JSL S.A.

(formerly Julio Simões Logística S.A.)

Parent Company Interim Financial Statements, prepared according to the accounting principles adopted in Brazil, and Consolidated Interim Financial Statements, prepared according to International Financial Reporting Standards (IFRS), for the nine months to September 30, 2011 and the year ended on December 31, 2010, together with the Report of the Independent Auditors.

REPORT ON THE LATEST QUARTERLY REVIEWS

To the Management and Shareholders of
JSL S.A.
São Paulo – SP

Introduction

We have reviewed the parent company and consolidated interim financial statements of JSL S.A, contained in the Quarterly Report (ITR) for the quarter ended on September 30, 2011, comprising the Balance Sheet for September 30, 2011, the Income Statements for the three-month and nine-month periods ended on that date, and the Statement of Changes in Shareholders' Equity and Cash Flow Statement for the nine-month period to that date, a summary of the principal accounting practices and the notes to the financial statements.

The company's management is responsible for the preparation of the parent company interim financial statements, in accordance with CPC Technical Rule 21 – Interim Financial Information, and of the consolidated interim financial statements, in accordance with CPC 21 and international reporting standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of these statements in compliance with the rulings of the Brazilian Securities Commission (CVM) that apply to the preparation of quarterly reports (ITRs). Our responsibility is to express an opinion regarding this interim financial information, based on our review.

Scope of the review

We performed our review in accordance with the Brazilian and international rules pertaining to the reviewing of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information involves making inquiries, particularly of those who are responsible for the company's financial and accounting matters, and applying analytical and other review procedures. The scope of a review is less extensive than that of an audit conducted according to auditing standards and, consequently, does not provide the same level of assurance that we are aware of all the significant information that could be identified in an audit. We do not, therefore, express an auditing opinion.

Conclusion regarding the parent company interim information

On the basis of our review, we are not aware of any fact that could lead us to believe that the parent company interim financial statements included in the aforementioned Quarterly Report were not prepared, in all material respects, in accordance with those aspects of CPC 21 that are applicable to the preparation of quarterly reports (ITRs), and presented in compliance with Brazilian Securities Commission (CVM) rulings.

Conclusion regarding the consolidated interim information

On the basis of our review, we are not aware of any fact that could lead us to believe that the consolidated interim financial statements included in the aforementioned Quarterly Report were not prepared, in all material respects, in accordance with those aspects of CPC 21 and IAS 34 that are applicable to the preparation of quarterly reports (ITRs), and presented in compliance with Brazilian Securities Commission (CVM) rulings.

Other matters

Interim Value Added Statements

We also reviewed the parent company and consolidated interim Value Added Statements for the nine-month period ended on September 30, 2011, prepared under the management's responsibility. Such statements are required to be submitted amongst the interim financial statements, under the Brazilian Securities Commission (CVM) regulations applicable to the preparation of quarterly reports (ITRs), but are considered as supplementary information, according to the IFRS, under which they are not a requirement. These statements were subjected to the same review procedures as those described above and, on the basis of our review, we are not aware of any fact that could lead us to believe that they were not prepared, in all material respects, according to the parent company and consolidated interim financial statements, taken as a whole.

São Paulo, November 4, 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 at September 30, 2011 and December 31, 2010

(In thousands of reais)

Assets	Note	Parent Company		Consolidated	
		30/09/2011	31/12/2010	30/09/2011	31/12/2010
Current assets					
Cash and cash equivalents	4	191,509	206,384	343,528	310,356
Marketable securities	5	64,587	82,477	114,394	165,859
Accounts receivable	6	262,269	257,763	378,925	344,505
Inventories / Supplies	7	10,732	8,163	82,525	12,536
Taxes recoverable	9	28,642	30,875	82,016	49,893
Other receivables	11	16,730	26,355	46,146	25,255
Prepaid expenses	12	9,098	6,382	11,097	6,781
		583,567	618,399	1,058,631	915,185
Assets available for sale (fleet renewal)	8	69,656	31,238	80,353	31,238
Non-current assets					
Long-term assets					
Marketable Securities	5	-	12,030	-	12,030
Accounts receivable	6	97,637	106,835	139,040	145,735
Taxes recoverable	9	33,722	26,844	33,722	26,844
Judicial escrow deposits	10	28,690	15,720	35,121	18,838
Related parties	23.1	33	4,831	43	16
Other receivables	11	1,785	8,193	3,734	8,932
		161,867	174,453	211,660	212,395
Investments	13	431,782	421,796	1,640	1,634
Property, plant and equipment	14	1,679,913	1,312,678	1,878,207	1,590,686
Intangible assets	15	122,630	121,989	127,867	125,596
		2,234,325	1,856,463	2,007,714	1,717,916
Total non-current assets		2,396,192	2,030,916	2,219,374	1,930,311
Total assets		3,049,415	2,680,553	3,358,358	2,876,734

