JSL S.A.

Interim Separate (Parent Company) Financial Statements prepared according to the accounting practices adopted in Brazil and Consolidated Interim Financial Statements prepared according to the International Financial Reporting Standards (IFRS) for March 31, 2010 and December 31, 2010, and independent auditors' report.

Independent auditors' report on the quarterly financial information

To
the Board of Directors and Executive Officers of
JSL S.A.

São Paulo – São Paulo

Introduction

We have audited the interim, individual and consolidated financial statements of JSL S.A., contained in the Quarterly Financial Information Form – ITR for the quarter ended March 31, 2011, which comprised the balance sheet and related income statement, statement of changes in equity and cash flow statement for the quarter then ended, including the explanatory notes.

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

Scope of Review

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

Conclusion on the individual interim financial information

Based on our review, we are not aware of any facts that would lead us to believe that the individual interim financial information included in the aforementioned quarterly financial information are not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of Quarterly Financial Information – ITR and are fairly presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion on the consolidated interim financial information

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim financial information included in the aforementioned quarterly financial information are not prepared, in all their material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Financial Information – ITR and are fairly presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Interim Statements of Value Added

We also have reviewed the individual and consolidated interim statements of value added ("DVA"), for the three-month period ended March 31, 2011, the presentation of which is required by the rules issues by

CVM - Brazilian Securities and Exchange Commission applicable to the preparation of the Quarterly Financial Information - ITR and as supplemental information for IFRSs that does not require a presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, we are not aware of any facts that would lead us to believe that these statements are not fairly presented, in all their material respects, in relation to the individual and consolidated interim financial statements taken as a whole.

São Paulo, May 10, 2011.

Ernst & Young Terco
Auditores Independentes S.S.
CRC 2SP-015.199/O-6

Lourinaldo da Silva Mestre
Accountant CRC 1SP-126.047/O-8

JSL S.A.

Balance sheets as of March 31, 2011 and December 31, 2010

(In thousands of Reais)

Assets	Note	Parent Company		Consolidated	
		3/31/2011	12/31/2010	3/31/2011	12/31/2010
Current assets					
Cash and cash equivalents	3	172,720	288,861	378,457	476,215
Accounts receivable	5	263,371	257,763	360,996	344,505
Supplies	6	8,203	8,163	34,572	12,536
Taxes recoverable	8	25,653	30,875	49,920	49,893
Other credits	9	65,378	26,355	47,827	25,255
Prepaid expenses	10	14,346	6,382	18,580	6,781
		549,671	618,399	890,352	915,185
Assets available for sale (fleet renewal)	7	63,481	31,238	86,563	31,238
Non current assets					
Long-term assets					
Securities	4	11,531	12,030	11,531	12,030
Accounts receivable	5	111,597	106,835	151,830	145,735
Taxes recoverable	8	28,420	26,844	28,420	26,844
Deposits in court	22	23,026	15,720	28,768	18,838
Deferred income tax and social contribution	24.1	48,504	47,008	55,565	51,749
Related parties	21.1	5,755	4,831	41	16
Other credits	9	7,977	8,193	8,831	8,932
		236,810	221,461	284,986	264,144
Investments	11	443,944	421,796	1,635	1,634
Property, plant and equipment	12	1,412,331	1,312,678	1,634,650	1,590,686
Intangible assets	13	121,833	121,989	125,337	125,596
		1,978,108	1,856,463	1,761,622	1,717,916
Total non current assets		2,214,918	2,077,924	2,046,608	1,982,060
Total assets		2,828,070	2,727,561	3,023,523	2,928,483

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

JSL S.A.

Balance sheets as of March 31, 2011 and December 31, 2010

(In thousands of Reais)

		Parent Company		Consolidated	
Liabilities and Shareholders' equity	***Note***	***3/31/2011***	***12/31/2010***	***3/31/2011***	***12/31/2010***
Current liabilities					
Loans and financing	*15*	165,096	210,592	177,084	223,560
Debentures	*16*	27,924	20,503	27,924	20,503
Finance lease payable	*17*	107,798	107,634	123,382	128,631
Suppliers	*-*	36,642	37,596	42,240	54,460
Labor liabilities	*18*	48,052	50,534	75,801	71,037
Tax liabilities	*19*	16,497	17,986	32,177	33,930
Accounts payable and advances from clients	*20*	95,092	78,618	114,489	95,329
Related parties	*21.2*	8,172	7,995	777	756
Income tax and social contribution payable	*25.3*	16	5,935	13,669	12,704
		505,289	537,393	607,543	640,910
Non current liabilities					
Loans and financing	*15*	750,496	684,505	800,681	735,842
Debentures	*16*	342,602	345,842	342,602	345,842
Finance lease payable	*17*	154,434	82,279	177,295	101,448
Tax liabilities	*19*	35,317	35,391	42,109	44,180
Provision for losses in investments	*-*	4,085	5,093	-	-
Provision for court and administrative claims	*22*	30,982	28,349	35,017	33,277
Deferred income tax and social contribution	*24*	184,912	182,854	190,844	194,037
Accounts payable and advances from clients	*20*	12,298	12,708	19,703	19,734
		1,515,126	1,377,021	1,608,251	1,474,360
Shareholders' Equity					
Capital stock	*23*	600,936	601,221	600,936	601,221
Treasury stock		(20,512)	-	(20,512)	-
Equity valuation	*23*	96,838	100,599	96,838	100,599
Revenue reserve	*-*	130,393	111,326	130,393	111,326
		807,655	813,147	807,655	813,147
Minority interest	*-*	-	-	74	66
Total shareholders' equity		807,655	813,147	807,729	813,213
Total liabilities and shareholders' equity		2,828,070	2,727,561	3,023,523	2,928,483

JSL S.A.

Income statements for the periods ended March 31, 2011 and 2010

(In thousands of Reais)

		Parent Company		Consolidated	
	Note	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Net revenue from services provided and sale of assets utilized in services rendered	28	351,463	319,770	498,604	380,912
(-) Service-providing costs	29	(261,094)	(255,837)	(354,112)	(302,360)
(-) Cost of sale of assets utilized in services rendered	-	(32,776)	(22,440)	(60,772)	(23,372)
		(293,870)	**(278,277)**	**(414,884)**	**(325,732)**
(=) Gross profit		**57,593**	**41,493**	**83,720**	**55,180**
Administrative and selling expenses	30	(28,194)	(20,354)	(31,626)	(27,254)
Tax expenses	-	(388)	(192)	(548)	(477)
Financial expenses	32	(40,413)	(28,278)	(44,939)	(30,226)
Financial income	32	9,008	5,498	15,838	6,295
Other operating revenues, net	31	(1,065)	1,457	(177)	5,304
Equity pickup	11	19,490	6,516	-	-
		(41,562)	**(35,352)**	**(61,452)**	**(46,358)**
(=) Profit before tax provision		**16,031**	**6,140**	**22,268**	**8,822**
Taxes and contributions on income	24	(725)	(3,917)	(6,955)	(6,591)
(=) Net income for the period		**15,306**	**2,223**	**15,313**	**2,231**
Attributable to:					
Minority interest	-	-	-	(8)	(7)
Controlling shareholders		**15,306**	**2,223**	**15,306**	**2,223**
(=) Basic and diluted earnings per share at the end of the period (in Reais)	33	0.08	0.02		

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

JSL S.A.

Statement of cash flow for the periods ended March 31, 2011 and 2010

(In thousands of Reais)

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
From operating activities				
Net income	15,306	2,223	15,306	2,223
Reconciliation of net income to net cash	43,147	7,302	89,352	9,217
from operating activities				
Depreciation	26,044	17,482	33,456	18,281
Cost of sale of assets utilized in services rendered - fixed assets	32,776	22,440	60,772	23,372
Equity pickup of ongoing investments	(19,490)	(6,516)	-	-
Deferred income tax and social contribution	562	(34,444)	(7,009)	(33,975)
Provision/reversal of court and administrative claims	2,633	374	1,740	1,474
Estimated losses from doubtful accounts	622	1	385	58
Losses in investments of ongoing operations	-	7,964	-	-
Minority interest	-	-	8	7
Changes in current and non current assets and liabilities	(56,567)	86,302	(81,503)	77,928
Decrease (increase) in assets				
Securities	499	(1,637)	499	(1,637)
Accounts receivable	(10,992)	(2,156)	(22,971)	(11,622)
Inventory	(40)	919	(22,036)	237
Taxes recoverable	3,646	(1,266)	(1,603)	(4,271)
Related parties	(924)	55,640	(25)	59,277
Deposits in court	(7,306)	1,232	(9,930)	(58)
Other credits	(38,807)	(25,787)	(22,471)	(21,756)
Prepaid expenses	(7,964)	(25,657)	(11,799)	(26,502)
(Decrease) increase in liabilities				
Suppliers	(954)	(69)	(12,220)	1,751
Labor and tax liabilities	(4,045)	5,968	940	7,397
Accounts payable	16,062	31,547	19,127	34,446
Related parties	177	9,207	21	2,016
Tax provisions	(5,919)	38,361	965	38,649
Cash from operations	1,886	95,826	23,155	89,368
Cash flow from investing activities				
Investments of ongoing operations	(3,665)	(4,052)	-	-
Fixed assets	(14,099)	(6,498)	(18,328)	(6,750)
Intangible assets	156	(52)	259	(38)
Net cash from (invested in) investing activities	(17,608)	(10,602)	(18,069)	(6,788)
Cash flow from financing activities				
Capital reduction	(285)	-	(285)	-
Treasury stock	(20,512)	-	(20,512)	-
Dividends paid	-	(74,627)	-	(74,627)
Increase (decrease) in loans and financing, net	(79,622)	31,884	(82,046)	32,231
Net cash from (invested in) investing activities	(100,419)	(42,743)	(102,843)	(42,396)
Increase (decrease) in cash and cash equivalents	(116,141)	42,481	(97,758)	40,185
Cash and cash equivalents (including securities)				
Opening balance	288,861	100,534	476,215	110,905
Closing balance	172,720	143,015	378,457	151,090
Increase (decrease) in cash and cash equivalents, net	(116,141)	42,481	(97,758)	40,185
Additional information:				
Interest paid	(40,401)	(28,726)	(43,137)	(28,823)
Income tax and social contribution paid	-	-	(7,577)	(4,854)

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

JSL S.A.

Consolidated statements of value added
for the periods ended March 31, 2010 and 2009

(In thousands of Reais)

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Sales and services rendered	394,358	362,385	555,335	430,840
Estimated losses from doubtful accounts	(622)	(1)	(385)	(58)
Other operating revenues	1,844	9,759	1,926	14,029
	395,581	**372,143**	**556,876**	**444,811**
Inputs acquired from third parties				
Cost of sales and services rendered	163,000	163,043	200,547	189,255
Material, energy, outsourced services and other	42,677	37,818	65,747	43,158
	205,677	**200,861**	**266,294**	**232,413**
Gross value added	**189,904**	**171,282**	**290,582**	**212,398**
Retentions				
Depreciation and amortization	26,044	17,482	33,456	18,281
Net value added produced by the Company	**163,860**	**153,800**	**257,126**	**194,117**
Value added received in transfer				
Equity pick-up - ongoing investments	19,490	6,516	-	-
Financial revenues	9,008	5,498	15,838	6,295
	28,498	**12,014**	**15,838**	**6,295**
Total value added to distribute	**192,357**	**165,814**	**272,964**	**200,412**
Distribution of value added				
Personnel and charges	72,237	73,878	107,534	91,557
Federal	29,240	31,949	50,248	42,272
State	21,471	17,400	24,814	20,036
Municipal	3,340	5,520	6,622	6,567
Interest and rentals	50,763	34,844	68,433	37,749
Minority interest	-	-	7	8
Retained earnings for the period	15,306	2,223	15,306	2,223
	192,357	**165,814**	**272,964**	**200,412**

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

JSL S.A.

Statements of changes in shareholders' equity for the periods ended March 31, 2011 and 2010

(In thousands of Reais)

		Attributable to Controlling Shareholders								
				Profit reserve						
	Notes	Capital stock	Treasury stock	Legal reserve	Retained earnings	Accrued profit	Equity valuation adjustment	Total shareholders' equity - controlling shareholders	Minority interest	Total shareholders' equity
Balances on December 31, 2009		139,152	-	6,040	81,230	-	133,589	360,011	48	360,059
Net income for the period	-	-	-	-	-	2,223	-	2,223	7	2,230
Additional profit sharing - approved by the ASM of February 8, 2010	-	-	-	-	(44,852)	-	-	(44,852)	-	(44,852)
Interim profit sharing - from previous years	-	-	-	-	(35,000)	-	-	(35,000)	-	(35,000)
Deemed cost realization	-	-	-	-	-	5,167	(5,167)	-	-	-
Balances on March 31, 2010		139,152	-	6,040	1,378	7,389	128,423	282,382	55	282,437
Net income for the year	-	-	-	-	-	90,785	-	90,785	11	90,796
Capital increase with stock issue - IPO	*23.2*	446,511	-	-	-	-	-	446,511	-	446,511
Capital increase with additional stock issue - IPO	*23.2*	31,392	-	-	-	-	-	31,392	-	31,392
Transaction costs, net - IPO	*23.3*	(15,834)	-	-	-	-	-	(15,834)	-	(15,834)
Deemed cost realization	-	-	-	-	-	27,824	(27,824)	-	-	-
Legal reserve	-	-	-	4,650	-	(4,650)	-	-	-	-
Profit sharing - minimum mandatory dividends	-	-	-	-	-	(22,089)	-	(22,089)	-	(22,089)
Retained earnings	-	-	-	-	92,724	(92,724)	-	-	-	-
Balances on December 31, 2010		601,221	-	10,690	94,102	6,534	100,599	813,147	66	813,213
Net income for the period	-	-	-	-	-	15,306	-	15,306	8	15,313
Stock buyback	-	-	(20,512)	-	-	-	-	(20,512)	-	(20,512)
Transaction costs, net - IPO	*23.3*	(285)	-	-	-	-	-	(285)	-	(285)
Deemed cost realization	-	-	-	-	-	3,762	(3,762)	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-
Balances on March 31, 2011		600,936	(20,512)	10,690	94,102	25,601	96,838	807,655	74	807,729

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

1. About the Company

JSL S.A., (hereinafter referred to as "Company") is a publicly-held joint stock company with headquarters at Av. Angélica, nº 2.346, conjunto 161, parte B, 16º andar in the city and State of São Paulo. Its shares are listed in the São Paulo Stock, Commodities and Futures Exchange (BM&FBOVESPA).

The Company and its subsidiaries provide logistics, road transport of cargo, public transport, collection and transportation of household, commercial or industrial waste, lease of machinery, new and used equipment and vehicles and river transport of cargo services.

The Company's interim separate and consolidated financial statements were approved at a Meeting of the Board of Directors held on May 11, 2011.

The Company, with the approval of its shareholders in the minutes of the Extraordinary General Meeting held on December 30, 2010, changed its corporate name from Julio Simões Logística S.A. to JSL S.A..

