel expenses, and (ii) extraordinary spending with third-party services, especially advisory and law firms related to the litigation process and the merger with Rumo.

The provision for impairment performed in Rail Operations in 2014 totaled R$1,103.2 million and followed the methodology previously described in item 3 of this earnings release.

EBITDA

EBITDA (Amounts in R$ MM)	2014	2013 Restated	Chg. %
Total EBITDA	**1.011,2**	**1.582,0**	**-36,1%**
EBITDA Margin (%)	29,6%	49,2%	-19,5 p.p.

In 2014, Rail Operations' EBITDA totaled R$1,011.2 million, a decrease of 36.1% compared to 2013, while EBITDA margin fell 19.5 percentage points year-over-year.

Investments

Investments (Amounts in R$ MM)	2014	2013 Restated	Chg. %
Total Investments	**1.094,9**	**1.031,2**	**6,2%**
Maintenance	957,7	708,8	35,1%
Expansion	137,2	322,4	-57,4%

Rail Operations' investments totaled R$1,094.9 million in 2014, up 6.2% from 2013.

In 2013, investments of R$322.4 million in the expansion line included R$175.2 million for the construction of the Rondonópolis complex and R$147.2 million for the acquisition of locomotives. In 2014, this number dropped by 57.4% due to completion of the Rondonópolis project and lower acquisition of locomotives, plus an additional investment of R$53.2 million in the duplication of the rail track from Campinas to Santos, in the state of São Paulo.

In the maintenance capex line, we had an extraordinary effect of inventory reclassification to fixed investment of approximately R$114.9 million (mainly rails). Discounting this effect, investment in maintenance grew by 19.0% between the periods.

7.2 Brado Logística

Below are the results of Brado Logística, responsible for the intermodal logistics of containers, focusing on rail transportation services, storage, operation of terminals and other logistics services.

	STRETCH	
INTERMODAL TERMINALS AND LOGISTIC CLOMPLEX	Uruguaiana (RS)	Cascavel (PR)
	Cruz Alta (RS)	Ponta Grossa (PR)
	Esteio (RS)	Tatuí (SP)
	Porto Alegre (RS)	Araraquara (SP)
	Colombo (PR)	Bauru (SP)
	Itajaí (SC)	Rondonópolis (MT)
	Cambé (PR)	Cubatão (SP)
	Guarapuava (PR)	Campinas (SP)
	Araucária (PR)	
	ASSETS	**QUANTITY**
OPERATION	Locomotivas	36
	Vagões	2.425
	STRETCH	**CONECTIONS**
CORRIDORS	**Bitola Larga**	MT e SP ao Porto de Santos
	Paraná	PR aos Portos de Paranaguá e São Francisco
	Rio Grande do Sul	RS ao Porto de Rio Grande
	Mercosul	Ligação entre Brasil e Argentina
	PORT	**STATE**
PORTS SERVED	Santos	São Paulo
	Paranaguá	Paraná
	São Francisco	Santa Catarina
	Rio Grande	Rio Grande do Sul

Operational Figures

Operational Figures (Containers '000)	2014	2013	Chg. %
Total Volume	**77.0**	**63.8**	**20.7%**
Wide Gauge	26.2	18.7	39.9%
Mercosur	9.1	11.3	-19.9%
Paraná	29.7	20.9	42.0%
Rio Grande do Sul	12.1	12.9	-6.2%

Brado grew the volume of transported containers by 20.7% in 2014 compared to 2013. When we analyze the volume handled by Brado in terms of RTK, it grew by 19.7% in 2014, from 1,830.5 million RTK in 2013 to 2,190.8 million RTK in 2014. This growth is due to increases in the number of containers handled and in the average transported distance, related to an increase in the handled volumes from the Rondonópolis terminal.

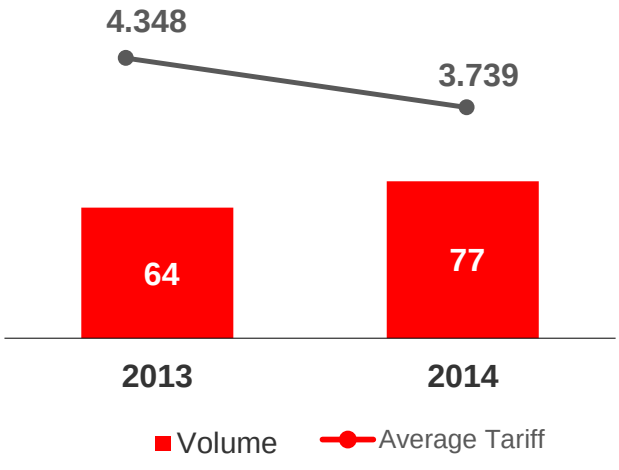
Net Revenue

Sales Breakdown (Amounts in R$ MM)	2014	2013	Chg. %
Net Operating Revenue	**288.1**	**277.6**	**3.8%**
(R$ '000/containers)	**2014**	**2013**	**Chg. %**
Net Yield	**3,739.4**	**4,348.4**	**-14.0%**

Brado Logística's net revenue reached R$288.1 million in 2014, due to a 20.7% growth in the volume of containers handled and partially offset by a 14.0% decrease in the average tariff. The lower average price is a result of a reduction in Mercosur flows, which had higher average tariffs, and the start of operations in Araraquara, which has lower average distance than Rondonópolis.