The accompanying notes are an integral part of this interim financial information.

JSL S.A.

Balance sheets as at September 30, 2011 and December 31, 2010

(In thousands of reais)

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JSL S.A.

Balance sheets as at September 30, 2011 and December 31, 2010

(In thousands of reais)

Liabilities and shareholders' equity	Note	Parent Company		Consolidated	
		30/09/2011	31/12/2010	30/09/2011	31/12/2010
Current liabilities					
Loans and financing	17	189,816	210,592	201,680	223,560
Debentures	18	9,554	20,503	9,554	20,503
Financial leasing payable	19	140,423	107,634	166,532	128,631
Suppliers	-	41,945	37,597	74,773	54,461
Labor liabilities	20	69,768	50,534	104,921	71,037
Tax liabilities	21	20,256	17,986	31,329	33,930
Accounts payable and advances from clients	22	42,898	78,618	98,802	95,329
Related parties	23.2	4,780	7,995	879	756
Income tax and social contribution payable	-	62	5,935	31,174	12,704
		519,502	537,394	719,644	640,911
Non-current liabilities					
Loans and financing	17	971,151	684,505	1,014,671	735,842
Debentures	18	360,813	345,842	360,813	345,842
Financial leasing payable	19	183,304	82,279	201,827	101,448
Tax liabilities	21	29,301	35,391	45,587	44,180
Provision for investment losses	13.1	-	5,093	-	-
Provision for investment losses	24	32,185	28,349	35,175	33,277
Deferred income tax and social contribution	26.1	108,240	135,846	127,453	142,288
Accounts payable and advances from clients	22	11,735	12,708	19,916	19,734
		1,696,729	1,330,013	1,805,442	1,422,611
Shareholders' equity					
Capital stock	25	600,936	601,221	600,936	601,221
Treasury stock	-	(21,580)	-	(21,580)	-
Equity appraisal	25	66,015	100,599	66,015	100,599
Revenue reserves	-	187,813	111,326	187,813	111,326
		833,184	813,146	833,184	813,146
Minority interest	-	-	-	88	66
Total shareholders' equity		833,184	813,146	833,272	813,212
Total liabilities and shareholders' equity		3,049,415	2,680,553	3,358,358	2,876,734

The accompanying notes are an integral part of this interim financial information.

JSL S.A.

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(In thousands of reais)