2. Accounting policies

The parent company's interim and consolidated financial statements for the quarter ended March 31, 2011 were prepared in all relevant aspects in accordance with CPC 21 applicable to the preparation of interim financial information and presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information (ITR), and the consolidated interim Financial Statements were prepared in all relevant aspects in accordance with IAS 34 applicable to the preparation of the interim financial information and presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information (ITR).

The parent company's interim and consolidated financial statements were prepared based on various evaluation bases used in accounting estimates. The accounting estimates used in the preparation of the interim financial statements were based on objective and subjective factors and on Management's judgment to determine the correct amount to be recorded in the interim financial statements. Significant items subject to these estimates and assumptions include the selection of useful life of fixed assets and their recoverability in transactions, the evaluation of financial assets at fair value and adjustment to present value, recoverable amount estimates for land and buildings, a credit risk analysis to estimate losses from doubtful accounts, and the analysis of other risks to determine other provisions, including contingencies.

Clearance of transactions involving these estimates may result in different amounts than those recorded in the interim financial statements due to uncertainties inherent to the estimate process. The Company reviews its estimates and assumptions at least once a year.

The Company adopted all standards, amendments to standards and interpretations issued by the Accounting Standards Board (CPC), the IASB and regulating agencies, in force on March 31, 2011. The financial statements were prepared based on the historical cost, except for the valuation of certain assets and liabilities as financial instruments, which are measured at fair value.

2.1 Consolidation basis

The consolidated interim financial statements include the interim financial statements for JSL S.A. and other companies in which it holds a controlling stock, as detailed below:

		% Interest	
Company	**Country**	**3/31/2011**	**12/31/2010**
JP Tecnolimp S/A	Brazil	99.00	99.00
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	Brazil	99.99	99.99
Transportadora Grande ABC Ltda.	Brazil	99.99	99.99
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	Brazil	99.99	99.99
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	Brazil	99.99	99.99
Riograndense Navegação Ltda. (1)	Brazil	99.99	99.99

(1) Pre-operational company

Subsidiaries are fully consolidated as of their acquisition date, which is the date when the Parent Company acquires control, and remain consolidated until the Parent Company ceases to control them. The fiscal years of subsidiaries coincide with the Parent Company's, and the interim financial statements are prepared for the same reporting period as for the Parent Company, using consistent accounting principles.

The accounting principles are consistently applied to all consolidated companies.

The consolidation process eliminates investments in subsidiaries, accounts receivable and payable, and revenues and expenses from intercompany transactions.

2.2 Corporate restructuring

Throughout the years, searching for synergy in its service, sales, operating and administrative structures, the Company has carried out various corporate transactions, consolidating in a single company all corporate interests aligned with its operating activities, and discontinuing investments in subsidiaries whose operations were not aligned with its business strategy. Likewise, in order to fulfill its strategic

planning, the Company has expanded is businesses in similar or supplementary activities, by acquiring other companies, starting new operations and splitting similar activities.

2.3 Functional currency

The Company's functional currency is the Brazilian real, same currency used in the preparation and presentation of the interim financial statements.

2.4 Cash and cash equivalents

Cash equivalents are held in order to meet short-term cash commitments, not for investments. Cash and cash equivalents consist of cash balances, bank deposits and short-term investments with high-liquidity and insignificant risk of change in the market value upon redemption. In the statement of cash flow, cash and cash equivalents are recorded net of secured account loans. Cash and cash equivalents are classified as "Financial assets at fair value through profit or loss".

2.5 Trade accounts receivable

Accounts receivable are recorded at the estimated net realizable value and do not include interests. The provision for estimated losses from doubtful accounts is based on the default history and individual analysis of each client, in an amount deemed sufficient by Management to cover losses in the realization of accounts receivable.

2.6 Investments in subsidiaries

The Company's investments in its subsidiaries are evaluated based on the equity accounting method, under CPC18 (IAS 28), for the parent company's interim financial statements.

Based on the equity accounting method, investments in the subsidiary are recorded at cost in the parent company's balance sheet, plus changes after the acquisition of interest in the subsidiary.

Interest in the subsidiary is shown as equity accounting in the Parent Company's statement of income, representing net income attributable to shareholders of the affiliated company.

After applying the equity accounting method to the parent company's interim financial statements, the Company determines whether it is necessary to recognize an additional impairment loss over the Company's investment in its affiliated company. At every balance sheet closing date, the company determines whether there is any objective evidence that the investments in subsidiaries are impaired. If this is the case, the Company will calculate the impairment loss as the difference between the subsidiary's recoverable amount and book value, recognizing the amount in the parent company's statement of income.

2.7 Securities

These securities refer to financial investments linked to the financing line. Financial investments recorded under Securities are classified as "Financial assets at fair value recognized in profit or loss".

2.8 Financial instruments – Initial recognition and subsequent 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 recorded as efficient hedge instruments, as applicable. The Company determines the classification of its financial assets upon their initial recognition, when it becomes part of the instrument's contractual provisions.

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

The Company's financial assets include cash and cash equivalents, trade accounts receivable and other short and long-term accounts receivable, loans and other receivables and securities.

Subsequent measurement

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

a. 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 measured at fair value through profit or loss upon the initial recognition. Financial assets are classified as held for trading when they are acquired for the purpose of selling in the short term. Financial assets at fair value through profit or loss are presented in the balance sheet at fair value, with associated gains or losses recognized in the statement of income. The Company classified cash and cash equivalents and securities as at fair value through profit or loss.

b. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial measurement, these financial assets are accounted for at amortized cost, using the effective interest rate method (effective interest rate) less any impairment loss. The amortized cost is calculated taking into account any discount or "premium" in the acquisition and fees or costs incurred. The effective interest rate amortization is added to the financial expenses or revenues line in the statement of income. Impairment losses are recognized as financial expenses in profit or loss. The Company included trade accounts receivable and other credits in this category.

c. 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 intends and has the financial capacity to hold them to maturity. After the initial evaluation, held-to-maturity investments are evaluated at amortized cost using the effective interest rate method, less any impairment loss. The amortized cost is calculated taking into account any discount or premium over the acquisition and fees or costs incurred. The amortization of effective interest rate is recorded under financial revenues in the statement of income. Impairment losses are recognized as financial expenses in profit or loss. The Company did not record any held-to-maturity investment in the quarter ended March 31, 2011 and the year ended December 31, 2010.

d. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss. These financial assets include equity instruments and debt securities. Debt securities in this category are those intended to be held for an undetermined period of time, and that may be sold to meet liquidity needs or in response to changes in market conditions.

After the initial measurement, available-for-sale financial assets are measured at fair value, with unrealized gains and losses directly recognized as available-for-sale reserve under other comprehensive income until the investment is derecognized, except for impairment losses, interest rates calculated using the effective interest rate method, and gains or losses from exchange variation over monetary assets directly recognized in the profit or loss for the period. The Company did not record any available-for-sale financial assets in the quarter ended March 31, 2011 and the year ended December 31, 2010.

e. Derecognition (write-off)

A financial asset (or, when applicable, 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 transfers its rights to receive cash flows from the asset or commits to fully pay for cash flows received, with no significant delay, to third parties through an "onlending" agreement; and (a) the Company substantially transfers all of the asset's risks and benefits, or (b) the Company does not transfer nor substantially hold risks and benefits related to the asset, but transfers control over the asset.

When the Company transfers its rights to receive cash flows from an asset or executes an onlending agreement and does not substantially transfer or hold all risks and benefits related to the asset, the asset is recognized to the extent of the Company's continuing involvement with it. 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 maintained by the Company. Continuing involvement in the form of guarantee over the transferred asset is measured at the asset's original book value or the highest consideration that can be demanded from the Company, whichever is lower.

(ii) Impairment of financial assets

At balance sheet dates, the Company evaluates whether there is any objective evidence that the financial asset or group of financial assets may be impaired. A financial asset or group of financial assets is impaired when there is objective evidence of non-recoverability caused by one or more events that took place after the initial recognition of the asset ("a loss event" incurred), and if such loss event has an impact on the estimated future cash flow of the financial asset or group of financial assets that can be estimated. Evidence of impairment loss may include: i) indication that the borrowers are experiencing significant financial difficulties; ii) likelihood that the borrowers will declare bankruptcy or any other kind of financial reorganization; iii) default or late payment of interest or principal; iv) indication of a measurable decrease in the estimated future cash flow, such as changes in maturity or economic condition related to the default".

f. Financial assets at amortized cost

As for the financial assets presented at amortized cost, the Company will evaluate each financial asset separately if there is any clear evidence of an impairment loss for each financial asset, or jointly significant losses for financial assets that are not individually significant. Should there be any clear evidence of impairment, the loss is measured as the difference between the asset's book value and the present value of estimated future cash flows.

The asset's book value is reduced through a provision, and the loss amount is recognized in the statement of income. If the estimated impairment loss increases or decreases in subsequent years due to an event that takes place after the impairment loss is recognized, the previously recognized loss is increased or reduced, and the provision is adjusted. In case of any future recovery of a derecognized amount, such recovery is recognized in the statement of income.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and financing, or as derivatives classified as hedge instruments, as applicable. The Company determines the classification of its financial liabilities upon their initial recognition.

Financial liabilities are initially recognized at fair value, and directly related transaction costs are added to loans and financing.

The Company's financial liabilities include accounts payable to suppliers and other accounts payable, secured accounts (overdraft checking accounts), loans, financing, and debentures.

Subsequent measurement

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

a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trade financial liabilities and financial liabilities measured at fair value through profit or loss in the initial recognition.

Financial liabilities are classified as held for trading when 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 hedge accounting criteria established by CPC38 (IAS 39). Gains and losses on held-for-trading liabilities are recognized in the statement of income.

In the quarter ended March 31, 2011 and the year ended December 31, 2010, the Company did not incur financial liabilities at fair value through profit or loss.

b. Borrowings and financing

After the initial recognition, borrowings and financing subject to interest are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of income upon derecognition of liabilities, and during the amortization process by the effective interest rate method.

c. Debentures

Debentures issued by the Company are accounted for at cost, and adjusted based on the effective interest rate method plus monetary variations at the closing rates of each period.

d. Derecognition (write-off)

Financial liabilities are derecognized when the obligation is revoked, canceled or expires.

When an existing financial liability is replaced with another liability from the same lender with substantially different terms, or when the terms of an existing liability are significantly changed, such replacement or change is treated as derecognition of the original liability and recognition of a new liability, and the difference between their respective book values is recognized in the statement of income.

(iv) Financial instruments – net reporting

Financial assets and liabilities are reported net in the balance sheet if, and only if, there is any current and enforceable legal right to offset the amounts recognized, and if there is an intention to offset or realize the asset and settle the liability simultaneously.

2.9 Inventories/Supplies

Supplies are evaluated at the average acquisition cost, and a provision for impairment loss is formed, when applicable, in an amount that Management deems sufficient to cover possible losses.

Vehicles acquired from car manufacturers to be sold to third parties are evaluated at the acquisition cost.

2.10 Assets available for sale due to fleet renewal

Pursuant to its service agreements, the Company needs to constantly renew its fleet after a certain period of use. Vehicles, machinery and equipment available for sale are reclassified from fixed assets to “available-for-sale assets”.

Once they are classified as available-for-sale, these assets are not depreciated and are recorded at their residual or market value, whichever is lower.

2.11 Property, plant and equipment

Property, plant and equipment are recorded at acquisition or construction cost, plus interest and other charges incurred during construction. These are depreciated using the straight-line method at the rates mentioned in Note 12, over their estimated useful lives, considering their recoverable value, and are recognized in the profit or loss for the year.

The Company practices different selling prices for its vehicles, thus, it estimates the depreciation rates on a straight-line basis and/or apply this for the entire fleet and machinery to offset gains and losses between the estimated selling price and cost when these assets are sold.

Residual values and useful life of assets and depreciation methods are reviewed and adjusted by Management at the end of each year, and adjusted prospectively, when necessary. Depreciation of vehicles and other assets that comprise the cost of services provided is recognized in the profit or loss for the year, in accordance with the rates disclosed in Note 12.

An asset's book value is immediately reduced to its recoverable amount when its book value is higher than its expected future economic benefit.

2.12 Leasing

The definition of a leasing agreement is based on substantial aspects related to the use of an asset or specific assets, and also the right to use a certain asset on the date of agreement.

The Company as a lessee

Financial lease transactions that transfer virtually all risks and benefits related to the ownership of the leased item to the Company are initially capitalized at the fair value of the leased asset or, if lower, at the present value of minimum lease payments. Costs are increased by initial direct costs incurred in the transaction, when applicable. Financial lease payments are allocated to financial charges and reduction of financial lease liabilities, so as to obtain a constant interest rate over the remaining balance of liabilities. Financial charges are recognized in the statement of income. Leased assets are depreciated throughout their useful life as estimated by the Company.

Operating lease payments are recognized as expenses in the statement of income, on a straight-line basis, throughout the lease term.

The Company as a lessor

Lease transactions where the Company substantially transfers all risks and benefits of asset ownership are considered as sale, with derecognition of the related item and recognition of the financial revenue throughout the lease term.

Lease transactions where the group does not substantially transfer risks and benefits of asset ownership are considered as operating leases, and the revenues are recorded in the same way as rental revenues, linearly, according to the contractual term.

2.13 Intangible assets and goodwill

Intangible assets consist mostly of goodwill paid in companies acquisitions, based on the expected future profitability; these were amortized up to December 31, 2008, and tested for impairment every year as of January 1, 2009 (note 13). Only the goodwill arising from the appreciation of property, plant and equipment is amortized, taking into consideration the estimated useful life of the assets from which it originated and the related write-offs in the period.

2.14 Impairment test

Management reviews the net book value of key assets annually in order to assess events or changes in economic and operating circumstances that may indicate impairment or loss of their recoverable value. When such evidence is detected and the net book value exceeds the recoverable value, an impairment provision is formed to adjust the net book value to the recoverable value.

2.15 Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will be generated for the Company and when it can be reliably measured. Revenue is measured based on the fair value of the consideration received, excluding discounts, deductions and taxes or charges on sales and services rendered. The Company evaluates revenue transactions according to specific criteria to determine whether it is acting as an agent or principal, and concluded that it is the principal in all of its revenue agreements.

The specific criteria below must also be met before revenue recognition:

a. Service revenue

Service revenue is recognized based on the performance of services provided for in the service agreements executed between the parties or upon completion of the services. When the result of the agreement cannot be reliably measured, revenue is only recognized to the extent that the expenses incurred can be recovered.

b. Revenue from sale of assets used in service providing

Revenue from sale of assets is recognized when the significant risks and benefits of product ownership are transferred to the buyer, which usually happens upon delivery of the product.

c. Interest income

For all financial instruments evaluated at amortized cost and financial assets that generate interest, a financial revenue or expense is recorded using the effective interest rate method, which deducts estimated future cash payments or receivables throughout the financial instrument's estimated life or for a shorter period of time, when applicable, at the net book value of the financial asset or liability. Interest income is recorded under financial revenue in the statement of income.

d. Lease revenues

Lease revenue is recognized as operating lease on a straight-line basis throughout the agreement term.