Brado Logística

Transported volume transportado (Containers 000) and Average Tariff (R$ 000/containers)



Cost of Sales

Costs of Services (Amounts in R$ MM)	2014	2013	Chg. %
Costs of Services	**(215.7)**	**(213.7)**	**0.9%**

In 2014, Brado Logística's costs of sales remained in line with 2013, reaching R$215.7 million in the year and presenting gains in fixed cost and reduction in its variable costs.

Gross Profit

Gross Profit (Amounts in R$ MM)	2014	2013	Chg. %
Gross Profit	**72.4**	**63.9**	**13.3%**
Gross Margin (%)	25.1%	23.0%	2.1 p.p

In 2014, Brado Logistica's gross profit increased by 13.3% y-o-y, reaching R$72.4 million in the year, while its margin grew 2.1 percentage points in 2014 compared to 2013.

Selling, general and administrative expenses

Selling, General and Administrative Expenses (Amounts in R$ MM)	2014	2013	Chg. %
Selling, General and Administrative Expenses	**(41.1)**	**(43.2)**	**-4.8%**
Other Revenues (Expenses) and Equity Pick-up	**15.7**	**14.8**	**6.0%**

Brado's SG&A expenses went down by 4.8% in 2014 compared to 2013, reaching R$41.1 million in the year.

EBITDA

EBITDA (Amounts in R$ MM)	2014	2013	Chg. %
Total EBITDA	**72.1**	**55.0**	**31.0%**
EBITDA Margin (%)	25.0%	19.8%	5.2 p.p

Brado's EBITDA grew by 31.0% in 2014 compared to 2013, reaching R$72.1 million. This significant growth was the result of an increase of 19.7% in volume in terms of RTK year-over-year.

Investments

Investments (Amounts in R$ MM)	2014	2013	Chg. %
Total Investments	**130.1**	**166.2**	**-21.7%**
Terminals/Infrastructure	48.6	48.4	0.4%
Rolling Stock	81.5	117.8	-30.8%

Investments in 2014 totaled R$130.1 million, 21.8% less than in 2013, when Brado added rolling stock in order to increase volume and improve its static capacity.

8. Other Lines of Consolidated Result

Financial Result

Financial Results (Amounts in R$ MM)	2014	2013 Restated	Var. %
Gross Debt Charges	(708,9)	(603,6)	17,4%
Income from Financial Investments	216,5	169,5	27,7%
(=) Subtotal: Net Debt Interests	**(492,3)**	**(434,1)**	**13,4%**
Other Charges and Monetary Variation	(212,8)	(109,5)	94,4%
Gain (loss) with derivatives	7,9	(35,3)	-122,3%
Exchange Rate Variation	(29,0)	(6,5)	343,9%
Monetary variation on concession and leasing	(162,0)	(109,1)	48,4%
Operational leasing	(319,4)	(175,1)	82,4%
Guarantees	(62,7)	(36,3)	72,5%
(=) Financial, Net	**(1.270,3)**	**(905,9)**	**40,2%**

The financial result in 2014 recorded a net financial expense of R$1,270.3 million, compared to a net expense of R$905.9 million recorded in 2013.

In 2014, debt costs went up by 17.4% compared to 2013, mainly due to the increase in interest rates (CDI) between the periods, coupled with a higher average balance of debt.

The result of income from financial investments ended the year with a positive R$216.5 million, compared to R$169.5 million in 2013, due to the increase in interest rates (CDI) between the periods, partially offset by reduction in average cash in 2014.

Other charges and monetary variations, consisting of interest on suppliers, interest on taxes and monetary variation, among others, went up by R$103.3 million, mainly due to a reversal of monetary adjustments of IPI (Tax on Industrialized Products) credits (non-recurring effect).

The increase of R$53.0 million related to the monetary variation on concession and leases is due to (i) higher average balance payable and (ii) higher interest rate in the period (SELIC).

Increase of R$ 144,4 million on operational lease mainly due to financial leasing transactions initiated on second semester of 2013

Income Tax and Social Contribution

Income Tax and Social Contribution (Amounts in R$ MM)	2014	2013 Restated
Income (loss) before income tax	**(1.930,5)**	**169,6**
Total of Deferred and Current Income Tax and Social Contribution	**206,7**	**52,4**
Effective Rate - Current (%)	-10,7%	30,9%
	2014	**2013**
Deferred Income Tax Expenses	**295,5**	**104,3**
Current Income Tax Expenses	**(88,8)**	**(51,9)**

In 2014, Income Tax and Social Contribution (IR/CS) revenues reached R$206.7 million, mainly due to the constitution of the tax credit on accumulated losses (tax shield) as a result of prior period adjustments and changes in accounting practices.