	Note	Parent Company				Consolidated			
		2011/07/01 to 09/30	2011/01/01 to 09/30	2010/07/01 to 09/30	2010/01/01 to 09/30	2011/07/01 to 09/30	2011/01/01 to 09/30	2010/07/01 to 09/30	2010/01/01 to 09/30
Net revenue from services rendered and the sale of assets used in rendering services	30	459,857	1,206,419	561,550	1,244,769	616,864	1,701,110	652,784	1,460,604
(-) Cost of services rendered	31	(315,041)	(865,382)	(310,770)	(852,397)	(425,099)	(1,180,245)	(367,042)	(1,005,805)
(-) Cost of disposal of assets used in rendering services	-	(61,635)	(140,496)	(111,761)	(160,242)	(83,245)	(250,013)	(137,297)	(189,181)
		(376,676)	**(1,005,878)**	**(422,531)**	**(1,012,639)**	**(508,344)**	**(1,430,258)**	**(504,339)**	**(1,194,986)**
(=) Gross profit		**83,181**	**200,541**	**139,019**	**232,130**	**108,520**	**270,852**	**148,445**	**265,618**
Administrative and selling expenses	32	(32,310)	(93,300)	(31,169)	(73,844)	(37,050)	(105,135)	(32,328)	(85,826)
Tax expenses	-	(787)	(1,424)	(326)	(972)	(1,094)	(2,205)	(431)	(1,567)
Other operating revenues, net	33	(1,260)	19,392	8,320	6,532	(9,633)	720	(3,390)	1,136
Equity pickup	13	9,749	30,618	(3,903)	8,714	-	-	-	-
Earnings before financial income and expenses		**58,573**	**155,827**	**111,941**	**172,560**	**60,743**	**164,232**	**112,296**	**179,361**
Earnings before financial income and expenses	34	11,217	29,763	14,129	31,538	18,652	51,823	14,505	33,412
Financial expenses	34	(52,788)	(142,664)	(33,448)	(91,605)	(56,286)	(156,807)	(38,260)	(98,650)
(=) Earnings before tax provisions		**17,002**	**42,926**	**92,622**	**112,493**	**23,109**	**59,248**	**88,541**	**114,123**
Income tax and social contribution	26.2	515	(1,023)	(34,194)	(45,118)	(5,585)	(17,323)	(30,105)	(46,724)
(=) Net earnings before minority interest		**17,517**	**41,903**	**58,428**	**67,375**	**17,524**	**41,925**	**58,436**	**67,399**
Minority interest		-				(7)	(22)	(8)	(24)
Net income for the period		**17,517**	**41,903**	**58,428**	**67,375**	**17,517**	**41,903**	**58,428**	**67,375**
(=) Basic and diluted earnings per share at the end of the period (in reais)	35		0.27		0.37				

As notas explicativas são parte integrante das informações financeiras intermediárias.

JSL S.A.

Statements of cash flows for the financial periods ended on September 30, 2011 and 2010

(In thousands of reais)

	Parent Company		Consolidated	
	2011/01/01 to 09/30	2010/01/01 to 09/30	2011/01/01 to 09/30	2010/01/01 to 09/30
From operating activities				
Net income	41,903	67,375	41,903	67,375
Reconciliation of net income to net cash from operating activities	357,846	353,976	475,790	393,559
Depreciation / Amortization	119,492	56,237	138,167	59,439
Cost of disposal of assets used in rendering services - fixed assets	137,310	160,242	215,898	189,181
Equity pickup on investments	(30,618)	(8,714)	-	-
Realization of premium on fixed asset appreciation	1,191	-	-	-
(Provision for)/reversal of deferred income tax and social contribution	850	44,395	(14,688)	38,832
(Provision for)/reversal of legal and administrative claims	3,836	8,025	1,898	10,563
Estimated losses from doubtful debts	(3,367)	5,659	(3,742)	3,463
Provision for losses on vehicle disposal	697	-	697	-
Minority interest	-	-	23	9
Provisions for interest	128,455	88,132	137,537	92,072
Changes in current and non-current assets and liabilities	(109,567)	(263,816)	(184,666)	(252,246)
Decrease / (increase) in assets				
Marketable securities	12,030	(24)	12,030	(24)
Accounts receivable	8,059	(180,574)	(23,983)	(205,802)
Inventories / Supplies	(2,569)	(860)	(69,989)	(31,568)
Taxes recoverable	(4,645)	(2,014)	(39,001)	(14,885)
Related parties	(220)	27,102	(27)	59,329
Judicial escrow deposits	(12,970)	(2,313)	(16,283)	(4,690)
Other receivables	16,033	16,084	(15,693)	15,446
Expenses relating to the following year	(2,716)	(2,953)	(4,316)	(3,744)
(Decrease) / increase in liabilities				
Suppliers	4,351	(9,110)	20,312	15,189
Labor and tax liabilities	15,414	33,078	32,690	38,493
Accounts payable	(14,606)	(32,277)	25,742	(32,037)
Related parties	(3,215)	(18,637)	123	(48)
Tax provisions	(5,873)	-	18,470	4,686
Interest paid	(118,640)	(91,318)	(124,741)	(92,591)
Net cash from operating activities	290,182	157,535	333,027	208,688
Cash flow from investing activities				
Operational investments	(8,939)	-	(6)	-
Property, plant and equipment	(60,369)	(27,112)	(78,446)	(35,366)
Intangible assets	(1,437)	3	(3,257)	245
Net cash from (invested in) investing activities	(70,745)	(27,109)	(81,709)	(35,121)
Cash flow from financing activities				
Capital increase (reduction)	(432)	455,998	(432)	455,998
Treasury stock	(21,580)	-	(21,580)	-
Dividends paid	(22,089)	(105,414)	(22,089)	(105,414)
Increase / (decrease) in loans and financing, net	(208,101)	(214,013)	(225,510)	(256,114)
Net cash from (invested in) financing activities	(252,202)	136,571	(269,611)	94,470
Net increase in cash and cash equivalents	(32,765)	266,997	(18,293)	268,037
Cash and cash equivalents				
At the beginning of the period	288,861	100,534	476,215	110,905
At the end of the period	256,096	367,531	457,922	378,942
Net increase in cash and cash equivalents	(32,765)	266,997	(18,293)	268,037
Additional information:				
Income tax and social contribution paid	-	-	(24,249)	(7,307)