2.16 Taxes

a. Current income tax and social contribution

Income tax and social contribution on net profit are calculated in conformity with the criteria set forth by the current tax legislation. In the parent company, income tax and social contribution are calculated at the regular rates of 15%, plus a 10% surtax for income tax and 9% for social contribution tax. As allowed by the tax legislation, certain subsidiaries with annual sales under R$48,000 have chosen to adopt the estimated profit taxation system. For these subsidiaries, the income tax rate is 8% and the social contribution rate is 12% on gross revenues (32% when revenue derives from service providing, and 100% when it derives from financial revenues), to which the regular income tax and social contribution rates are applied.

b. Deferred taxes

Deferred taxes are generated by temporary differences on the balance sheet date between the tax base of assets and liabilities and their book value.

Deferred tax liabilities are recognized for all temporary tax differences except:

• when the deferred tax liability derives from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination and, on the transaction date, does not affect the accounting profit or the tax profit or loss; and

• over temporary tax differences related to investments in subsidiaries, in which the reversal period of temporary differences can be controlled and when it is probable that the temporary differences will not be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and losses, when it is probable that the taxable profit will be available to enable the realization of deductible temporary differences and use of unused tax credits and losses, except:

• when the deferred tax asset related to the deductible temporary difference derives from the initial recognition of the asset or liability in a transaction that is not a business combination and, on the transaction date, does not affect the accounting profit or tax profit or loss; and

• over deductible temporary differences associated to investments in subsidiaries, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will be reversed in the near future and that a taxable profit will be available to enable the use of temporary differences.

The book value of deferred tax assets is revised and derecognized when it is no longer probable that taxable profits will be available to enable the use of deferred tax assets, in whole or in part.

Deferred tax assets and liabilities are measured at the tax rate expected to be applied in the year when the asset is realized or the liability is settled, based on the tax rates (and legislation) enacted until the balance sheet date.

Deferred taxes related to items directly recognized in shareholders' equity are also recognized in shareholders' equity, not in the statement of income. Deferred tax items are recognized according to the transaction that originates the deferred tax, in the comprehensive income or directly in shareholders' equity.

Deferred tax assets and liabilities are related to the same taxable entity and subject to the same tax authority.

c. Taxes on revenue

Revenues, expenses and assets are recognized net of sales taxes, except:

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

• when the accounts receivable and payable are reported together with the sales tax value; and

• the net amount of sales taxes, recoverable or payable, is recorded under accounts receivable or payable in the balance sheet.

2.17 Provisions

General

Provisions are recognized when the Company has a current liability (legal or unformalized) as a result of a past event, and when it is probable that economic benefits will be required to settle the liability and that the liability amount can be reliably estimated.

When the Company expects a provision to be reimbursed, in whole or in part, such as by force of an insurance agreement, the reimbursement is recognized as a separate asset, but only when such reimbursement is highly probable.

Expenses related to any provision are reported in the statement of income, net of reimbursements.

Provisions for legal and administrative claims

The Company is party to various legal and administrative proceedings. Provisions are accrued for all contingencies related to lawsuits when it is probable that an outflow of resources may be necessary to settle the contingency/liability and an estimate can be reliably made. The assessment on the probability of loss includes the analysis of available evidence, the hierarchy of laws, the available jurisprudence, the latest decisions of courts of law and their relevance in the legal system, as well as the opinion of external legal advisers. The provisions are revised and adjusted to take into account changes in circumstances, such as the applicable expiration deadline, conclusions of fiscal inspections, or additional exposures that may be identified based on new matters or court decisions.

2.18 Jointly-controlled operations (Consortia)

The Company maintains operations with consortia (1 2 3, Unileste, and Metropolitano de Transportes), in which the entrepreneurs have a contractual agreement that establishes the joint control of the operations.

Jointly-controlled operations involve the use of assets and other resources from the Company and other Consortium participants, in consideration of the constitution of a legal entity. The Company records the assets it controls and the liabilities and expenses it incurs, as well as its portion related to the service revenue.

2.19 Borrowing costs

Borrowing costs directly related to the acquisition, construction or production of an asset that necessarily takes a significant amount of time to be completed for use or sale are capitalized as part of the cost of the corresponding asset. All other borrowing costs are recorded as expense in the period they are

incurred. Borrowing costs consist of interest and other costs incurred by an entity in relation to the borrowing.

The Company capitalizes borrowing costs for all eligible assets whose construction started after January 1st, 2009. The Company continues to account for, as expenses, borrowing costs related to construction projects started before January 1st, 2009.

2.20 Earnings per share

The Company calculates the earnings per share by using the average weighted number of total outstanding common shares in the period corresponding to the result, under technical pronouncement CPC41 (IAS 33).

2.21 Other assets and liabilities (current and non-current)

An asset is recognized in the balance sheet when it is likely that its future economic benefits will flow to the Company, and its cost or value can be reliably measured. A liability is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an economic resource will be required to settle it. When applicable, these will include the respective charges and monetary and exchange variations incurred. Provisions are recorded considering the best estimates of the risk involved.

Assets and liabilities are classified as current when their realization or settlement is likely to occur in the next 12 months. Otherwise, they will be stated as non-current.

2.22 Segment information

The Company is organized in a single segment which is the rendering of services. The Company's Management regularly reviews this segment's results on a consolidated basis. Despite its business lines are divided into Dedicated Supply Chain Services, Management and Outsourcing of Fleet/Equipment, Passenger Transportation and Freight, the Company is supported by contracts, whose cycle includes procurement, utilization and subsequent sale of these assets.

2.23 Significant accounting judgments, estimates and assumptions

a. Judgments

The preparation of the interim separate and consolidated financial statements of the Company requires that Management make judgments and estimates and adopt assumptions that affect reported revenues, expenses, assets and liabilities, as well as the reporting on contingent liabilities, on the interim financial statement date.

However, the uncertainty factor of such assumptions and estimates could lead to results that require an adjustment to book value of the affected asset or liability in future periods.

b. Estimates and assumptions

The key assumptions regarding the sources of uncertainty for future estimates and other important sources of uncertainty for estimates on the balance sheet date, involving significant risk of causing major adjustment to the book value of assets and liabilities in the following reporting period, are discussed below.

b.1. Impairment loss of non-financial assets

An impairment loss exists when the book value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of fair value less costs to sell is based on available information on sale transactions for similar assets or market prices less additional costs to dispose of such asset. The calculation of the value in use is based on the discounted cash flow model. Cash flows derive from the budget for the next five years and do not include reorganization activities the Company has not committed to yet, or significant future investments that will improve the asset base of the cash-generating unit being tested for impairment. The recoverable value is sensitive to the discount rate used in the discounted cash flow method, as well as to expected future cash flows to be received and to the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable value of the different cash-generating units, including a sensitivity analysis, are further detailed on Note 14.

b.2. Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the value and timing of future taxable results. Given the long-term nature and the complexity of existing contracts, differences between the actual results and the assumptions adopted or future changes in such assumptions could require future adjustments to the tax income and expense already recorded. The Company forms provisions, based on applicable estimates, for possible consequences of auditing by tax authorities of the respective jurisdictions where it operates. The amount of such provisions is based on several factors, such as prior experiences with fiscal audits and different interpretations of the tax regulations by the taxable entity and by the tax authority in question. Such differences in interpretation may arise for the most diverse matters, depending on the conditions in force in the respective domicile of the Company.

Significant judgment by Management is required in determining the amount of the deferred tax asset that can be recognized based on the probable deadline and future taxable income levels, as well as future fiscal planning strategies.

b.3. Fair value of financial instruments

Whenever the fair value of financial assets and liabilities reported in the balance sheet cannot be obtained from active markets, it is determined through appraisal techniques, including the discounted cash flow methodology. Data used with such methodologies is based on market practices whenever possible; however, when it is not feasible, a certain level of judgment is required to determine the fair value. Judgment includes considerations on used data, such as, for example, liquidity risk, credit risk and volatility. Changes in assumptions on such factors could affect the reported fair value of the financial instruments.

b.4. Provisions for tax, civil and labor risks

The Company recognizes a provision for civil and labor lawsuits. The assessment on the probability of loss includes the analysis of available evidence, the hierarchy of laws, the available jurisprudence, the latest decisions of courts of law and their relevance in the legal system, as well as the opinion of external legal advisers. The provisions are revised and adjusted to take into account changes in circumstances, such as the applicable expiration deadline, conclusions of fiscal inspections, or additional exposures that may be identified based on new matters or court decisions.

2.24 New IFRS and IFRIC Interpretations

Certain new accounting IASB pronouncements and IFRIC interpretations were issued and/or reviewed that are of optional or mandatory application for fiscal years beginning as of January 1, 2003. Management has analyzed the impacts of these new procedures and interpretations and does not expect their adoption to cause a material impact on the Company's yearly information for the year of first-time application, as follows:

- **IAS 24 Disclosure Requirements for Government-Related Entities and Related Party Definition (Revised)** - Simplifies the disclosure requirements for government-related entities and defines related parties. This revised rule addresses aspects that, according to previous disclosure requirements and the prior definition of related party, were extremely complex and difficult to be applied in practice, particularly in environments where government control is pervasive, and now provides a partial exemption for government-related entities as well as a revised definition of a related party. This amendment was issued in November 2009, and became effective for fiscal years beginning in January 1, 2011. This amendment will have no impact on the consolidated interim financial statements of the Company.

- **IFRS 9 Financial Instruments – Classification and Measurement** – IFRS 9 closes the first part of the project to replace "IAS 39 Financial Instruments: Recognition and Measurement." IFRS 9 uses a simple approach to determine if a financial asset is measured at amortized cost or fair value, based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The standard also requires that only one method be adopted for the determination of impairment losses. This standard will become effective for fiscal years beginning in January 1, 2013. The Company does not expect this change to have any impact on its consolidated interim financial statements.

- **IFRIC 14 Prepayments of a Minimum Funding Requirement** – This amendment only applies to situation where an entity is subject to minimum funding requirements and advances its contributions in order to meet such requirements. This amendment allows for the entity to account for the benefit of such prepayment as an asset. This amendment will become effective for fiscal years beginning in January 1, 2011. This amendment will have no impact on the consolidated interim financial statements of the Company.

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments** – IFRIC 19 was issued on November 2009 and became effective on July 1, 2010, and earlier application is permitted. This interpretation clarifies the requirements of International Financial Reporting Standards (IFRS) when an entity renegotiates the terms and conditions of a financial liability with its creditor and the latter agrees to accept entity stock or other equity instruments to settle the financial liability in full or in part. The Company does not expect IFRIC 19 to have any impact on its consolidated interim financial statements.

- **Improvements to the IFRS** – The IASB issued improvements to the rules and amendments to the IFRS on May 2010; the amendments will be in force as of January 1, 2011. Below is a list of the main amendments that could have an impact on the Company:

- IFRS 3 – Business combinations.
- IFRS 7 – Financial Instruments: Disclosures.
- IAS 1 – Presentation of Financial Statements.

The Company does not expect the changes to have any impact on its consolidated interim financial statements.

3 Cash and cash equivalents

	Parent Company		Consolidated	
	3/31/2011	12/31/2010	3/31/2011	12/31/2010
Fundo Exclusivo Bradesco				
Debentures	9,586	44,450	32,857	68,385
Repurchase agreements	23,692	109,856	81,207	169,013
LFT - Financial Treasury Bills	14,747	68,377	50,544	105,196
CDB - Bank Deposit Certificate	3,249	15,066	11,137	23,179
Other	797	3,694	2,731	5,683
	52,071	**241,443**	**178,477**	**371,456**
Fundo Exclusivo CEF				
Investment fund - FIC	89,427	14,100	94,579	14,100
Other Investments				
CDB - Bank Deposit Certificate	22,911	23,656	85,160	70,700
Available cash and banks				
Cash	699	646	1,523	1,385
Banks	7,612	9,016	18,718	18,574
	8,311	**9,662**	**20,241**	**19,959**
Total current assets	**172,720**	**288,861**	**378,457**	**476,215**

The Parent Company has investments in Bradesco Fundo de Investimento Multimercado Crédito Privado JSL and in Caixa Econômica Federal Fundo de Investimento JSL Multimercado Crédito Privado, and Banco Bradesco S/A and Caixa Econômica Federal are respectively the fund managers and responsible for the custody of the assets of the fund's portfolio and for the financial settlement of its operations.

The exclusive funds are regularly audited by independent auditors and are subject to obligations limited to the payment of asset management services, attributed to the operation of investments, such as custody and audit fees and other expenses. Neither material financial obligations, nor Company's assets guarantee such obligations.

The average yield of investments for the quarter ended March 31, 2011 was 0.84% (0.66% on March 31, 2010).

4 Securities

This balance is linked to amortization of loans taken from escrow financial institutions, as shown below:

	Parent Company/ Consolidated				
Financial Institution	**3/31/2011**	**12/31/2010**	**Remuneration**	**Related liability**	**Maturity**
Banco do Brasil	11,531	12,030	CDI	2nd Deb. BB	Dec-16
Total	**11,531**	**12,030**			

5 Accounts receivable

	Parent Company		Consolidated	
Description	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
Accounts receivable (1)	215,279	201,848	337,927	317,707
Adjustment to present value (1)	(926)	(1,387)	(926)	(1,388)
Unbilled revenue (2)	60,333	57,881	84,237	77,120
Lease revenue - sales (3)	125,464	132,384	125,464	132,384
(-) Provision for impairment (4)	(25,182)	(26,128)	(33,876)	(35,583)
	374,968	**364,598**	**512,826**	**490,240**
Current assets	263,371	257,763	360,996	344,505
Non-current assets	111,597	106,835	151,830	145,735
Total	**374,968**	**364,598**	**512,826**	**490,240**

(1) *Receivables with average maturity of more than 90 days are recorded at present value upon the initial recording of the transaction, pursuant to the variation of the base rate Selic, as this rate approximates the average rate used by the Company to calculate the prices of the related agreements. Financial charges are recognized as financial income when incurred;*

(2) *Billable revenue comprises any bills of lading issued and recognized as revenue in the period on an accrual basis and as services effectively provided;*

(3) *The Company recognized its equipment lease agreements as current assets and non-current assets classified as sale as per CPC06. Unrecognized future financial revenue amounted to R$17,090 on March 31, 2011; and*

(4) *Below is the history of estimated losses from doubtful accounts for the period ended March 31, 2011:*

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Balance in the beginning of the year	**(26,017)**	**(25,601)**	**(35,243)**	**(30,503)**
(+) Additions	(3,780)	(7,770)	(4,311)	(14,389)
(-) Write-offs	4,616	4,596	5,677	4,948
Balance in the end of the year	**(25,182)**	**(28,775)**	**(33,876)**	**(39,944)**

Classification per maturity (aging list)

	Accounts receivable, net			
	Parent Company		Consolidated	
	3/31/2011	12/31/2010	3/31/2011	12/31/2010
Over 365 days past due	1,399	8,313	2,176	8,830
181 to 365 days past due	4,616	6,030	6,305	7,765
91 to 180 days past due	11,217	4,359	11,248	5,146
31 to 90 days past due	20,000	15,318	26,619	16,059
Up to 30 days past due	30,746	27,276	47,897	32,365
Past due	**67,979**	**61,296**	**94,245**	**70,165**
Due in up to 30 days	146,445	141,160	194,792	184,565
Due in 31 to 90 days	13,167	17,655	20,149	24,699
Due in 91 to 180 days	11,939	11,340	19,950	20,707
Due in 181 to 365 days	26,402	20,785	34,420	37,404
Due in over 365 days	109,037	112,362	149,270	152,700
Falling due	**306,989**	**303,302**	**418,581**	**420,075**
Total	**374,968**	**364,598**	**512,826**	**490,240**

6 Inventories/Supplies

	Parent Company		Consolidated	
Description	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
Consumable materials	8,578	8,577	12,582	12,897
Supplies	349	326	424	379
Goods held for resale (1)	-	-	22,291	-
Other	50	55	50	55
(-) Provision for impairment	(774)	(795)	(774)	(795)
Total	**8,203**	**8,163**	**34,572**	**12,536**

(1) Vehicles acquired from car manufacturers and under customization process to be sold to clients in the state of Minas Gerais.