The effective rate reflects the deferred Income Tax constituted only on networks with perspective of future profitability. In addition, specifically in the North rail network, the extension of the right to a 75% reduction of corporate income tax (IRPJ) and other charges by 2023 was obtained on May 30, 2014.

Net Income (Loss)

Net Income (Loss) (Amounts in R$ MM)	2014	2013 Restated
Net Income (Loss)	**(1.874,3)**	**42,7**
Net Income (Loss) Margin	-51,2%	1,2%

ALL recorded a loss of R$1,874.3 million in 2014, substantially impacted by the R$1,103.2 million impairment and the effect of adjustment in the accounting practices related to the treatment of the contract with Rumo, of R$362.6 million.

Loans and Financings

Net debt for the full year of 2014 was R$5,275.0 million, compared to R$4,149.8 million in 2013, equivalent to a leverage of 5.02 times considering EBITDA of R$1,050.9 million in the last 12 months.

The 27.1% increase in net debt year-over-year was caused primarily by the negative free cash flow generation that used approximately R$850 million, as well as the use of cash as collateral for financial transactions not linked to loans (restricted cash) totaling R$120 million in the year.

In December 2014, ALL did not comply with some covenant contract provisions, which included maximum indebtedness ratios. Therefore, the debts related to these contracts, as well as those with the cross default provisions, were reclassified to short term on December 31, 2014, except Brado's debt and those which have no such restrictive provision.

According to the material fact disclosed today, the Company has have already obtained, subject to certain precedent conditions, the creditors approval of alterations resulting from the merger of the Company's shares into Rumo, as well as of the breach of the covenant and cross default with the 8th and 9th emissions of ALL's debentures, which were not object of approval requests due to its pulverization on the market.

The Company also informs that Rumo negotiated a line of credit, which will be available for eventual repayment of the 8th and 9th emissions of ALL's debentures.

Total Indebtness (Amounts in R$ MM)	2014	2013	% ST	Chg.%
Commercial Banks	294.7	563.8	100.0%	-47.7%
NCC	11.3	22.4	100.0%	-49.5%
NCE	822.5	639.6	100.0%	28.6%
BNDES	2,850.6	2,799.9	92.2%	1.8%
Debentures	2,813.9	2,943.4	98.4%	-4.4%
Total Debt	**6,793.1**	**6,969.1**		**-2.5%**
Cash and Cash Equivalents and Secutities [1]	**(1,518.1)**	**(2,819.4)**		**-46.2%**
Net Debt	**5,275.0**	**4,149.8**		**27.1%**
Leverage (Net debt / EBITDA ICVM 527)	**5.02x**	**2.56x**		**95.9%**

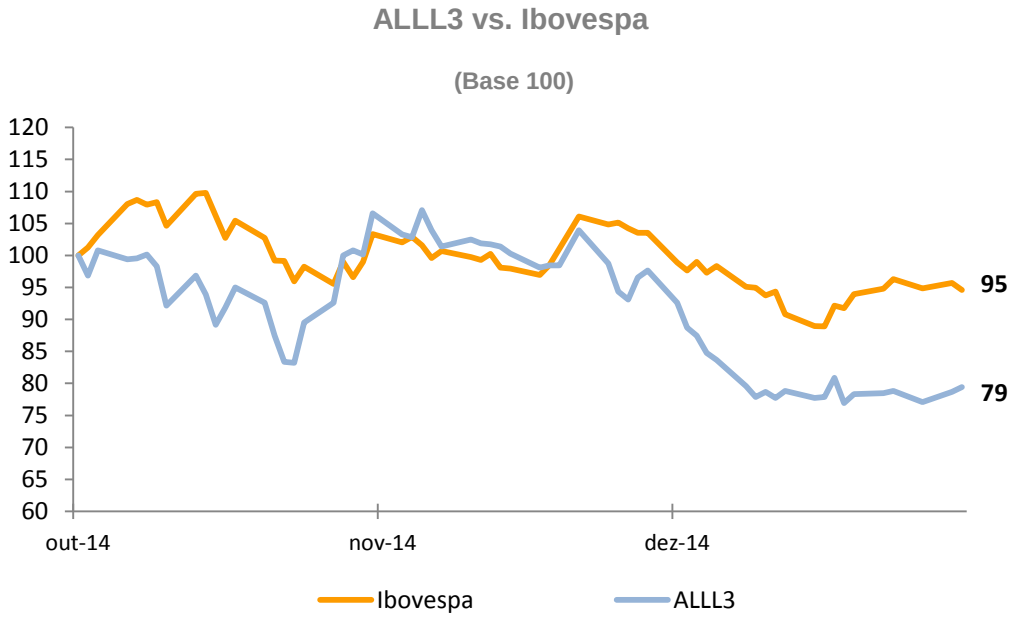
[1] Except for the restricted cash

9. Stock Performance

América Latina Logística S.A. – ALL's common shares are listed on the BM&FBovespa since 2004, year of its Initial Public Offering (IPO), when it listed in the "Level 2" segment under the ticker ALLL3. In 2010, the Company migrated to the "Novo Mercado" segment, with its shares composing the portfolio of the Ibovespa, IBRA, IBXL, IBXX, ICO2, IGCT, IGCX, IGNM, ITAG, IVBX, SMLL indexes.