The accompanying notes are an integral part of this interim financial information.

JSL S.A.

Consolidated statements of value added for the financial periods ended on September 30, 2011 and 2010

(In thousands of reais)

	Parent Company		Consolidated	
	2011/01/01 to 09/30	2010/01/01 to 09/30	2011/01/01 to 09/30	2010/01/01 to 09/30
Sales and services rendered	1,348,783	1,385,468	1,896,285	1,626,842
Estimated losses from doubtful debts	3,367	(5,659)	3,745	(3,463)
Other operating revenues	26,187	18,820	26,987	17,688
	1,378,337	**1,398,629**	**1,927,017**	**1,641,067**
Inputs acquired from third parties				
Cost of sales and services rendered	522,793	589,020	728,981	700,598
Material, energy, outsourced services and other	210,045	123,552	288,958	140,351
	732,838	**712,572**	**1,017,939**	**840,949**
Gross value added	**645,499**	**686,057**	**909,078**	**800,118**
Retentions				
Depreciation and amortization	119,491	56,237	138,170	59,439
Net value added produced by the company	**526,008**	**629,820**	**770,908**	**740,679**
Value added received in transfers				
Equity pickup	30,618	8,714	-	-
Financial income	29,763	31,538	51,823	33,412
	60,380	**40,252**	**51,823**	**33,412**
Total value added for distribution	**586,389**	**670,072**	**822,731**	**774,091**
Distribution of value added				
Personnel and payroll charges	259,261	261,009	377,499	316,505
Federal taxes	104,602	150,141	171,732	175,845
State taxes	67,802	61,674	87,587	70,716
Municipal taxes	13,201	17,124	24,773	20,135
Interest and rentals	99,620	112,749	119,259	123,539
Minority interest	-	-	(22)	(24)
Retained earnings for the period	41,903	67,375	41,903	67,375
	586,389	**670,072**	**822,731**	**774,091**

The accompanying notes are an integral part of this interim financial information.

JSL S.A.

Statement of changes in shareholders' equity for the financial periods ended on September 30, 2011 and 2010

(In thousands of reais)