Goods owned by third parties and stored in the Company's warehouses due to its warehousing and logistics activities amount to R$41,038 on March 31, 2011 (R$107,742 on December 31, 2010), whose insurance coverage is detailed in note 25.

7 Assets made available for sale (fleet renovation)

The Company's fleet renovation initiative involves releasing certain assets (vehicles and machines) and making them available for sale. As per CPC 31 (IFRS 5), in this item are classified assets previously accounted for as PPE that have a potential for sale in the short term.

Amounts are presented at the lesser of the residual cost, which is the acquisition cost less depreciation accrued as of the date of the interim financial statements, and the fair value less the cost of selling the asset.

These assets are available for immediate sale on an as-is basis, and, in view of such circumstance, very likely to be sold within one year or less.

This change of classification criterion complies with the alterations mandated by adoption of the new accounting pronouncements in 2010, but does not change the nature of the transaction involving sales of assets (as PPE) for taxation purposes.

8 Taxes recoverable

	Parent Company		Consolidated	
Description	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
ICMS tax on sale of goods and services (1)	45,736	44,326	56,392	51,969
Adjustment to present value	(3,890)	(3,567)	(3,890)	(3,567)
Income tax withheld (IRRF)	4,071	9,852	5,876	10,874
INSS social security tax	1,981	3,292	4,078	5,889
Income tax and social contribution on net income (IRPJ/CSLL)	5,621	2,865	14,180	9,373
PIS/COFINS	275	265	743	687
Other taxes	279	686	962	1,512
	54,073	**57,719**	**78,340**	**76,737**
Current assets	25,653	30,875	49,920	49,893
Non current assets	28,420	26,844	28,420	26,844
Total	**54,073**	**57,719**	**78,340**	**76,737**

(1) *ICMS is mainly represented by credits from acquisitions of fixed assets, offset at a monthly rate of 1/48, pursuant to the prevailing tax legislation. That is recorded at present value upon the initial recording of the credit based on the broad consumer price index (IPCA), since this approximates the expected indexation for the fixed asset to be affected. Financial charges are recognized as financial income when incurred.*

9 Other credits

	Parent company		Consolidated	
Description	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
Claims receivable	2,291	909	2,291	909
Advances to employees	1,342	1,417	1,607	1,586
Advances to suppliers	8,808	1,628	12,119	2,321
Restricted deposits related to equipment (3)	11,040	-	11,040	-
Amounts receivable - Intercompany (4)	22,136	5,211	0	-
Productivity improvement project (1)	8,195	8,543	8,195	8,543
Amounts receivable - CMT (2)	14,058	14,383	14,058	14,382
Other credits	5,485	2,457	7,347	6,446
Total	**73,355**	**34,548**	**56,658**	**34,187**
Current assets	65,378	26,355	47,827	25,255
Non current assets	7,977	8,193	8,831	8,932
Total	**73,355**	**34,548**	**56,658**	**34,187**

(1) *This amount refers to expenses advanced in connection with a productivity improvement project, which is currently being repaid/amortized as per the relevant services agreement;*

(2) *Balance corresponding to amounts maintained by urban passenger transportation entity Consórcio Metropolitano de Transportes for its operating activities;*

(3) *Guarantee deposit to the supplier of machinery and equipment, which will be released upon the delivery of the assets or at the end of the financing term; and*

(4) *Vehicle, machinery and equipment leased from its subsidiary CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.*

10 Anticipated expenses

	Parent Company		Consolidated	
Description	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
Unrecorded lease (1)	1,457	3,337	1,457	3,337
Unrecorded insurance policies	2,735	2,394	3,709	2,772
IPVA	7,847	-	10,712	-
Other unrecorded expenses	2,307	651	2,702	672
Total	**14,346**	**6,382**	**18,580**	**6,781**

(1) *The Company entered into an operating lease agreement with Ribeira Imóveis Ltda. effective August 31, 2009, covering certain rent expenses. (Please see note 21.3).*

11 Investments

	Information on subsidiaries			Investments		Interest Income	
	Shareholders' equity	Income for the year	% Interest	3/31/2011	12/31/2010	3/31/2011	3/31/2010
Parent Company							
JP Tecnolimp S.A.	7,380	735	99.00	7,306	6,578	727	764
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	2,848	278	99.99	2,848	2,570	277	231
CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	425,934	18,569	99.99	425,934	407,365	18,567	5,526
Transportadora Grande ABC Ltda.	2,857	(1,092)	99.99	2,856	6	(1,089)	(5)
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda. (3)	(4,085)	1,007	99.99	-	-	1,007	-
				438,945	**416,519**	**19,490**	**6,516**
Other investments							
Work Container Ind. Transf. Plast. Ltda. (2)	7,701	957	0.15	12	12	-	-
Interpass Participações S/A. (2)	24,673	8,999	6.57	1,623	1,622	-	-
				1,635	**1,634**	**-**	**-**
Amortization of goodwill from appreciation of fixed assets TGABC (1)				3,365	3,643	-	-
Total Parent Company's investments				**443,944**	**421,796**	**19,490**	**6,516**

	Information on subsidiaries			Investments	Interest Investments
	Shareholders' equity	Income for the year	% Interest	3/31/2011	12/31/2010
Consolidated					
Work Container Ind. Transf. Plast. Ltda. (2)	7,701	957	0.15	12	12
Interpass Participações S/A. (2)	24,673	8,999	-	1,623	1,622
Total investments				**1,635**	**1,634**

(1) Goodwill from appreciation of fixed assets in the acquisition of Transportadora Grande ABC Ltda. in the amount of R$22,944 with accumulated amortization of R$19,579 calculated taking into account the depreciation and/or sale of the related assets;

(2) Evaluated at the cost; and

(3) The Company has set up a provision covering potential losses from this investment.

11.1. Changes in investments

	Parent Company
On 12/31/2009	**76,833**
(+) Equity pickup	6,516
(-) Amortization of goodwill from appreciation of fixed assets TGABC	(605)
On 03/312010	**82,744**
(+) Equity pickup	8,435
(+) Transfer of provision for loss on investment - TGABC	11,034
(+) Paid-up capital - CS Brasil	320,098
(-) Amortization of goodwill from appreciation of fixed assets TGABC	(515)
On 12/31/2010	**421,796**
(+) Equity pickup	19,490
(+) Increase in AFAC - TGABC	2,936
(-) Amortization of goodwill from appreciation of fixed assets TGABC	(278)
On 03/31/2011	**443,944**

12 Property, plant and equipment

Description	% - Annual rate of depreciation	Parent Company		Consolidated	
		3/31/2011	12/31/2010	3/31/2011	12/31/2010
Vehicles	(*) 8,1	1,310,304	1,244,714	1,575,784	1,563,034
Machinery and equipment	(*) 7,1	205,988	171,327	207,999	180,103
Construction in progress (1)	-	9,585	5,677	9,860	5,875
Leasehold improvements (2)	4	60,313	56,722	60,157	56,526
Computers and peripherals	20	6,760	6,603	8,532	8,368
Furniture and fixtures	10	4,788	4,529	6,056	5,780
Vessels (3)	5	2,080	2,080	2,079	2,079
Properties	4	-	-	7,155	7,155
Other	10	3,559	164	5,695	2,293
Fixed assets cost - subtotal		**1,603,378**	**1,491,816**	**1,883,317**	**1,831,213**
(-) Accumulated depreciation		(191,047)	(179,138)	(248,274)	(240,134)
(-) Impairment (4)		-	-	(393)	(393)
(-) Fixed assets cost, net of accumulated depreciation		**1,412,331**	**1,312,678**	**1,634,650**	**1,590,686**

(*) *Annual weighted average*

(1) *Improvements related to the construction of the railway terminal located in Itaquaquecetuba, expected to finish in 2011, including capitalized loan interest of R$15 in the first quarter of 2011 (R$627 in the same period of 2010);*

(2) *Balance mainly comprising construction works corresponding to the Unileste/Poá garage reclassified to leasehold improvements as a result of the completion of the construction works at the end of 2009, which started to be amortized in 2010 according to the land lease term (5 years) including capitalized loan interest of R$568 in 2009 (R$580 in 2008) and balances corresponding to the first stage of works at the railway terminal of Itaquaquecetuba;*

(3) *Refers to a vessel to provide dredging services; and*

(4) *Upon performing the annual review on the carrying value of its assets, the Company identified that, in 2010, the carrying values of part of the vehicles of its subsidiary Transportadora Grande ABC Ltda. exceeded the recoverable amount, determined at the net sales price of such assets. A provision was then set up to reduce the carrying values to the realization amount, with a contra entry in the income for the year, under cost of services sold. Impairment was carried out in 2010 with the sale of the corresponding assets.*

From January 1 to March 31, 2011, the Company and its subsidiaries acquired assets in the amount of R$163,337. These assets were partly acquired through Finame and lease operations in the conditions described in notes 15 and 17. In the same period, the Company disbursed R$18,328 (R$6,750 in the same period in 2010) to pay for its assets. Referring to working capital, part of costs with loans raised in 2008 and 2009 were capitalized due to works at the railway terminal of Itaquaquecetuba and the garage in Poá.

The Company tests its property, plant and equipment for impairment on a yearly basis. An item of PPE is deemed liable to impairment adjustment when its carrying value exceeds the corresponding recoverable amount.

The residual values of vehicles and machines, which comprise the cost of acquisition less depreciation accrued until the date of determination, are compared to their expected realization (sale) amounts, which are based on semi-new car price schedules by dealers and industry organizations such as FIPE and Molicar.

Additionally, where the residual value of an asset exceeded its semi-new sales price, the Company reviewed the relevant customer services or lease agreements (cash-generating units) and obtained the prevailing amounts (present value of discounted future cash flows attached to said agreements), as directed by CPC 01 (IAS 36).

12.1. Changes in the period (acquisition cost)

					Parent Company	
Description	**12/31/2010**	**Addition**	**Write-off**	**Transfers**	**Special operations (*)**	**3/31/2011**
Vehicles	1,244,714	146,408	(45,759)	(823)	(34,236)	1,310,304
Machinery and equipment	171,327	35,028	(1,190)	823	-	205,988
Construction in progress	5,677	7,301	-	(3,392)	-	9,585
Leasehold improvements	56,722	199	-	3,392	-	60,313
Computers and peripherals	6,603	157	-	-	-	6,760
Furniture and fixtures	4,529	259	-	-	-	4,788
Vessels	2,080	-	-	-	-	2,080
Other	164	3,395	-	-	-	3,559
Fixed assets cost - subtotal	**1,491,816**	**192,747**	**(46,949)**	**-**	**(34,236)**	**1,603,378**
(-) Accumulated depreciation	(179,138)	(26,044)	14,173	-	(37)	(191,047)
(-) Fixed assets cost, net of accumulated depreciation	**1,312,678**	**166,702**	**(32,776)**	**-**	**(34,273)**	**1,412,331**

(*) Refers to the effect of changes in assets made available for sale (fleet renovation).

					Parent Company	
Description	**12/31/2009**	**Addition**	**Write-off**	**Transfers**	**Special operations (*)**	**3/31/2010**
Vehicles	1,081,027	104,712	(23,126)	-	(1,120)	1,161,493
Machinery and equipment	94,665	25,028	(480)	-	-	119,213
Construction in progress	23,856	1,241	(1)	(1,617)	-	23,479
Leasehold improvements	17,245	1,016	-	76	(2,937)	15,400
Computers and peripherals	5,609	258	-	-	-	5,867
Furniture and fixtures	3,891	73	-	-	-	3,964
Vessels	-	536	-	1,541	-	2,077
Other	1,794	49	(1,773)	-	-	70
Fixed assets cost - subtotal	**1,228,087**	**132,912**	**(25,379)**	**-**	**(4,056)**	**1,331,563**
(-) Accumulated depreciation	(173,230)	(17,482)	2,941	-	-	(187,771)
(-) Fixed assets cost, net of accumulated depreciation	**1,054,857**	**115,431**	**(22,439)**	**-**	**(4,056)**	**1,143,792**

(*) Refer to the impact of transactions related to assets made available for sale (fleet renovation).

					Consolidated	
Description	**12/31/2010**	**Addition**	**Write-off**	**Transfers**	**Special operations (*)**	**3/31/2011**
Vehicles	1,563,034	157,498	(84,897)	(1,253)	(58,598)	1,575,784
Machinery and equipment	180,103	27,833	(1,190)	1,253	-	207,999
Construction in progress	5,875	7,378	-	(3,392)	-	9,860
Leasehold improvements	56,526	238	-	3,392	-	60,157
Computers and peripherals	8,368	164	-	-	-	8,532
Furniture and fixtures	5,780	276	-	-	-	6,056
Vessels	2,079	-	-	-	-	2,079
Properties	7,155	-	-	-	-	7,155
Other	2,293	3,402	-	-	-	5,695
Fixed assets cost - subtotal	**1,831,213**	**196,790**	**(86,087)**	**-**	**(58,598)**	**1,883,317**
(-) Accumulated depreciation	(240,134)	(33,456)	25,315	-	-	(248,274)
(-) Impairment	(393)	-	-	-	-	(393)
(-) Fixed assets cost, net of accumulated depreciation	**1,590,686**	**163,334**	**(60,772)**	**-**	**(58,598)**	**1,634,650**

(*) Refer to the impact of transactions related to assets made available for sale (fleet renovation).