The tables and graphs below represent ALL's stock performance:

4Q14 Summary	ALLL3
Stock Type	Common Share
Listed in	BM&FBovespa
Closing Price in 12/31/2014	R$ 5,06
Higher Price	R$ 6,82
Average Price	R$ 5,87
Lower Price	R$ 4,90
Average Daily Traded Volume	R$ 37.1 million



Disclaimer

This document contains forward-looking statements and estimates. These forward-looking statements and estimates are solely forecasts and do not represent any guarantee of prospective results. All stakeholders should know that these statements and estimates are and will be, depending on the case, subject to risks, uncertainties and factors related to the operations and business environment of ALL and its subsidiaries, and therefore the actual results of these companies may significantly differ from the estimated or implied prospective results contained in such forward-looking statements and estimates.

10. Financial Statements

10.1 Rail Operations

Rail Operations (Amounts in R$ MM)	2014	2013 Restated
Net Revenues	**3.410,9**	**3.215,7**
Gross Profit	**676,1**	**1.280,2**
Cost of sales	(228,4)	(162,5)
Impairment	(1.103,2)	-
Sales, general and administrative expenses	(19,3)	(60,2)
Financial Revenue	(1.299,2)	(907,6)
Income and Social Contribution Taxes	230,4	61,5
Other non-current assets	(3,5)	(2,2)
Discontinued Operations	(150,4)	(179,3)
Net Income	**(1.897,5)**	**29,9**

Balance Sheet (Amounts in R$ MM)	2014	2013 Restated
Cash and cash equivalents	953,3	2.255,8
Marketable securities	388,5	260,9
Trade accounts receivable	391,2	428,6
Taxes recoverable	1.042,3	987,9
Investments	408,1	2.259,8
Property, plant and equipment	8.097,2	8.443,9
Intangible assets	2.217,5	2.356,9
Other current assets	1.823,4	1.763,9
Total Assets	**15.321,5**	**18.757,7**
Loans and borrowings	4.025,8	3.842,9
Debentures	2.813,9	3.037,6
Leasing	1.798,7	1.831,2
Anticipated real estate loans	359,9	435,9
Trade accounts payable	977,5	649,9
Leasing and concessions	1.903,9	1.665,3
Deferred income	767,2	2.514,1
Other liabilities	544,6	283,6
Equity and non-controlling interest	2.130,0	4.497,1
Total Liabilities	**15.321,5**	**18.757,7**

Cash Flow (Amounts in R$ MM)	2014	2013 Restated
Operating Activities	**307.9**	**962.5**
Investing Activities	**(1,325.1)**	**(823.6)**
Financing Activities	**(293.7)**	**236.4**
Change in Cash	**(1,310.9)**	**375.4**
Opening Balance of Cash	2,633.0	2,257.7
Closing Balance of Cash	1,322.1	2,633.0

10.2 Brado Logística

Brado (Amounts in R$ MM)	2014	2013
Net Revenues	**288,1**	**277,6**
Gross Profit	**72,4**	**63,9**
Cost of sales	(41,1)	(43,2)
Sales, general and administrative expenses	15,7	14,8
Financial Revenue	43,0	18,7
Financial expenses and Foreign exchange variation	(14,2)	(17,0)
Income and Social Contribution Taxes	(23,8)	(9,1)
Net Income	**52,0**	**28,0**

Balance Sheet (Amounts in R$ MM)	2014	2013
Cash and cash equivalents	5,0	3,5
Marketable securities	368,9	377,2
Accounts receivable	34,9	33,6
Related parties	24,2	4,6
Taxes recoverable	17,1	18,5
Other current assets	4,3	5,2
Property, plant and equipment	462,8	346,6
Intangible	9,2	8,6
Other non-current assets	12,4	6,1
Total Assets	**938,7**	**804,0**
Loans and financing	259,3	188,3
Suppliers	27,2	30,1
Related parties	31,5	17,1
Tax liabilities	11,0	8,5
Salaries payable	7,8	10,7
Dividends payable	12,4	8,9
Other non-current liabilities	21,9	12,5
Net Equity	567,7	528,0
Total Liabilities	**938,7**	**804,0**

Cash Flow (Amounts in R$ MM)	2014	2013
Operating Activities	**70.0**	**38.7**
Investing Activities	**(47.5)**	**(409.6)**
Financing Activities	**(21.0)**	**369.6**
Change in Cash	**1.5**	**(1.4)**
Opening Balance of Cash	3.5	4.8
Closing Balance of Cash	5.0	3.5