		Attributable to Controlling Shareholders								
				Revenue Reserves						
	Note	Capital stock	Treasury stock	Legal reserve	Retained earnings	Accrued earnings	Equity assessment adjustment	Total shareholders' equity of controlling shareholders	Minority interest	Total shareholders' equity
Total shareholders' equity		139,152	-	6,040	81,230	-	133,589	360,011	48	360,059
Total shareholders' equity	-	-	-	-	-	67,375	-	67,375	9	67,384
Supplementary profit distribution - approved at AGM held on February 8, 2010	-	-	-	-	(44,852)	-	-	(44,852)	-	(44,852)
Interim profit distribution - relating to previous years	-	-	-	-	(35,000)	-	-	(35,000)	-	(35,000)
Deemed cost realization	-	-	-	-	-	20,772	(20,772)	-	-	-
Capital increase through share issue - IPO	*25.2*	446,511	-	-	-	-	-	446,511	-	446,511
Capital increase through supplementary share issue - IPO	*25.2*	31,392	-	-	-	-	-	31,392	-	31,392
Net transaction costs - IPO	*25.3*	(14,934)	-	-	-	-	-	(14,934)	-	(14,934)
Balances at September 30, 2010		602,121	-	6,040	1,378	88,147	112,817	810,503	57	810,560
Net income for the period	-	-	-	-	-	25,632	-	25,632	9	25,641
Net transaction costs - IPO	*25.3*	(900)	-	-	-	-	-	(900)	-	(900)
Deemed cost realization	-	-	-	-	-	12,219	(12,219)	-	-	-
Legal reserve	-	-	-	4,650	-	(4,650)	-	-	-	-
Profit sharing - mandatory minimum dividend	-	-	-	-	-	(22,089)	-	(22,089)	-	(22,089)
Retained earnings	-	-	-	-	99,259	(99,259)	-	-	-	-
Balances at December 31, 2010		601,221	-	10,690	100,637	-	100,598	813,146	66	813,212
Net income for the period	-	-	-	-	-	41,903	-	41,903	22	41,925
Share buy-back	-	-	(21,580)	-	-	-	-	(21,580)	-	(21,580)
Net transaction costs - IPO	*25.3*	(285)	-	-	-	-	-	(285)	-	(285)
Deemed cost realization	-	-	-	-	-	34,583	(34,583)	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-
Balances at September 30, 2011		600,936	(21,580)	10,690	100,637	76,486	66,015	833,184	88	833,272

The accompanying notes are an integral part of this interim financial information.

1. About the company

JSL S.A., (hereinafter referred to as "the company" or "parent company") is a publicly listed corporation whose head office is located at Avenida Angélica nº 2,346, 16th floor, suite 161, part B, São Paulo, in the state of São Paulo. The company's common shares are traded at the São Paulo Stock, Commodities and Futures Exchange (BM&FBOVESPA), under the ticker symbol JSLG3.

The primary activities of the parent company and its subsidiaries are to provide logistics services, road cargo transportation, passenger transportation, the collection and transportation of domestic, commercial and industrial waste, the leasing of new and used machinery, equipment and vehicles, and waterway cargo transportation.

Completion of these parent company and consolidated interim financial statements was approved at a meeting of the company's Board of Directors on November 4, 2011.

With the formal approval of its shareholders, at an Extraordinary General Meeting (EGM) held on December 30, 2010, the company altered its name from Julio Simões Logística S.A. to JSL S.A..

Over the years, in its pursuit of synergy within its commercial operational and administrative structures, the company has carried out a number of operations aimed at consolidating under a single banner all the different stakeholdings, in alignment with its operational activities, as well as curtailing its investments in subsidiaries whose operations were not aligned with its business strategy. By the same logic, the company has expanded its participation in similar or complementary activities, in accordance with its strategic planning, by means of equity stakes, starting up new operations and segregating similar activities.

2. Accounting policies

The parent company and consolidated interim financial statements for the three-month and nine-month periods ended on September 30, 2011 were prepared, in all material respects, according to the CPC 21 rules applicable to the preparation of interim statements and are presented in accordance with the Brazilian Security Commission's rules applying to quarterly reports (ITRs). The consolidated interim financial statements were prepared, in all material respects, according to the IAS 34 rules applicable to the preparation of interim statements and are presented in accordance with the Brazilian Security Commission's rules applying to quarterly reports (ITRs).

The preparation of the parent company and consolidated interim financial statements utilized a variety of bases for making accounting estimates, which involved both objective and subjective judgements on the part of the company's management, in order to determine the most accurate amounts to be recorded in those

statements. Significant items that were subject to such estimates include determining the useful life of fixed assets and their operational recoverability, the assessment of financial assets at fair value and their adjustment to present value, estimates of the realizable value of land and buildings, credit risk analysis to determine the estimated losses from doubtful debts, and the analyzing of other risk, in order to determine the provisions that ought to be made, including provisions for contingencies.

The eventual results may differ from the estimates recorded in the ínterim financial statements, due to the inherent uncertainties of the process. The company revises its estimates and the underlying premises at least once a year.

The company has adopted all the rules, revisions and interpretations issued by the Brazilian Accounting Rules Committee (CPC), the International Accounting Standards Board (IASB) and pertinent regulatory bodies that were in effect as at September 30, 2011.

The ínterim financial statements were prepared based on historical cost, except in the case of certain financial assets and liabilities, which were appraised at fair value.