	Consolidated					
Description	**12/31/2009**	**Addition**	**Write-off**	**Transfers**	**Special operations (*)**	**3/31/2010**
Vehicles	1,145,439	99,984	(29,102)	-	(1,120)	1,215,201
Machinery and equipment	101,024	25,079	(480)	-	-	125,623
Construction in progress	23,857	1,241	(1)	(1,617)	-	23,481
Leasehold improvements	17,245	1,015	-	76	-	18,336
Computers and peripherals	7,212	277	-	-	-	7,489
Furniture and fixtures	4,997	106	(0)	-	-	5,103
Vessels	-	-	-	1,541	-	1,541
Properties	7,155	-	-	-	-	7,155
Other	3,923	49	(1,773)	-	-	2,198
Fixed assets cost - subtotal	**1,310,852**	**127,750**	**(31,356)**	**-**	**(1,120)**	**1,406,126**
(-) Accumulated depreciation	(190,743)	(18,281)	7,985	-	-	(201,039)
(-) Impairment (1)	(943)	-	-	-	-	(943)
(-) Fixed assets cost, net of accumulated depreciation	**1,119,166**	**109,470**	**(23,372)**	**-**	**(1,120)**	**1,204,144**

(*) Refer to the impact of transactions related to assets made available for sale (fleet renovation).

12.2. Changes in the period (depreciation)

	Parent Company				
Description	**12/31/2010**	**Addition**	**Write-off**	**Special operations (*)**	**3/31/2011**
Vehicles	(147,855)	(22,148)	13,579	1,720	(154,704)
Machinery and equipment	(22,447)	(2,875)	594	(1,758)	(26,485)
Computers and peripherals	(4,534)	(180)	-	-	(4,714)
Furniture and fixtures	(2,221)	(97)	-	-	(2,317)
Leasehold improvements	(1,924)	(716)	-	-	(2,639)
Vessels	(82)	(26)	-	-	(108)
Other	(75)	(3)	-	-	(78)
Total accumulated depreciation	**(179,138)**	**(26,044)**	**14,173**	**(37)**	**(191,047)**

(*) Refers to the increase of capital in subsidiary CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda.

	Parent Company			
Description	**12/31/2009**	**Addition**	**Write-off**	**3/31/2010**
Vehicles	(154,335)	(15,028)	2,813	(166,550)
Machinery and equipment	(11,883)	(1,905)	78	(13,710)
Computers and peripherals	(3,799)	(185)	4	(3,980)
Furniture and fixtures	(1,875)	(92)	-	(1,967)
Leasehold improvements	(1,269)	(225)	-	(1,494)
Vessels	-	(7)	-	(7)
Other	(69)	(40)	46	(63)
Total accumulated depreciation	**(173,230)**	**(17,482)**	**2,941**	**(187,772)**

	Consolidated				
Description	**12/31/2010**	**Addition**	**Write-off**	**Special operations (*)**	**3/31/2011**
Veículos	(204,628)	(29,337)	24,723	1,755	(207,486)
Machinery and equipment	(24,432)	(3,017)	594	(1,758)	(28,612)
Computers and peripherals	(5,729)	(223)	-	-	(5,952)
Furniture and fixtures	(2,891)	(120)	-	-	(3,011)
Leasehold improvements	(1,924)	(716)	-	-	(2,639)
Vessels	(82)	(26)	-	-	(108)
Properties	(106)	(5)	-	-	(111)
Other	(342)	(14)	-	-	(355)
Total accumulated depreciation	**(240,134)**	**(33,456)**	**25,318**	**(3)**	**(248,274)**

	Consolidated			
Description	**12/31/2009**	**Addition**	**Write-off**	**3/31/2010**
Vehicles	(168,388)	(15,598)	7,859	(176,127)
Machinery and equipment	(13,431)	(2,056)	78	(15,409)
Computers and peripherals	(4,824)	(227)	3	(5,048)
Furniture and fixtures	(2,449)	(117)	-	(2,566)
Leasehold improvements	(1,269)	(225)	-	(1,494)
Vessels	-	(6)	-	(6)
Properties	(87)	(1)	-	(88)
Other	(295)	(51)	45	(301)
Total accumulated depreciation	**(190,743)**	**(18,281)**	**7,985**	**(201,039)**

13 Intangible assets

	Parent Company					
	3/31/2011			12/31/2010		
Description	**Cost**	**Accumulated amortization**	**Net**	**Cost**	**Accumulated amortization**	**Net**
Goodwill from acquisition of Lubiani Transportes Ltda. **(1)**	73,011	(42,652)	**30,359**	73,011	(42,652)	**30,359**
Goodwill from acquisition of Transportadora Grande ABC Ltda. **(1)**	85,511	(2,451)	**83,060**	85,511	(2,451)	**83,060**
Goodwill from acquisition of Yolanda Logística Armazém Transporte e Serviços Gerais Ltda. **(1)**	6,233	(208)	**6,025**	6,233	(208)	**6,025**
Software **(3)**	5,998	(3,752)	**2,246**	5,850	(3,546)	**2,304**
Rights of use	-	-	**-**	96	-	**96**
Trademarks and patents	164	(20)	**144**	165	(20)	**145**
Total	**170,917**	**(49,084)**	**121,833**	**170,866**	**(48,877)**	**121,989**

	Consolidated					
	3/31/2011			12/31/2010		
Description	**Cost**	**Accumulated amortization**	**Net**	**Cost**	**Accumulated amortization**	**Net**
Goodwill from acquisition of Lubiani Transportes Ltda. **(1)**	73,011	(42,652)	**30,359**	73,011	(42,652)	**30,359**
Goodwill from acquisition of Transportadora Grande ABC Ltda. **(1)**	85,511	(2,451)	**83,060**	85,511	(2,451)	**83,060**
Goodwill from acquisition of Yolanda Logística Armazém Transporte e Serviços Gerais Ltda. **(1)**	6,233	(208)	**6,025**	6,233	(208)	**6,025**
Public transport concession right in São José dos Campos **(2)**	4,257	(946)	**3,311**	4,257	(857)	**3,400**
Software **(3)**	6,292	(3,853)	**2,439**	6,288	(3,782)	**2,506**
Rights of use	-	-	**-**	96	-	**96**
Trademarks and patents	164	(20)	**144**	171	(21)	**150**
Total	**175,468**	**(50,131)**	**125,337**	**175,567**	**(49,971)**	**125,596**

(1) *Goodwill in the acquisition of business, justified based on future profitability and amortized up to December 31, 2008;*

(2) *Concession right acquired in 2008 for a 12-year period, amortized on a straight-line basis in this period and completion forecast for July 2020; and*

(3) *Software assets have a useful life of 5 years and are amortized linearly over this period.*

13.1 Changes

	Parent Company				
	12/31/2010				3/31/2011
Description	**Balance**	**Addition**	**Write-off**	**Amortization**	**Balance**
Goodwill from acquisition of Lubiani Transportes Ltda.	30,359	-	**-**	**-**	30,359
Goodwill from acquisition of Transportadora Grande ABC Ltda.	83,060	-	**-**	**-**	83,060
Goodwill from acquisition of Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	6,025	-	**-**	**-**	6,025
Software	2,304	149	-	(207)	2,246
Rights of use	96	-	(96)	-	-
Trademarks and patents	145	-	**-**	(1)	144
Total	**121,989**	**149**	**(96)**	**(209)**	**121,833**

	Parent Company			
	12/31/2009			3/31/2010
Description	**Balance**	**Addition**	**Amortization**	**Balance**
Goodwill from acquisition of Lubiani Transportes Ltda.	30,359	-	-	30,359
Goodwill from acquisition of Transportadora Grande ABC Ltda.	83,060	-	-	83,060
Goodwill from acquisition of Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	6,025	-	-	6,025
Software	1,790	439	(387)	1,842
Rights of use	96	-	-	96
Trademarks and patents	146	-	-	146
Total	**121,476**	**439**	**(387)**	**121,528**

	Consolidated				
	12/31/2010				3/31/2011
Description	**Balance**	**Addition**	**Write-off**	**Amortization**	**Balance**
Goodwill from acquisition of Lubiani Transportes Ltda.	30,359	-	-	-	30,359
Goodwill from acquisition of Transportadora Grande ABC Ltda.	83,060	-	-	-	83,060
Goodwill from acquisition of Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	6,025	-	-	-	6,025
Public transport concession right in São José dos Campos	3,400	-	-	(89)	3,311
Software	2,506	149	-	(216)	2,439
Rights of use	96	-	(96)	-	-
Trademarks and patents	150	-	(5)	(1)	144
Total	**125,596**	**149**	**(101)**	**(306)**	**125,337**

	Consolidated			
	12/31/2009			3/31/2010
Description	**Balance**	**Addition**	**Amortization**	**Balance**
Goodwill from acquisition of Lubiani Transportes Ltda.	30,359	-	-	30,359
Goodwill from acquisition of Transportadora Grande ABC Ltda.	83,060	-	-	83,060
Goodwill from acquisition of Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	6,025	-	-	6,025
Public transport concession right in São José dos Campos	3,754	-	(88)	3,666
Software	1,972	540	(415)	2,097
Rights of use	96	-	-	96
Trademarks and patents	152	-	-	152
Total	**125,418**	**540**	(503)	**125,455**

14 Impairment test on goodwill acquired on expected future profitability and assets with indefinite useful lives

For impairment testing purposes, any goodwill acquired with business combinations and in connection with assets having indefinite useful lives was allocated to the Company since this business has only one business segment with one single cash-generating unit.

The Company carries out annual tests for impairment, and among other considerations, relies on the relationship between its market capitalization and carrying value in order to identify evidence of impairment of the recoverable amount. As of December 31, 2010, the Company's market capitalization exceeded its carrying value, thus indicating a potential increase in the recoverable amounts of goodwill and assets.

Key assumptions adopted in estimating the recoverable amount based on the value in use are take into account past economy performance and reasonable macroeconomic assumptions, as follows:

- Revenues: Projected revenues for the 2011-2020 period consider an increase in customer base, revenues derived from fleet renovation efforts, improvement of market revenue levels relative to the GDP and the Company's share in this market.

- Costs and expenses: Projected costs and expenses in the same period reflect expected changes in customer base in keeping with past Company performance and revenue growth trends.

- Capital expenditures: Projected investments consider the infrastructure required to support our offer of services. and

- Discount rate: In determining the value in use, estimated future cash flows were discounted to their present value using an average discount rate based on a capital cost rate of 13.2%.

15 Loans and financing

				Parent Company			
				Current		Non current	
Type	Average rate (%)	Structure (%)	Maturity	3/31/2011	12/31/2010	3/31/2011	12/31/2010
Local currency							
Operating (vehicles, machinery and equipment)							
Finame (1)	8.2	Fixed rate / TJLP	2018	164,773	162,206	584,206	538,831
CCB (**)	13.6	Fixed rate	2013	-	-	8,067	9,980
				164,773	162,206	592,272	548,811
Non operating							
CCB (2) (**)							
Acquisitions	13.6	2 + CDI	2015	44	209	28,224	28,194
PEC (*)	10.5	4.5 + TJLP	2012	-	47,922	-	47,500
CCB (**)	14.2	3.6 + CDI	2013	35	-	70,000	-
NCE export notes (3)	13.7	2.1 + CDI	2014	245	255	60,000	60,000
				324	48,386	158,224	135,694
				165,096	**210,592**	**750,496**	**684,505**

The amortization schedule is shown below, per maturity:

		3/31/2011 Parent Company	
	Maturity of installments	Amount	%
Total current liabilities	Until Mar/12	**165,096**	**18.0**
	Apr/12 to Dec/12	170,690	18.6
	2013	196,022	21.4
	2014	166,835	18.2
	2015	114,758	12.5
	2016	49,790	5.4
	2017	32,807	3.6
	2018 onwards	19,594	2.1
Total non-current liabilities		**750,496**	**82.0**
Total		**915,592**	**100.0**

Type	Average rate (%)	Structure (%)	Maturity	Consolidated			
				Current		Non current	
				3/31/2011	12/31/2010	3/31/2011	12/31/2010
Local currency							
Operating (vehicles, machinery and equipment)							
Finame (1)	8.2	Fixed rate / TJLP	2018	176,760	175,174	634,391	590,168
CCB (**)	13.6	Fixed rate	2013	-	-	8,067	9,980
				176,760	175,174	642,457	600,148
Non operating							
CCB (2) (**)							
Acquisitions	13.6	2 + CDI	2015	44	209	28,224	28,194
PEC (*)	10.5	4.5 + TJLP	2012	-	47,922	-	47,500
CCB (**)	14.2	3.6 + CDI	2013	35	-	70,000	-
NCE export notes (3)	13.7	2.1 + CDI	2014	245	255	60,000	60,000
				324	48,386	158,224	135,694
				177,084	**223,560**	**800,681**	**735,842**

The amortization schedule is shown below, per maturity:

	Consolidated		
	Maturity of installments	**Total**	**%**
Total current liabilities	Until Mar/12	177,084	18.1
	Apr/12 to Dec/12	178,723	18.3
	2013	209,320	21.4
	2014	179,108	18.3
	2015	124,250	12.7
	2016	52,741	5.4
	2017	34,942	3.6
	2018 onwards	21,597	2.2
Total non-current liabilities		**800,681**	**81.9**
Total		**977,765**	**100.0**

(*) PEC – Programa Especial de Crédito (Special Credit Program)

(**) CCB – Cédula de Crédito Bancário (Bank Bill of Credit)

Loans and financing – operating facility

(1) *Annual interest rates applying to the financing of investments in vehicles and equipment (Finame) average 8.2%, which already includes the long-term interest rates (TJLP) for the period;*

Loans and financing – non-operating facility

(2) *The breakdown of financial charges applying to bank bills of credit is as follows:*

- *Long-term interest rate (TJLP) @ 6.0% p.a. as per Provisional Measure No. 462/09 plus spread @ 3.5% p.a.; and*

(3) *Financial charges on export notes include annual interest rates averaging 2.1%, plus the variation of the Interbank Deposit Certificate rate (CDI).*

Regarding existing loans, the Company is subject to certain restrictive covenants that may result in accelerated debt maturity in certain situations, mainly: (i) the Company defaults or fails to pay any financial obligation when due; (ii) the Company will undergo significant changes in equity control, such as liquidation, dissolution, amalgamation, merger, sale, or corporate restructuring, without the prior approval of the creditor financial institution; (iii) impairment of certain other indicators and occurrence of certain events which, at the discretion of banks, may indicate a reduction in the Company's ability to honor the obligations undertaken. These commitments were honored on March 31, 2011.