11.3 ALL Consolidated

Consolidated (Amounts in R$ MM)	2014	2013 Restated
Net Operating Revenue	**3.662,3**	**3.436,0**
Gross profit	**748,5**	**1.344,1**
Selling, general and administrative expenses	(269,5)	(205,7)
Impairment	(1.103,2)	-
Other operating income (expenses), net	(44,8)	30,1
Financial income	(1.270,3)	(905,9)
Equity in the earnings of subsidiaries	8,9	(92,9)
Income tax and social contribution	206,7	52,4
Non-controlling interest	23,2	12,7
Discontinued operations	(150,4)	(179,3)
Profit (Loss) for the period	**(1.874,3)**	**42,7**

Balance Sheet (Amounts in R$ MM)	2014	2013 Restated
Cash and cash equivalents	1.327,1	2.636,5
Marketable securities	388,5	260,9
Trade accounts receivable	407,3	453,3
Taxes recoverable	1.059,4	1.006,5
Deferred income tax and social contribution	1.025,0	834,9
Court deposits	330,8	330,2
Investments	41,2	1.925,3
Property, plant and equipment	8.511,4	8.745,7
Intangible assets	2.275,2	2.410,2
Other assets	482,7	601,2
Total Assets	15.848,8	19.204,6
Loans and borrowings	3.979,1	4.025,8
Debentures	2.813,9	2.943,4
Leasing	1.803,5	1.836,7
Anticipated real estate loan	359,9	435,9
Trade accounts payable	986,1	672,8
Leasing and concessions	1.903,9	1.665,3
Provision for contingencies	276,0	210,7
Deferred income	767,2	2.514,1
Other current liabilities	-	123,1
Other liabilities	617,5	674,5
Equity and non-controlling interest	2.341,5	4.102,4
Total Liabilities	15.848,8	19.204,6

Cash Flow (Amounts in R$ MM)	2014	2013 Restated
Operating Activities	**378.0**	**1,001.3**
Investing Activities	**(1,372.6)**	**(1,233.2)**
Financing Activities	**(314.7)**	**605.9**
Change in Cash	**(1,309.4)**	**374.0**
Opening Balance of Cash	2,636.5	2,262.5
Closing Balance of Cash	1,327.1	2,636.5

11. Appendix 1 - Restatement of comparative amounts

Correction of errors

As mentioned in Note 1(a), due the business merge of the Company and Rumo, a transection team was set up to review the accounting policies adopted by the Company, During the revision process, adjustments and reclassifications of prior years related to the subjects detailed below were identified in 2014. Accordingly, the parent company and consolidated financial statements at December 31 and January 1, 2013, presented for comparison purposes, were adjusted and are being restated.

(i) The Company analyzed the investment agreements signed with Company customers and identified the need to set up Deferred Revenue amounts for an agreement where the Company received funds for investment in the renovation and maintenance of wagons and railroad under its concession as consideration for goods transportation services. That agreement is now being treated in accordance with ICPC 11- Transfer of Assets from Clients. As a result of this adjustment, a liability of deferred revenue of R$ 110,560 (R$ 113,243 at January 1, 2013) and property and equipment of R$19,393 at December 31, 2013 (R$20,778 at January 1, 2013) were set up.

(ii) The Company identified an agreement with a clients that requires payments scheduled for future dates, and recorded that liability in its financial statements. Such liability arises from amounts that are being paid by the Company. As a result of this adjustment, an account payable was set up in the amount of R$153,906 (R$185,951 at January 1, 2013).

(iii) The management identified an onerous agreements with third parties in which the costs directly related to the agreement are higher than the benefits. That future liability was brought to present value resulting in an adjustment of R$29,183 at December 31, 2013 (R$33.493 at January 1, 2013).

(iv) Reclassification of operations covering the postponement of payments to suppliers contracted by the Company collateralized by its suppliers to the Borrowings group in the amount of R$ 48,280 at December 31, 2013 (R$ 139.650 at January 1, 2013). These operations, called “Drawee Risk”, occur when suppliers assign credits and the finance charges of that transaction are borne by the Company which assumes the obligation of honoring such commitments and their respective charges with the financial institutions contracted.

(v) The Company has always accounted for the cost involved in Asset Lease Agreements with Rede Ferroviária Federal of concessionaires ALL Malha Sul, ALL Malha Paulista and ALL Malha Oeste in a bifurcated manner, allocating the amount of the initially negotiated installments as Cost of Services Rendered (nominal value) and the interest initially defined (12% p.a.) as well as the monetary restatement established in the agreement, as finance cost in the statement of operations. As it refers to an operating lease, it was decided that the whole amount of the expense should be charged to cost as there is no financial liability basis for a finance cost. The effect of this reclassification at December 31, 2013 amounted to R$ 147,395.