2.1 Consolidation basis

The consolidated interim financial statements contain the interim financial information of the company and of the subsidiaries in which it has a controlling equity stake, as shown below:

		% stake	
Company	**Base**	**Sep.30, 2011**	**Dec.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. (i)	Brazil	99.99	99.99
JSL Locações Ltda. (ii)	Brazil	99.99	-

i) Company in pre-operating phase.

ii) The company was set up on July 18, 2011, with fully paid capital of R$ 200,000 (two hundred thousand reais), spread over 200,000 shares, each with a unit value of R$ 1.00 (one real), as a joint venture between JSL S.A. and Yolanda Logística, Armazém, Transportes e Serviços Gerais Ltda., for the corporate purposes of:

- *Leasing vehicles, machinery and equipment, with or without a driver provided;*
- *Providing the services of fleet management and corrective and preventive maintenance; and*
- *Taking stakes in other companies, as a partner or shareholder.*

Subsidiaries are fully consolidated as from the date of incorporation or aquisition, whichever represents the date that the parent company took control, and this continues until the date that such control no longer exists. The financial years of the subsidiaries coincide with those of the parent company and the ínterim financial statements are prepared for the same reporting periods as those of the parent company, using compatible accounting policies.

The accounting principles are consistently applied at all the consolidated companies.

During the consolidation, investments in subsidiaries are eliminated, as are the balances of receivables and payables, revenues and expenses arising from transactions between these companies.

2.2 Functional currency

The company's functional currency is the Brazilian local currency, the real, which is used in the preparation and presentation of the interim financial statements of all the consolidated companies.

2.3 Cash and cash equivalents

Cash equivalents are held in order to meet short-term cash commitments and not for the purpose of investment. Cash and cash equivalents consist of cash balances, bank deposits and short-term investments that are highly liquid and present an insignificant risk of change in market value upon redemption. In the cash flow statement, cash and cash equivalents are shown net of secured accounts. Cash and cash equivalents are classified as financial assets at fair value through profit or loss.

2.4 Trade accounts receivable

Trade accounts receivable are recorded at their estimated net realizable value and do not include interest. Calculation of the provision for estimated losses from doubtful debts is based on the individual analysis and default history of each client, taking into particular consideration all payments overdue by more than 90 days. The management considers the amount of the provision to be sufficient to cover any losses that may be incurred during the collection of trade accounts receivable.

2.5 Investments in subsidiaries

The company's investments in its subsidiaries are appraised using the equity accounting method, in accordance with CPC 18 (IAS 28), for the purpose of preparing the parent company interim financial statements.

Using the equity accounting method, investments in subsidiaries are shown on the parent company's balance sheet at cost, plus any changes that may have occurred since the acquisition of those equity stakes.

Equity stakes in subsidiaries are shown in the parent company's income statement as equity pickup, representing the net income attributable to the parent company's shareholders.

2.6 Marketable securities

These are financial investments that are linked to financing and investments in government securities that are not fully liquid but are current assets. Financial investments that are included under marketable securities are classified as financial assets at fair value through profit or loss.

2.7 Financial instruments – initial recognition and subsequent measurement

(i) Financial Assets

Initial recognition and measurement

Financial assets can be classified as financial assets at fair value through profit or loss, loans and receivables, investments held to maturity, financial assets available for sale, or derivatives classified as effective hedging instruments, as the case may be. The company determines the classification of its financial assets at the moment of their initial recognition, at which time this becomes part of the instrument's contractual provisions.

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

The company's financial assets include cash and cash equivalents, trade accounts receivable and other accounts receivable in both the short and long terms, loans and other receivables, marketable securities and credits in relation to related parties.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, which may be one of the following:

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 those designated at fair value through profit or loss upon their initial recognition. Financial assets are classified as

held for trading if they were acquired for the purpose of selling in the short term. Financial assets at fair value through profit or loss are shown on the balance sheet at fair value, while any corresponding gains or losses are shown in the income statement. The company has designated cash and cash equivalents and marketable securities as financial assets at fair value through profit or loss.