16 Debentures

			Parent Company / Consolidated			
			Current		Non current	
Type	**Avg. annual charges (%)**	**Maturity**	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
Local currency						
Debentures (1 / 2)	123 of CDI and CDI + 1.85/1.95/2.20	2016	27,924	20,503	342,602	345,842
			27,924	**20,503**	**342,602**	**345,842**

The amortization schedule is shown below, per maturity:

		Parent Company / Consolidated	
		3/31/2011	
	Maturity of installments	**Total**	**%**
Total current liabilities	Until Mar/12	27,924	7.5
	Apr/12 to Dec/12	14,523	3.9
	2013	19,364	5.2
	2014	102,600	27.7
	2015	103,605	28.0
	2016	102,511	27.7
Total non-current liabilities		342,602	92.5
Total		**370,526**	**100.0**

(1) *Corresponding to 120 non-convertible debentures in accordance with CVM Rule No. 476 of January 16, 2009, at R$1,000 each, totaling R$120,000, in a single series, not convertible into shares, with restricted placement efforts and with an additional actual guarantee (collateral) plus the pledge of receivables related to service agreements and vehicle lease. The debentures*

mature 78 months from the date of issuance (June 24, 2010), on December 24, 2016, and their value will be restated at a rate equivalent to one hundred twenty-three percentage points (123%) of the average daily rates of one-day interbank deposits (overnight deposit rate for unrelated financial institutions), expressed as percentage per year, considering 252 business days, calculated and disclosed on a daily basis by CETIP S.A.. Payment of interest will be made on a monthly basis, after the date of issuance.

As provided in CPC 8 (IAS 39), transaction costs and premiums on the issuance of securities are:

Description	***Information/value***
a. Identification of the process by nature	
Financial institution	*Banco do Brasil S.A.*
Value	*120,000*
Issue date	*6/24/2010*
Maturity	*12/24/2016*
Type	*Unsecured debentures*
b. Transaction costs incurred	***(28)***
Lawyers' fees	*(11)*
Expenses with trustee	*(5)*
Registration at CETIP	*(10)*
Other costs	*(2)*
c. Premiums	***N/A***
d. Effective interest rate (IRR) p.a. %	***123% of the CDI***
e. Costs and premiums to be recognized	***(2188)***
Commission Coordination (0.5%)/ Firm Commitment (0.9%) / Placement (0.45%) (Banco do Brasil)	*(2092)*
Expenses with trustee	*(96)*

Debentures issued by the Company are subject to covenants that may accelerate the maturity of the obligations, such as: (i) limited distribution of the profits and dividends of the Company, even in the form of interest on equity, except for minimum mandatory dividends established by the prevailing legislation and the Bylaws, unless authorized by the respective Financial Institution; (ii) omission or non-payment of any taxes and other tax obligations on the dates they are due by the Company; (iii) significant changes in the Company's shareholding control, such as liquidation, dissolution, amalgamation, merger, sale, or corporate restructuring involving the Company, at a percentage that represents at least 10% (ten percent) of its total consolidated assets, without the prior approval of the Financial Institution contracted; (iv) other indicators and events which, at the discretion of the banks, may indicate a reduction in the Company's ability to honor the obligations assumed. These commitments were fulfilled on March 31, 2011.

(2) *Corresponds to 250 non-convertible debentures, as per Statement No. 476 of the Brazilian Securities and Exchange Commission ("CVM") dated January 16, 2009, with an individual value of R$1,000 (total R$250,000 in the aggregate) and split into three (3) series, being R$83,000 for first-series debentures, R$84,000 for second-series debentures, and R$83,000 for third-series debentures, all non-convertible debentures with underwriting guarantee attached. First-series debentures mature in four (4) years, second-series debentures mature in five (5) years, and third-series debentures mature in six (6) years, all of which will run from the issue date, i.e, December 20, 2010, through to December 20, 2014, 2015, and 2016, respectively. The individual par value of each debenture will not be restated. The debentures pay interest semi-annually as of their issue date. Interest corresponds to one hundred (100%) percentage points of the average daily rate variation of DI interbank deposits, over extra group ("DI Rate"), expressed as a percentage based on a 252 business day year as calculated and published daily by CETIP S.A., plus an annual surcharge of one point eighty-five percent (1.85%) for first-series debentures, one point ninety-five percent (1.95%) for second-series debentures, and two point twenty percent (2.20%) for third-series debentures. Interest is calculated cumulatively and exponentially on a "pro rata temporis" basis on the non-amortized individual par value of each debenture, taking into account the number of business days elapsed from either the issue date or the immediately preceding compounding period due date, as a applicable, until the date of the actual payment. Interest is paid on arrears following each compounding period.*

As provided in CPC08 (IAS 39), transaction costs incurred and premiums obtained from any issue of securities are:

Description	*Information/value*
a. Identification of the process by nature	
Financial instituition	*HSBC*
Value - 1st series	*50,000*
Value - 2nd series	*50,000*
Value - 3rd series	*50,000*
Financial instituition	*BES Investimento*
Value - 1st series	*33,000*
Value - 2nd series	*34,000*
Value - 3rd series	*33,000*
Total Value (HSBC + BESI)	*250,000*
Issue date	*12/20/2010*
Maturity	*12/20/2016*
Type	*Unsecured debentures*
b. Transaction costs incurred	***(93)***
Lawyers' fees	*(80)*
Registration at CETIP	*(13)*
c. Premiums	***721***
Additional for settlement on 12/28/2010	*721*
d. Effective interest rate (IRR) p.a. %	***CDI + 2.00%***
1st series	*CDI + 1.85%*
2nd series	*CDI + 1.95%*
3rd series	*CDI + 2.20%*
e. Costs and premiums to be recognized until maturity	***(2005)***
Expenses with trustee (quarterly, adjusted to the IGP-M)	*(78)*
Expenses with agent bank (fixed monthly installments)	*(36)*
Commission Coordination (0.3%)/ Firm Commitment (0.2%) / Distribution (0.2%) (HSBC)	*(1135)*
Commission Coordination (0.3%)/ Firm Commitment (0.2%) / Distribution (0.2%) (BESI)	*(757)*

The debentures issued by the Company are subject to certain restrictive covenants that may result in accelerated maturity of the corresponding obligations, such as without limitation: (i) failure to comply with financial ratio covenants (verifiable on a semi-annual basis): A net debt/EBITDA added ratio no less than or equal to three (3) times. For the purposes of this item, the EBITDA added corresponds to EBITDA plus residual accounting cost of asset sales, which is not the same as cash disbursement but rather a mere accounting representation of the moment when an asset is demobilized. (ii) Change of issuer into a limited liability company. (iii) The Company will undergo significant changes in equity control, such as liquidation, dissolution, amalgamation, merger, sale, or corporate restructuring, without the prior approval of debenture holders convened at a general meeting specially called upon to discuss the matter. (iv) Impairment of other indicators and occurrence of certain events which, at the discretion of banks, may indicate a reduction in the Company's ability to honor the obligations undertaken. These commitments were honored on March 31, 2011.

17 Leases and commitments

17.1 Payable finance leases

Refers to lease agreements (Finame leasing and finance lease) to maintain the Company's operating activity, at annual charges averaging 15.3%. They consist of the following:

	Parent Company		Consolidated	
	3/31/2011	**12/31/2010**	**3/31/2011**	**12/31/2010**
Banco Bradesco	44,913	39,469	45,006	39,573
Banco HSBC	113,560	82,527	140,201	110,247
Banco Itaú	63,150	20,219	69,079	26,433
Banco Safra	4,608	5,619	4,936	5,619
Banco Unibanco	6,359	10,895	6,359	10,895
Banco Santander	28,199	29,833	33,654	35,568
Other banks	1,441	1,351	1,441	1,744
Total	**262,232**	**189,913**	**300,677**	**230,079**
Current	107,798	107,634	123,382	128,631
Noncurrent	154,434	82,279	177,295	101,448
Total	**262,232**	**189,913**	**300,677**	**230,079**

The non-current portion has the following maturities, and for 2012, it considers a nine-month period from April 1 to December 31:

	3/31/2011	
Year	**Parent Company**	**Consolidated**
2012	72,280	88,754
2013	57,805	64,155
2014 onwards	24,349	24,386
Total	**154,434**	**177,295**

	Parent Company			Consolidated		
	Total net payments	**Net present value (1)**	**Net book value**	**Total net payments**	**Net present value (1)**	**Net book value**
Machinery and equipment	32,999	31,266	57,703	38,799	38,531	75,203
Light vehicles	218,547	210,494	320,327	239,152	231,704	365,327
Heavy vehicles	20,740	19,973	45,789	38,056	28,973	68,289
Other	527	499	2,451	2,547	1,469	7,951
	272,813	**262,232**	**426,270**	**318,555**	**300,677**	**516,770**

	Parent Company		Consolidated	
	Total net payments	**Net present value**	**Total net payments**	**Net present value**
Up to one year	149,748	144,296	176,949	167,677
One to five years	123,064	117,936	141,606	133,000
	272,813	**262,232**	**318,555**	**300,677**

(1) *For commitments of that nature, obligations payable are recorded at present value at the inception of the transaction considering the respective contractual interest rate, with a contra entry in the corresponding class of property, plant and equipment. Related financial charges are recognized as financial expenses (when incurred).*

The transactions are collateralized by the leased assets and collateral signatures of controlling shareholders.

17.2 Operating leases

Minimum future rent amounts payable on account of non-cancellable operating leases as of March 31, 2011 are as follows:

	3/31/2011	
	Parent Company	**Consolidated**
Up to one year	2,744	2,776
One to five years	18,238	19,371
Over five years	2,929	2,929
	23,912	**25,076**

The Company entered into an operating lease agreement with Ribeira Imóveis Ltda. effective August 31, 2009, covering certain rent expenses. (Please see note 21.3).

18 Labor liabilities

	Parent Company		Consolidated	
Description	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
Social provisions and charges	24,903	21,795	42,810	35,541
Salaries	9,765	12,845	15,681	17,012
INSS	11,686	13,714	14,718	15,674
FGTS	1,180	2,029	1,742	2,488
Other	516	151	850	322
Total	**48,052**	**50,534**	**75,801**	**71,037**

19 Taxes payable

	Parent Company		Consolidated	
Description	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
REFIS IV (1)	34,089	34,108	50,177	51,967
PIS, COFINS and ISS	11,272	13,736	14,706	17,476
ICMS	4,442	3,308	5,554	4,360
IRRF	1,521	1,741	1,814	2,007
Other tax liabilities	490	484	2,034	2,300
	51,814	**53,377**	**74,286**	**78,110**
Current assets	16,497	17,986	32,177	33,930
Non current assets	35,317	35,391	42,109	44,180
Total	**51,814**	**53,377**	**74,286**	**78,110**

(1) *The Company and its subsidiaries, based on Law 11,941, of May 27, 2009, and Joint Ordinance PGFN/RFB No. 06/09 "REFIS IV", opted to make an installment payment in up to 180 months. Therefore, all existing tax debts in previous tax payment installment plans (PAES and PAEX) were transferred into this new one, including other liabilities arising from the Company's withdrawing from tax, social security, administrative and judicial lawsuits, and their recalculations, in the amount of R$42,400 (Parent Company) and R$92,211 (consolidated).*

The legal obligations that had not been previously recognized were recorded as prior-year adjustments, and the adjustments were retrospectively recognized in the adjusted financial statements of prior periods. Due to reductions in fine and interest and offsetting of tax loss carryforwards, the total balance of said debt was reduced by R$9,278 (Parent Company) and R$31,322 (Consolidated). As a consequence of the Company's adhering to the REFIS IV tax debt refinancing plan of the Federal Revenue Service, the installment balance payable as of March 31, 2011 is R$34,089 (Parent Company) and R$50,177 (consolidated). This balance payable will be charged interest corresponding to the monthly variation of the base rate SELIC. The debts were measured and accounted for in accordance with the legal conditions established by the programs and the confirmation of the total obligations will depend on the completion of the analyses of the debts informed. The maintenance of the payment terms and other benefits of the installment payment is conditioned on the timely payment of the installments.

	3/31/2011							
	Parent Company				Consolidated			
	Principal	**Fine**	**Interest**	**Total**	**Principal**	**Fine**	**Interest**	**Total**
CSLL	3,368	1,684	2,146	7,198	3,368	1,684	2,147	7,199
IRPJ	8,622	4,325	2,841	15,788	8,623	4,325	2,842	15,789
IOF	2,034	1,064	768	3,866	2,034	1,064	768	3,866
PIS	12	1	27	40	735	145	493	1,374
COFINS	1,374	144	2,834	4,352	4,571	784	5,220	10,574
IRRF	61	6	106	173	61	6	106	173
INSS	1,136	67	1,470	2,672	6,042	557	4,602	11,201
Total	**16,606**	**7,290**	**10,192**	**34,089**	**25,433**	**8,566**	**16,178**	**50,177**

The Company's current installment payments are not collateralized and will be paid as follows:

	3/31/2011	
Installments payable	**Parent Company**	**Consolidated**
One to five years	20,751	27,543
Over 5 years	14,566	14,566
	35,317	**42,109**

20 Accounts payable and advances from customers

	Parent Company		Consolidated	
Description	**3/31/2011**	**12/31/2010**	**3/31/2011**	**12/31/2010**
Accounts payable - CMT Consortium (1)	15,978	16,097	15,978	16,097
Dividends Payable	22,089	22,089	22,196	22,196
Advances from customers (2)	39,423	23,556	50,458	33,530
Acquisitions of companies - Transportadora Grande ABC and Yolanda Logistica Ltda.	12,549	12,742	17,222	12,742
Freight payable	10,163	10,596	10,163	10,596
Accounts payable - Consórcio 123	5,005	4,390	5,005	4,390
Accounts payable	2,165	1,856	6,039	9,694
Transportation allowance to be transferred - Mogipasses	-	-	7,112	5,817
	107,390	**91,326**	**134,192**	**115,063**
Current assets	95,092	78,618	114,489	95,329
Non-current assets	12,298	12,708	19,703	19,734
Total	**107,390**	**91,326**	**134,192**	**115,063**

(1) *Balance corresponding to amounts maintained by urban passenger transportation entity Consórcio Metropolitano de Transportes for its operating activities. The Company's ownership interest in that entity is 5.3267%; and*

(2) *Amounts received in advance for vehicle sales and fleet renewal, commissions and ticket sales for collective passenger transportation*.

21 Transactions with related parties

21.1. Assets

						Parent Company
Description	**3/31/2011**	**12/31/2010**	**Relationship**	**Type**	**Duration**	**R$ - Cap**
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	5,704	4,815	Subsidiary	Loan	12/31/2013	10,000
Original Cate Central Assist.Tec. Equip. Ltda	5	5	Associated	Loan	12/31/2011	20
Consórcio Unileste	26	11	Associated	Loan	12/31/2011	40
Total	**5,755**	**4,831**				

						Consolidated
Description	**3/31/2011**	**12/31/2010**	**Relationship**	**Type**	**Duration**	**R$ - Cap**
Consórcio Unileste	36	11	Associated	Loan	12/31/2011	40
Original Cate Central Assist.Tec. Equip. Ltda	5	5	Associated	Loan	12/31/2011	20
Total	**41**	**16**				

Amounts corresponding to loan agreements extended to related parties are subject to contractual charges based on interbank deposit rates.