(vi) Reclassification of a portion of cash and cash equivalents in the amount of R$ 281,137 (R$ 245,888 at January 1, 2013 from current assets to:

a) Investment securities in the amount of R$ 166,294 at December 31, 2013 (R$ 155,874 at January 1, 2013) as it refers to restricted cash tied to loans from BNDES.
b) Investment securities under non-current assets the amount of R$ 78,007 at December 31, 2013 (R$ 62,729 at January 1, 2013) as it refers to restricted cash tied to other liabilities and contingences.
c) Investment securities the amount of R$ 16,558 at December 31, 2013 (R$ 7.075 at January 1, 2013), as it refers to fixed rate investments.
Debentures under the current liabilities as it was issued by the Company itself the amount of R$ 20,278 in December 31, 2013 (R$ 20.210 in January 1, 2013).

(vii) The Company reanalyzed the lease agreements with third parties and after reviewing the assumptions used to classify some of these agreements as operating lease supported by the denitions established in CPC 06 – Lease Operations, the Company considered the need to capitalize some of these agreements as from the beginning of the lease since it holds substantially all of the risks and rewards of ownership of the assets subject of these agreements. As result, were accounted under the current liabilities and non-current liabilities at December 31, 2013 leasing obligations the amount of R$ 76,354 and R$ 303,134 respectively.

Change in accounting practice

As a result of the merger into Rumo, in 201 the Company reanalyzed the accounting treatment adopted with respect to the agreement mentioned in Note 1, specifically in relation to the railroad. It used to be treated as finance lease, which was acceptable, but now it is incompatible with the new merger scenario and potential need to eliminate balances in consolidated financial statements.

Accordingly, management has decided to change its accounting practice and adopted the assumptions of ICPC 11- Transfer of Assets from Clients, whereby the amounts received by the Company as reimbursement for the construction of railroad are now treated as deferred revenue and the interest on construction in progress which were previously capitalized were reversed.

The effects of this change in accounting practice were recorded retroactively to January 1, 2013.

Discontinued operations

In addition, as subsidiaries Ritmo and Vetria weres discontinued, the balances of the statement of operations were reclassified to the discontinued operations line in 2013, and therefore were restated.

After reconsidering the accounting practices related to these subjects, the Company opted for restating the balances and the effects of these adjustments are shown below:

Restatement of January 1, 2013 amounts

Parent company

	Parent company			
		Restated Correction of error		
	01/01/2013	Equity in the results of subsidiaries	Cash and equivalents (vi)	01/01/2013
	Original balance			Restated balance
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	881,213	-	(38,896)	842,317
Investment securities	-	-	8,812	8,812
Total current assets	1,037,072	-	(30,084)	1,006,988
NON-CURRENT ASSETS				
Investment securities	-	-	30,084	30,084
Investments	7,409,088	(512,752)	-	6,896,336
Total non-current assets	7,809,827	(512,752)	30,084	7,327,159
TOTAL ASSETS	8,846,899	(512,752)	-	8,334,148

	Parent company			
		Restated Correction of error		
	01/01/2013	Equity in the results of subsidiaries	Cash and equivalents (vii) and (viii)	01/01/2013
	Original balance			Restated balance
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Total current liabilities	348,326	-	-	348,326
NON-CURRENT LIABILITIES				
Total non-current liabilities	4,294,825	-	-	4,294,825
TOTAL LIABILITES	4,643,151	-	-	4,643,151
Total equity	4,203,748	(512,751)	-	3,690,997
TOTAL LIABILITIES AND EQUITY	8,846,899	(512,751)	-	8,334,148

Consolidated

	Consolidated					
		Restated				
		Correction of error				
	01/01/2013	Incentive from customers (i)	Onerous contract (iii)	Cash and equivalents (vi)	Accounting practice Rumo	01/01/2013
	Original balance					Restated balance
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	2,508,360	-	-	(245,888)	-	2,262,472
Investment securities	-	-	-	7,075	-	7,075
Total current assets	3,675,265	-	-	(238,813)	-	3,436,452
NON-CURRENT ASSETS						
Investment securities	-	-	-	218,603	-	218,603
Deferred income tax and social contribution	581,493	31,438	11,387	-	125,526	749,844
Fixed assets	7,966,537	20,778	-	-	(117,946)	7,869,369
Total non-current assets	13,977,152	52,216	11,387	218,603	7,580	14,266,938
TOTAL ASSETS	17,652,417	52,216	11,387	(20,210)	7,580	17,703,390

Consolidated

	01/01/2013	Restated						01/01/2013
		Correction of error					Accounting practice Rumo	
		Incentive from customers (i)	Other payables (ii)	Onerous contract (iii)	Drawee risk (iv)	Cash and equivalents (vi)		
	Original balance							Restated balance
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Borrowings	860,655	-	-	-	139,650	-	-	1,000,305
Debentures	241,777	-	-	-	-	(20,210)	-	221,567
Trade payables	513,909	-	-	-	(139,650)	-	-	374,259
Other payables	53,609	-	57,848	4,309	-	-	-	115,766
Deferred revenue	2,611	2,683	-	-	-	-	-	5,294
Total current liabilities	2,481,753	2,683	57,848	4,309	-	(20,210)	-	2,526,384
NON-CURRENT LIABILITIES								
Other payables	7,877	-	128,104	29,183	-	-	251,246	416,410
Deferred revenue	2,022,256	110,560	-	-	-	-	-	2,132,816
Total non-current liabilities	10,894,242	110,560	128,104	29,183	-	-	251,246	11,413,335
Controling stakeholders	4,203,748	(61,027)	(185,952)	(22,105)	-	-	(243,667)	3,690,997
Non-controlling stockholders	72,674							72,674
Total equity	4,276,422	(61,027)	(185,952)	(22,105)	-	-	(243,667)	3,763,671
TOTAL LIABILITIES AND EQUITY	17,652,417	52,216	-	11,387	-	(20,210)	7,579	17,703,390