21.2. Liabilities

						Parent Company
Description	**3/31/2011**	**12/31/2010**	**Relationship**	**Type**	**Duration**	**R$ - Cap**
Mogipasses Com. Bilhetes Eletrônicos Ltda.	3,646	3,555	Subsidiary	Loan	12/31/2011	4,000
JP Tecnolimp S/A	3,780	3,685	Subsidiary	Loan	12/31/2011	5,000
Consórcio 123	747	747	Associated	Loan	12/31/2011	2,000
Consórcio Unileste	-	8	Associated	Loan	12/31/2011	40
Outstanding total	**8,172**	**7,995**				

						Consolidated
Description	**3/31/2011**	**12/31/2010**	**Relationship**	**Type**	**Duration**	**R$ - Cap**
Consórcio 123	747	748	Associated	Loan	12/31/2011	2,000
Consórcio Unileste	22	8	Associated	Loan	12/31/2011	40
Other	8	-	Subsidiary	Loan	12/31/2011	-
Total	**777**	**756**				

Outstanding amounts arising from loans extended by related parties are subject to contractual charges based on interbank deposit rates.

21.3. Interest income and expenses

Subsidiaries	**JSL**	**CS Brasil**	**Yolanda**
Revenues	143	79	-
Expenses	79	1	142

Transactions with related parties have similar bases as those conducted with unrelated third parties, considering volumes, terms and risks involved.

In addition, the Company made advance payments of real estate lease to related party Ribeira Imóveis Ltda. in the amount of R$10,273, referring to years 2010 and 2011, out of which R$2,160 was recognized as expense in the first quarter of 2011 (R$2,201 in the same period of 2010) and the balance is to be recognized in the proper periods.

The advance was made through a discount calculated based on the variation of the base rate SELIC.

22 Provisions for court and administrative judgments and court deposits

The Company is involved in certain civil, tax, and labor lawsuits that have arisen over the regular course of its business, some of which are still pending decision and have associated risks. Based on the opinion of its legal counsels, the Company set up provisions to cover for potential losses in the following amounts:

	Parent Company					
	3/31/2011			12/31/2010		
Description	Provision	Deposits in court	Net	Provision	Deposits in court	Net
Labor (a)	24,165	(19,552)	4,613	21,038	(13,139)	7,899
Civil (b)	6,816	(2,486)	4,330	7,301	(1,593)	5,708
Tax (c)	1	(988)	(987)	10	(988)	(978)
Total	**30,982**	**(23,026)**	**7,956**	**28,349**	**(15,720)**	**12,629**

	Consolidated					
	3/31/2011			12/31/2010		
Description	Provision	Deposits in court	Net	Provision	Deposits in court	Net
Labor (a)	27,745	(22,689)	5,056	25,609	(14,056)	11,553
Civil (b)	6,832	(5,090)	1,742	7,658	(3,793)	3,865
Tax (c)	440	(989)	(549)	10	(989)	(979)
Total	**35,017**	**(28,768)**	**6,249**	**33,277**	**(18,838)**	**14,439**

(a) *Labor contingencies refer to overtime, commute time, hazardous duty and health hazard premiums and occupational accidents;*

(b) *Provision for risks arising from civil lawsuits related to traffic accidents requesting compensation for pain and suffering, aesthetic and material damage; and*

(c) *The Company and its subsidiaries are parties to 93 tax-related lawsuits (judicial and administrative), representing contingent liabilities in the estimated amount of R$109,995 (R$32,717 of which is regarded as possible loss and R$77,278 as a remote loss).*

Among the main tax proceedings we emphasize:

Tax assessment notices nº 3,117,378-0

a. Court	*State Finance Department of São Paulo*
b. Instance	*2nd Administrative Stage*
c. Date filed	*August 2009*
d. Parties to lawsuit	*Plaintiff: State Finance Department of São Paulo* *Defendant: Julio Simões Logística S/A*
e. Amounts, goods or rights in dispute	*On 03/31/2011, R$6.5 million*
f. Background and status of case	*Tax deficiency notice which holds us jointly liable with our parent company - merging company of Lubiani Transportes Ltda. - for ICMS debts plus a fine, originally due by another company, as the goods the aforementioned company sold to Multiformas de Brasília would have been delivered at a place other than that mentioned in the tax documents.* *The first-instance administrative decision was unfavorable to our parent company and the lawsuit was filed for ordinary appeal at the tax court.*
g. Chance of loss	*Likely*
h. Impact in case of loss in the proceeding	*Cash disbursement*
i. Provisioned amount, if any	*Not applicable*

Tax assessment notices nº 3,119,303-1

a. Court	*State Finance Department of São Paulo*
b. Instance	*2nd Administrative Stage*
c. Date filed	*August 2009*
d. Parties to lawsuit	*Plaintiff: State Finance Department of São Paulo* *Defendant: Julio Simões Logística S/A*
e. Amounts, goods or rights in dispute	*On 03/31/2011, R$6.8 million*
f. Background and status of case	*A tax assessment notice levying a fine to our parent company, which merged the company Lubiani Transportes Ltda. - for having allegedly transported goods to a place other than that indicated in the tax documents;* *The decision of the lower administrative court did not favor our Parent Company and an ordinary appeal was filed with the taxes and fees court.*
g. Chance of loss	*Likely*
h. Impact in case of loss in the proceeding	*Cash disbursement*
i. Provisioned amount, if any	*Not applicable*

In addition, for other lawsuits in progress, which, in the opinion of Management and its legal advisors are possible loss, no allowance has been recorded to possibly face their unfavorable outcomes. On March 31, 2011, these lawsuits amounted to R$46,996 (civil) and R$48,611 (labor).

The income tax returns of the parent company and subsidiaries are open to review and final approval by tax authorities for five years. Other tax and social security charges, referring to variable periods, are also open to review and final approval by tax authorities.

22.1. Changes in provisions for court and administrative claims

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Opening balance	**28,349**	**19,666**	**33,277**	**21,579**
Additions	2,930	811	2,720	2,327
Write-offs	(297)	(437)	(980)	(853)
Closing balance	**30,982**	**20,040**	**35,017**	**23,053**

22.2. Changes in deposits in court

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Opening balance	**(15,720)**	**(10,837)**	**(18,838)**	**(10,837)**
Additions (1)	(9,060)	(522)	(12,118)	(522)
Write-offs	1,754	1,754	2,188	1,754
Closing balance	**(23,026)**	**(9,605)**	**(28,768)**	**(9,605)**

(1) Refer basically to the volume of Company's frozen bank accounts. The Company is filing a motions to stay execution to unfreeze all or part of the frozen amounts.

23 Shareholders' equity

23.1. Capital stock

The Company's capital, fully subscribed and paid up on March 31, 2011 is R$600,936, divided into 198,889,656 non-par registered common shares.

23.2. Changes in capital

In April 2010, following the provisions of the CVM Rule No. 400 of December 29, 2003, as amended ("CVM Rule No. 400") and of the National Association of Investment Banks (ANBID) Code for Regulations and Best Practices in Public Offerings for the Sale and Purchase of Securities ("ANBID Code"), the Company made a primary public placement of 55,813,953 non-par book-entry registered common shares, free and unencumbered from any burdens or grievances ("Common Shares") with the exclusion of current Company shareholders' preemptive rights to buy shares, within the limits of the authorized capital in Brazil and with placement efforts overseas ("Offer").

The Offer included the primary public placement in non-organized over-the-counter market.

The total number of Common Shares in the Offering was incremented by a supplementary batch of up to 3,923,900 Common Shares to be issued by the Company, equivalent to 7.03% of the Common Shares initially offered.

	Number of shares	Capital stock
On December 31, 2009	**139,151,802**	**139,152**
Capital increase as per BODM held April 19, 2010 (1)	55,813,954	446,511
Capital increase as per BODM held May 20, 2010 (1)	3,923,900	31,392
Transaction costs, net - IPO	-	(15,834)
On December 31, 2010	**198,889,656**	**601,221**
Transaction costs, net - IPO	-	(285)
On March 31, 2011	**198,889,656**	**600,936**

(1) RCA- Board of Directors' Meeting

23.3. Transaction cost

As determined in CPC pronouncement No. 08 (IAS 39) - Transaction Cost and Securities Issuance Premiums, the Company recorded as reduction of capital the amounts paid in connection with the IPO, net of tax effects. The amounts recorded were as follows:

	Consolidated
Transaction costs, net, on March 31, 2010	-
Transaction costs	(23,992)
Tax credits - income tax and social contribution	8,157
Transaction costs, net, in 2010	**(15,834)**
Transaction costs	(432)
Tax credits - income tax and social contribution	147
Transaction costs, net, in 1Q11	**(285)**
Total transaction costs for the year, net	**(16,119)**

23.4. Treasury shares

As per the minutes of a meeting of the Board of Directors held December 16, 2010, the Company resolved to purchase 2,000,000 of its own non-par registered shares of common stock, but without any reduction of the registered capital (“Stock Repurchase”). As of March 31, 2011, the Company purchased 1,848,600 common shares for the amount of R$20,512.

23.5. Allocation of income

Under our bylaws, shareholders are entitled to an annual mandatory dividend of at least 25% of net income for the year, with deductions or increases as follows: (i) 5% allocated to the formation of legal reserve, and (ii) sum earmarked for the formation of the contingency reserve and reversal of the same reserve formed in previous years. A portion of net income may also be retained based on a capital budget or to the set up of a statutory profit reserve called an "Investment reserve".

The amount to be actually distributed is approved at the Annual Shareholders' Meeting that approves management accounts for the previous year, based on the proposal presented by the Executive Board and approved by the Board of Directors, dividends are distributed as determined by the annual shareholders' meeting, which is held in the first four months of each year. Our bylaws also allow for the distribution of intercalary and interim dividends, which may be charged to the mandatory dividends.

- The Company's shareholders convened at an annual general meeting (AGM) held on February 8, 2010, and approved a distribution of the whole profits earned in 2009, in the amount of R$59,801. This distribution included the minimum statutory dividends already accounted for in 2009 in the amount of $14,950, which were applied toward repayment of loans pending with related parties in the amount of R$55,400.

- The Company's shareholders convened at an annual general meeting held on March 10, 2010, to approve a distribution of interim dividends in the amount of R$35,000, which were charged to a portion of the profit reserve. The aggregate of the foregoing amount was applied to repay loans made with related parties, except our subsidiaries.

23.6. Comprehensive income statement

For the quarters ended March 31, 2011 and 2010, the Company's comprehensive income matched its net income in the amounts of R$15,306 and R$2,222, respectively.

Other comprehensive income (deemed cost realization) was recorded in the statement of changes in shareholders' equity in the amounts of R$3,762 for March 31, 2011 and R$5,164 for the same period in

2010. However, since this income was realized against retained earnings, it did not result in any equity change and therefore no impact on the comprehensive income for the quarters ended March 31, 2011 and 2010 was identified.

24 Provision for income tax and social contribution

Deferred

Deferred tax assets and liabilities were calculated based on balances of tax losses and temporary differences for income and social contribution taxes recoverable or taxable in the future. These are calculated and classified according to projected realization and future profitability of the Company and its subsidiaries. On March 31, 2011, income and social contribution tax losses carryforwards amounted to R$60,507 in the parent company and R$81,093 in the consolidated.

The origin of deferred income and social contribution taxes is as follows:

24.1 Assets

	Parent Company		Consolidated	
	3/31/2011	**12/31/2010**	**3/31/2011**	**12/31/2010**
Tax loss carryforwards	21,562	18,786	27,033	23,713
Temporary additions:				
Provision for court and administrative claims	9,858	8,962	10,883	10,252
Allowance for doubtful accounts	212	663	776	960
Profit sharing	728	727	728	(1,046)
Deferred income from public authorities	-	1,529	-	1,529
Provision for losses in investments	7,841	8,182	7,841	8,182
Provision for stock issue transaction costs	8,304	8,159	8,304	8,159
Other provisions	-	-	-	-
Total	**48,504**	**47,008**	**55,565**	**51,749**

The expected realization of deferred income tax and social contribution assets as of March 31, 2011 is shown as follows:

	3/31/2011	
	Parent Company	**Consolidated**
2011	19,402	22,226
2012	19,402	22,226
2013	9,701	11,113
	48,504	**55,565**
	48,504	**55,565**

24.2 Liabilities

	Parent Company		Consolidated	
	3/31/2011	**12/31/2010**	**3/31/2011**	**12/31/2010**
Sale of assets	(71,468)	(69,022)	(84,322)	(84,760)
Depreciation	112,377	112,336	130,972	133,188
APV reversal / restatement	3,484	3,358	5,201	5,684
APV formation	(5,360)	(5,554)	(7,334)	(7,754)
Reversal of leasing operations	112,706	110,133	120,441	121,779
Reversal of goodwill - other	8,725	8,725	8,725	8,725
Equity valuation	-	-	2,392	2,393
Leasing - other	24,448	22,878	14,769	14,782
	184,912	**182,854**	**190,844**	**194,037**

Mostly comprising temporary differences invested at 34%.

24.3 Reconciliation of income tax and social contribution provisions

The current values are calculated based on current tax rates on taxable income increased or decreased by respective additions and deductions.

	Parent Company		Consolidated	
	3/31/2011	**3/31/2010**	**3/31/2011**	**3/31/2010**
Earnings before income tax and social contribution	**16,031**	**6,140**	**22,268**	**8,822**
Nominal rates	34%	34%	34%	34%
IRPJ and CSLL at nominal rates	(5,451)	(2,088)	(7,571)	(2,999)
Permanent additions (exclusions)				
Equity pick-up	6,284	583	-	-
Income from public authorities	-	(679)	2,304	(1,241)
Provision for contingencies		(1,209)	(103)	(1,269)
Allowance for doubtful accounts	-	(779)	-	(779)
Claims and insurance	(596)	-	(673)	-
Lease-back depreciation	(198)	(198)	(198)	(198)
Goodwill amortization (Yolanda / TGABC)	(94)	(206)	(94)	(206)
Traffic and tax fines	(345)	(31)	(399)	(50)
Free gifts and donations	(113)	(80)	(138)	(87)
30% tax deduction including tax loss carryforwards	-	-	107	17
Other additions (exclusions)	(212)	770	(189)	222
Calculated IRPJ and CSLL	**(725)**	**(3,917)**	**(6,955)**	**(6,591)**
Current	(16)	-	(13,817)	(2,249)
Deferred	(709)	(3,917)	6,862	(4,342)
IRPJ and CSLL in result	**(725)**	**(3,917)**	**(6,955)**	**(6,591)**

25 Insurance coverage

The parent company and its subsidiaries maintain insurance policies, with coverage deemed to be sufficient by management to cover any risks on their assets and/or liabilities. Insurance coverage includes:

Civil liability against third parties

It covers material damages, bodily injury, pain and suffering, and personal accidents for all operations carried out by the parent company and its subsidiaries:

	Description	R$ '000
Duration	Oct/10 to Oct/11	
Annual premium	R$ 5,640	
Coverage	Property	975
	Bodily injury	1,900
	Pain and suffering	300

Cargo transport - vehicles

A significant portion of the vehicle transportation operation is insured directly by the customers. For all other cases, insurance coverage contracted varies according to the value of transported vehicles.

Cargo transport - products

Insurance coverage contracted for possible damages or losses in transportation vary according to the value of the transported loads:

	Description	R$ '000	Details
Duration	May/10 to May/11		
Annual premium	R$ 5,545		
Coverage	Civil liability	5,000	Cap per vehicle
	Cargo deviation	1,100	per shipping

Liability on third-party products

Insurance contracted against possible damages or losses in the storage, which has the following coverage:

	Description	R$ '000
Duration	Nov/10 to Oct/11	
Coverage	Fire, lightning and explosions	44,300
	Electrical damages	222
	Aggravated robbery/theft	500
	Civil Liabilities Operations	500
	Other	450

Fleet

We have contracted no insurance for our fleet, in view of high insurance costs and our low history of claims.

Risk assumptions, given their nature, are out of the scope of the auditing of financial statements, and therefore were not examined by our auditors.

26 Management compensation

Compensation with charges paid to executives and directors from January 1 to March 31, 2011 was R$3,148 (R$1,176 in the same period in 2010), both classified under "Short-term benefits to employees and executives".

The cap to 2011 compensation, approved at the Shareholders' Meeting, was R$17,000 plus charges.

27 Financial instruments

Financial instruments currently used by the Company and its subsidiaries are restricted to cash and cash equivalents, securities, accounts receivable, funding and financing for working capital and investments, under normal market conditions, and are recognized in the interim financial statements according to the

criteria described in note 2. These instruments are managed pursuant to operating strategies, aimed at liquidity, profitability and minimization of risks.

Fair value of financial assets and liabilities

Following is a class-based comparison of the carrying and fair values of the Company's interim financial instruments presented on its interim financial statements.

	Book value		Fair value	
	3/31/2011	**12/31/2010**	**3/31/2011**	**12/31/2010**
Financial assets				
Cash and cash equivalents	378,457	476,215	378,457	476,215
Securities	11,531	12,030	11,531	12,030
Accounts receivable	512,826	490,240	512,826	490,240
Other credits	56,658	34,187	56,658	34,187
Total	**959,472**	**1,012,672**	**959,472**	**1,012,672**
Financial liabilities				
Loans and financing	977,765	959,402	977,765	959,402
Debentures	370,526	366,345	370,526	366,345
Suppliers	42,240	54,460	42,240	54,460
Accounts receivable and advances from clients	134,192	115,063	134,192	115,063
Total	**1,524,723**	**1,495,270**	**1,524,723**	**1,495,270**

The fair value used for the purpose of accounting for financial investments was determined based on quotations of similar transactions taking place in active markets, ranking 1 in the fair value ranking system.

The Company made no hedging or speculative investment in derivatives or any other risky assets.

Financial Risk Goals and Management Policies

The Company's key financial liabilities except derivatives include loans, leases, accounts payable, and other commitments. The primary purpose underlying these financial liabilities is to raise funds for our operations. The Company has loans and other credits, customer receivables and other accounts receivables, and demand and short-term deposits arising directly from its operations.

The Company is exposed to market, credit, and liquidity risks.

The Company's senior management monitors management of such exposures, being supported in this activity by a Financial and Sourcing Committee (created within its approved governance structure) which provides advice on financial risks. This committee supports and makes recommendations to the senior

management so that any Company activity involving any kind of financial exposure is performed in compliance with the appropriate risk management policies and practices.

The Company has a policy of not engaging in any derivative transaction for speculative purposes. It is the responsibility of our Board of Directors to decide on transactions involving any kind of derivative financial instruments, which are defined as any agreement that may generate a financial asset or liability for the parties to such agreement, regardless of the market wherein they are traded, listed, or the type of such agreement.

Market risks

Market risks involve the potential fluctuation in the fair value of future cash flows derived from a given financial instrument in response to variations of its market price. Market prices typically involve three exposure categories: Interest rate risks, exchange risks, and price risks, which can be broken down further as commodity price, stock, or other price-related risks. (The Company is exposed to interest rate risks only.)

Financial instruments affected by market risks include loan receivables and outstanding loans, deposits, financial instruments available for sale and measured at fair value by their yield.

Interest rate risk

Interest rate risks involve the potential fluctuation in the fair value of future cash flows derived from a given financial instrument in response to variations of market interest rates. The Company's exposures to risks associated with market interest rate fluctuations relate primarily with its long-term obligations accruing variable income.

Interest rate sensibility

The chart below discusses our sensibility to potential changes in annualized interest rates assuming all other variables remain unchanged as to the Company's pre-tax earnings. (This is affected by outstanding loans and financing, and cash and cash equivalents subject to variable interest rates). Concerning the Company's asset and liabilities, there is only one negligible impact.

Operation	Risk	Scenario I	Scenario II (Probable)	Scenario III
Position on 03.31.2011		1,961	3,687	5,412
Financial investments	CDI	0.50%	0.94%	1.38%
R$ 392,200				

Operation	Risk	Scenario I	Scenario II (Probable)	Scenario III
Debt pegged to CDI		4,059	7,632	11,204
Position on 03.31.2011	CDI	0.50%	0.94%	1.38%
R$ 811,900				

Operation	Risk	Scenario I	Scenario II (Probable)	Scenario III
Debt pegged to CDI		(2,078)	-	2,078
Position on 03.31.2011	TJLP	-0.25%	0.00%	0.25%
R$ 831,300				

The base-point change projected for the interest rate sensitivity analysis looks at the rates currently charged in a market environment, and thus indicate a volatility significantly higher than that identified in preceding years.

Credit risks

Credit risks involve the potential default of a counterpart to an agreement or financial instrument, and the ensuing financial loss. The Company is exposed to credit risks on account of its operations (specially in regard to its accounts receivable) and financing activities, including deposits held in banks and financial institutions, and other financial instruments.

Accounts receivable

The Company reviews its customer-related credit risks on a monthly basis subject to the relevant established procedures, controls, and policies addressing risks of this nature. Outstanding receivables are monitored very closely by the Company's executive board and senior management. Every month the Company will review the need to set up allowances for doubtful accounts on an individual basis for its key customers. In addition to the foregoing, we pool several similar low-amount accounts receivable for the purpose of estimating the recoverable loss collectively. This calculation relies on effective historical data.

Financial instruments and cash deposits

Credit risks associated with funds held in banks and financial institutions are managed by the Company's treasury in accordance with the relevant policy in effect. Surpluses are deposited only in approved institutions and in compliance with the limits set for each one, in order to minimize risk concentration and therefore mitigate potential financial losses in the event of any such institution going bankrupt.

Liquidity risks

The Company monitors risks associated with fund shortages on an ongoing basis through a recurring liquidity planning tool.

The Company's purpose is to achieve a balance between fund continuity and flexibility through use of secured accounts, bank loans, debentures, as well as finance and operating lease transactions. The Company will assume medium-term indebtedness in an attempt to secure short-term liquidity by reviewing factors such as installment schedule, charges, and cash flow variables.

Capital management

The main purpose behind the Company's capital management policy is to ensure solid credit ratings and unencumbered capital ratios in support of its business and to maximize the valued delivered to our shareholders.

The Company manages its capital structure and will make adjustments in view of changes in economic circumstances. In order to maintain or adjust its capital structure, the Group may adjust the level of dividends paid to shareholders, return capital to shareholders, or make additional stock issues.

The Company manages capital through leverage ratios and payment of minimum dividends to its shareholders. The Company's policy is to keep the leverage ratio at less than or equal to three times the EBITDA-A for the 12-month period. The Company includes in its net debt loans, financing, and yield-generating leases, less cash and cash equivalents, securities and bonds, except discontinued operations. EBITDA-A comprises the net income for the period plus income taxation, net interest income, depreciation and amortization, plus the cost of sales of assets used to provide our services. As of March 31, 2011, the ratio was 2.0.

28 Net operating revenues

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Sales revenue and services rendered	362,476	338,976	495,061	406,552
Revenue from sale of assets utilized in services rendered	31,882	23,409	60,274	24,289
(-) Revenue deductions				
Sales taxes	(33,537)	(32,326)	(46,317)	(38,984)
ICMS	(17,695)	(14,491)	(20,092)	(17,007)
Cofins	(10,394)	(10,271)	(16,301)	(12,839)
PIS	(2,261)	(2,229)	(3,549)	(2,786)
ISS	(3,187)	(5,335)	(6,375)	(6,352)
Returns	(8,749)	(8,325)	(9,401)	(8,410)
Discounts granted	(609)	(1,965)	(1,014)	(2,535)
Total net revenue	**351,463**	**319,769**	**498,604**	**380,912**

No customer has contributed with more than 10% of our gross operating revenues in the quarters ended March 31, 2011 and 2010.

All amounts included in the net revenues are considered for the purpose of determining the taxable bases of the income tax and social contribution.

Taxes levied on sales consist primarily of the ICMS (rates ranging from 7% to 19%), local service taxes (rates ranging from 2% to 5%), and the PIS (rates are either 0.65% or 1.65%) and Cofins (rates are either 3% or 7.6%) contributions.

29 Costs of sales and services sold

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Personnel	(78,696)	(84,915)	(119,883)	(104,178)
Related and third parties	(74,522)	(60,945)	(81,529)	(67,228)
Fuels and lubricants	(18,525)	(27,673)	(34,358)	(35,473)
Parts, tires and maintenance	(28,221)	(34,749)	(39,955)	(38,304)
Depreciation	(25,591)	(16,894)	(32,980)	(16,619)
Other	(35,539)	(30,661)	(45,407)	(40,557)
Total cost of sales and services rendered	**(261,094)**	**(255,837)**	**(354,112)**	**(302,360)**

30 Administrative and selling expenses

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Salaries and payroll charges	(9,527)	(5,685)	(11,361)	(8,456)
Services rendered	(4,590)	(4,768)	(5,188)	(6,093)
Communication	(1,331)	(632)	(1,336)	(791)
Lease of properties and third parties	(1,507)	(1,113)	(1,684)	(1,369)
Propaganda and marketing	(1,460)	(1,242)	(1,515)	(1,389)
Trips, meals and accommodation	(300)	(741)	(342)	(954)
Depreciation	(623)	(373)	(721)	(1,221)
Other administrative and selling expenses	(8,235)	(5,799)	(9,093)	(6,923)
Expenses with provision of losses estimated with allowance for doubtful accounts	(622)	(1)	(385)	(58)
Total administrative and selling expenses	**(28,194)**	**(20,354)**	**(31,626)**	**(27,254)**

31 Other operating income (expenses), net

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Provision for court and administrative claims	(2,633)	(374)	(1,740)	(1,474)
Expenses with provision for investment losses	-	(3,307)	-	-
Goodwill amortization	(278)	-	(278)	-
Reversal of expenses	582	3,992	582	3,992
Reversal of expenses - CSC	-	1,436	-	1,436
Lease revenue	496	496	496	496
Other operating revenues/expenses	766	(786)	762	854
Total other operating revenues (expenses)	**(1,065)**	**1,457**	**(177)**	**5,304**

32 Financial income

	Parent Company		Consolidated	
	3/31/2011	3/31/2010	3/31/2011	3/31/2010
Revenues				
Investments yield	4,857	2,847	9,939	2,818
Discounts	613	1,082	695	1,148
AVP	3,149	950	4,813	1,619
Other financial income	0	340	0	340
Interest receivable	389	278	391	370
Financial income	**9,008**	**5,498**	**15,838**	**6,295**
Expenses				
Interest and bank charges	(37,915)	(27,692)	(41,574)	(29,386)
Bank expenses	(1,760)	(451)	(1,830)	(556)
Other financial expenses	(428)	(9)	(1,473)	(34)
IOF - Tax on financial operations	(310)	(125)	(61)	(249)
Financial expenses	**(40,413)**	**(28,278)**	**(44,939)**	**(30,226)**
Financial result	**(31,405)**	**(22,780)**	**(29,101)**	**(23,931)**

33 Earnings per share

The calculation of basic and diluted earnings per share is discussed below:

	3/31/2011	3/31/2010
Numerator:		
Net income for the year	15,306	2,223
Denominator:		
Weighted average number of shares	197,274,490	139,151,802
Basic and diluted earnings per share, net - R$	**0.08**	**0.02**

The Company did not have any transactions nor entered into any agreement covering shares of common stock or stock with a potential impact on the diluted earnings per share.

On March 31, 2010, the Company was a closely-held company and did not have its shares traded on the stock exchange, therefore, it did not have outstanding shares.

35 Subsequent events

Repurchase of shares

From April 1 through May 6, 2011, the Company repurchased a total of 95,900 shares of stock out of the 2,000,000 shares of stock that were approved for this purpose in accordance with a resolution carried at a meeting of our Board of Directors held on December 16, 2010. The total transaction amount was R$1,067, and together with the amount acquired in 2011 (see note 23.4) 55,000 shares remain to be acquired.

Funding

On March 30, 2011, the Company executed a loan agreement (Bank Credit Note – CCB) with Caixa Econômica Federal in the amount of R$1500,000 plus financial charges of 115% of CID CETIP per annum to implement its strategy to lengthen its financial commitments, of which R$70,000 was released on the same date and R$80,000 will be released on April 30, 2011. The agreement's term and amortization system is of 60 months, with a grace period of 36 months and monthly payment of interests and 24 months for the monthly amortization of the principal amount and interests, with a security of R$8,000.

Payment of dividends

On April 29, 2011, in accordance with the minutes of the Extraordinary General Meeting, and recorded the abstention of shareholders legally impeded, the Management Proposal for the allocation of net income for the year ended December 31, 2010, specially regarding the approval of the payment of dividends in the amount of R$22,089.

36 Commitments

The Company's commitments backed by public securities with insurance companies on March 31, 2011 are as follows:

Beneficiary – Military Police of the State of Minas Gerais;
Nature - ensure exclusive provision of outsourced services, with maintenance, including the supply of 1,000 Police cars under the requirements of the State of Minas Gerais;
Amount insured - R$3,908;
Effectiveness – 01/05/2011 to 01/13/2013.

Beneficiary – CEMIG Geração e Transmissão S.A.;
Nature – ensure the rental and management services of 673 trucks, without drivers, to serve CEMIG's transportation needs in the state of Minas Gerais and in cities in other states in special cases and trips;
Amount insured - R$5,867;

Effectiveness – 07/26/2010 to 10/27/2015.

Beneficiary – Companhia Municipal de Limpeza Urbana - COMLURB;

Nature – insure indemnification, up to the amount insured, of direct losses caused to the Insured party, due to the non provision of the service;

Amounts insured and effectiveness:

R$3,796 - 12/15/2010 to 04/25/2013;

R$2,997 - 12/03/2010 to 04/25/2013;

R$1,459 - 12/03/2010 to 03/09/2012;

R$2,784 - 12/03/2010 to 02/28/2012;

R$2,591 - 12/03/2010 to 02/28/2012;

R$3,272 - 12/03/2010 to 11/18/2013;

R$2,380 - 12/03/2010 to 11/18/2013;