Parent company

	Parent company				
		Restated			
		Correction of error		Accounting practice	
	12/31/2013	Equity in the results of subsidiaries	Cash and equivalents (vi)	Equity in the results of subsidiaries	12/31/2013
	Original balance				Restated balance
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	94,009	-	(23,064)	-	70,945
Investment securities	-	-	463	-	463
Total current assets	330,461	-	(22,601)	-	307,860
NON-CURRENT ASSETS					
Investment securities	-	-	22,601	-	22,601
Investments	8,395,524	(362,112)	-	(133,738)	7,899,674
Total non-current assets	8,536,917	(362,112)	22,601	(133,738)	8,063,668
TOTAL ASSETS	8,867,378	(362,112)	-	(133,738)	8,371,528

	Parent company				
		Restated			
		Correction of error		Accounting practice	
	12/31/2013	Equity in the results of subsidiaries	Cash and equivalents (vi)	Equity in the results of subsidiaries	12/31/2013
	Original balance				Restated balance
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Total current liabilities	360,414	-	-	-	360,414
NON-CURRENT LIABILITIES					
Total non-current liabilities	4,155,221	-	-	-	4,155,221
TOTAL LIABILITES	4,515,635	-	-	-	4,515,635
Total equity	4,351,743	(362,112)	-	(133,738)	3,855,893
TOTAL LIABILITIES AND EQUITY	8,867,378	(362,112)	-	(133,738)	8,371,528

Restatement of December 31, 2013 amounts

	Parent company			
		Restated		
	12/31/2013	Correction of error	Accounting practice	12/31/2013
	Original balance	Equity in the results of subsidiaries	Equity in the results of subsidiaries	Restated balance
PROFIT (LOSS)				
Net services revenue	53,768	-	-	53,768
Cost of services	(59,532)	-	-	(59,532)
Gross profit	(5,764)			(5,764)
Sales, general and administrative expenses	(31,624)	-	-	(31,624)
Other operating income (expenses), net	19,619	-	-	19,619
	(12,005)			(12,005)
Results of investments				
Equity in the results of subsidiaries	535,297	10,707	3,955	549,959
Provision for net capital deficiency in subsidiaries	(35,588)	-	-	(35,588)
Gains/losses on investments	(98,357)	-	-	(98,357)
	401,352	10,707	3,955	416,014
Operating profit before finance result	383,583	10,707	3,955	398,245
Financial result	(186,437)	-	-	(186,437)
Operating profit before taxes	197,146	10,707	3,955	211,808
Current income tax and social contribution	-	-	-	-
Deferred income tax and social contribution	-	-	-	-
	-	-	-	-
Profit (loss) from continuing operations	197,146	10,707	3,955	211,808
Discontinued operations				
Loss from discontinued operations	(184,115)	2,237	-	(181,878)
Profit (loss) for the year	13,031	12,944	3,955	29,930

Consolidated

	Consolidated								
		Restated							
		Correction of error						Accounting practice Rumo	
	12/31/2013	Incentive from customers (i)	Other payables (ii)	IPI (iii)	Onerous contract (iii)	Cash and equivalents (vi)	Finance lease (vii)		12/31/2013
	Original balance								Restated balance
ASSETS									
CURRENT ASSETS									
Cash and cash equivalents	2,917,636	-	-	-	-	(281,137)	-	-	2,636,499
Investment securities	-	-	-	-	-	16,558	-	-	16,558
Taxes and contributions recoverable	418,067	(248)	(5,351)	-	-	-	-	-	412,468
Total current assets	4,308,324	(248)	(5,351)	-	-	(264,579)	-	-	4,038,146
NON-CURRENT ASSETS									
Investment securities	-	-	-	-	-	244,301	-	-	244,301
Deferred income tax and social contribution	661,120	31,081	-	-	9,922	-	2,725	130,005	834,853
Fiexed assets	8,570,681	19,393	-	-	-	-	372,094	(216,482)	8,745,686
Total non-current assets	14,573,392	50,474	-	-	9,922	244,301	374,819	(86,477)	15,166,431
TOTAL ASSETS	18,881,716	50,226	(5,351)	-	9,922	(20,278)	374,819	(86,477)	19,204,577

										Consolidated
		Restated								
		Correction of error								
	12/31/2013	Incentive from customers (i)	Other payables (ii)	IPI (iii)	Onerous contract (iii)	Drawee risk (iv)	Cash and equivalents (vi)	Finance lease (vii)	Accounting practice Rumo	12/31/2013
	Original balance									Restated balance
LIABILITIES AND EQUITY										
CURRENT LIABILITIES										
Borrowings	889,302	-	-	-	-	48,280	-	-	-	937,582
Debentures	241,154	-	-	-	-	-	(20,278)	-	-	220,876
Leases	144,106	-	-	-	-	-	-	76,354	-	220,460
Trade payables	721,112	-	-	-	-	(48,280)	-	-	-	672,832
Other payables	51,494	-	57,387	-	4,547	-	-	-	-	113,428
Deferred revenue	223,972	2,683	-	-	-	-	-	-	165,886	392,541
Total current liabilities	2,821,154	2,683	57,387	-	4,547	-	(20,278)	76,354	165,886	3,103,712
NON-CURRENT LIABILITIES										
Leases	1,313,080	-	-	-	-	-	-	303,134	-	1,616,214
Other payables	22,247	-	96,519	-	24,636	-	-	-	-	143,402
Deferred revenue	2,013,699	107,877	-	-	-	-	-	-	-	2,121,577
Total non-current liabilities	11,462,287	107,877	96,519	-	24,636	-	-	303,134	-	11,998,474
Controling stakeholders	4,351,743	(60,334)	(159,223)	-	(19,261)	-	-	(4,669)	(252,363)	3,855,893
Non-controlling stockholders	246,532									246,498
Total equity	4,598,275	(60,334)	(159,223)		(19,261)	-	-	(4,669)	(252,363)	4,102,391
TOTAL LIABILITIES AND EQUITY	18,881,716	50,226	(5,317)	-	9,922	-	(20,278)	374,819	(86,477)	19,204,577

										Consolidated
		Restated								
		Correction of error					Accounting practice Rumo	Descontinued operations (Ritmo e Vetria)	
	12/31/2013	Incentive from customers (i)	Other payables (ii)	Onerous contract (iii)	Finance expense (v)	Finance lease (vii)			12/31/2013
	Original balance								Restated balance
PROFIT (LOSS)									
Net services revenue	3,641,427	2,435	52,497	-	-	-	-	(260,398)	3,435,960
Cost of services	(2,156,521)	(1,385)	-	4,309	(147,395)	16,636	(47,213)	239,681	(2,091,888)
Gross profit	1,484,906	1,049	52,497	4,309	(147,395)	16,636	(47,213)	(20,717)	1,344,072
Sales, general and administrative expenses	(215,042)	-	-	-	-	-	-	9,337	(205,705)
Other operating income (expenses), net	33,711	-	-	-	-	-	-	(3,648)	30,063
	(181,331)	-	-	-	-	-	-	5,689	(175,643)
Results of investments									
Equity in the results of subsidiaries	11,238	-	-	-	-	-	-	(2,237)	9,001
Gains/losses on investments	(101,930)	-	-	-	-	-	-	(0)	(101,930)
	(90,692)	-	-	-	-	-	-	(2,237)	(92,929)
Operating profit before finance result	1,212,883	1,049	52,497	4,309	(147,395)	16,636	(47,213)	(17,266)	1,075,500
Financial result	(1,043,069)	-	(25,802)	-	147,395	(24,029)	34,037	39,562	(905,943)
Operating profit before taxes	169,814	1,049	26,695	4,309	-	(7,393)	(13,176)	(11,741)	169,558
Current income tax and social contribution	(55,073)							3,177	(51,896)
Deferred income tax and social contribution	98,827	(357)	-	(1,465)	-	2,725	4,480	87	104,296
	43,754	(357)	-	(1,465)	-	2,725	4,480	3,264	52,400
Profit (loss) from continuing operations	213,568	693	26,695	2,844	-	(4,669)	(8,696)	(8,477)	221,958
Discontinued operations									
Loss from discontinued operations	(185,590)	-	-	-	-	-	-	6,293	(179,297)
Profit (loss) for the year	27,978	693	26,695	2,844	-	(4,669)	(8,696)	(2,184)	42,660
Attributable to									
Owners of the Company	13,029								29,930
Non-controlling interests	14,949								12,730

Statement of cash flows

Parent company

	12/31/2013	Adjstments	12/31/2013 (Restated)
Net cash provided by (used in) operating activities	(122,590)	0	(122,590)
Net cash provided by (used in) investment activities	(632,230)	147,814	(484,416)
Net cash provided by (used in) financing activities	(24,903)	-	(24,903)
Increase (decrease) in cash and cash equivalents	(779,723)	147,814	(631,909)

Consolidated

	12/31/2013	Adjstments	12/31/2013 (Restated)
Net cash provided by (used in) operating activities	1,072,959	(86,961)	985,998
Net cash provided by (used in) investment activities	(925,092)	(291,175)	(1,216,267)
Net cash provided by (used in) financing activities	411,684	(94,760)	316,924
Increase (decrease) in cash and cash equivalents	559,551	(472,896)	86,655