b. Loans and receivables

Loans and receivables are non-derivative financial assets, involving fixed or determinable payments, and are not quoted in an active market. After the initial measurement, these financial assets are recorded at their amortized cost, using the effective rate of interest, less any impairment losses against the recovery value. Calculation of the amortized cost takes into account any discount or premium in the acquisition, as well as any fees or costs incurred. The amortization at the effective interest rate is included under financial expenses or income in the income statement. Impairment losses are recognized as financial expenses in the income statement. The company has also included trade accounts receivable, other credits and credits in relation to related parties within this category.

c. Investments held to maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the company has declared that it both intends and has the financial capacity to hold them to maturity. Following their initial appraisal, investments that are to be held to maturity are valued at their amortized cost using the effective interest rate, less any impairment losses against the recovery value. Calculation of the amortized cost takes into account any discount or premium in the acquisition, as well as any fees or costs incurred. The amortization at the effective interest rate is included under financial income in the income statement. Impairment losses are recognized as financial expenses in the income statement. The company did not record any investments held to maturity during the nine-month period to September 30, 2011 or in the financial year ended on December 31, 2010.

d. Financial assets that are available for sale

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

Following the initial measurement, financial assets that are available for sale are measured at fair value, with unrealized gains and losses recognized directly in the available-for-sale reserve under other comprehensive income, until such time as the investment has been written off, except for impairment losses, interest calculated using the effective interest rate method, and gains or losses from exchange rate variations in relation to monetary assets that are directly recognized in the profit or loss for the period. The company did

not record any financial assets that were available for sale during the nine-month period to September 30, 2011 or in the financial year ended on December 31, 2010.

e. Write-offs

A financial asset (or, when applicable, part of a financial asset or part of a group of similar financial assets) is written off when:

- The right to receive cash flows from the asset expires;

- The company transfers its rights to receive cash flows from the asset or assumes an obligation that involves paying the cash flows received in full, without any significant delay, to a third party under a transfer agreement and (a) the company has transfered virtually all the risks and benefits relating to the asset, or (b) the company has not transferred, nor has it retained, virtually all the risks and benefits relating to the asset, but has transferred control of the asset.

When the company has transferred its right to receive cash flows in relation to an asset or has entered into a transfer agreement, but has not transferred or retained virtually all the risks and benefits relating to the asset, that asset is recognized to the extent of the company's continuing involvement with it. In such a case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on the basis of the rights and obligations retained by the company. Continuing involvement, in the form of a guarantee on the transferred asset, is measured at the asset's original book value or the highest consideration that can reasonably be demanded from the company, whichever is lower.

(ii) Impairment of financial assets

At the balance sheet dates, the company assesses 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 considered to be impaired when there is objective evidence of non-recoverability due to one or more events that took place after the initial recognition of the asset (a “loss event” incurred) and such loss event has a calculable impact on the estimated future cash flow of the financial asset or group of financial assets. Evidence of impairment may include: i) indication that the borrowers are experiencing significant financial difficulties; ii) likelihood that the borrowers will declare bankruptcy or face another kind of financial restructuring; iii) default or late payment of interest or principal; and iv) indication of a measurable decrease in the estimated future cash flow, such as alterations in maturity or economic status relating to a default.

f. Financial assets at amortized cost

With regard to the financial assets presented at amortized cost, the company assesses on an individual basis whether there is any clear evidence of impairment in the case of each significant financial asset, or

jointly in the case of 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 book value of the asset is reduced, by means of a provision, and the amount of the loss is recognized in the income statement. Should the estimated amount of the impairment increase or decrease in a subsequent financial year, due to an event that occurred after the recognition of the impairment, the previously recognized loss is increased or reduced and the provision is adjusted accordingly. In the event of future recovery of an amount that had been written off, such recovery is recognized in the income statement.

(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 hedging instruments, as the case may be. The company determines the classification of its financial liabilities at the moment of their initial recognition.

Financial liabilities are initially recognized at fair value, with the addition, in the case of loans and financing, of any directly related transaction costs.

The company's financial liabilities include trade accounts payable and other accounts payable, secured accounts (current account overdrafts), loans, financing, debentures and debts in relation to related parties.

The company did not classify any financial liabilities at fair value through profit or loss during the nine-month period to September 30, 2011 or in the financial year ended on December 31, 2010, nor did the company engage in any financial derivatives during those same periods.

Subsequent measurement

The measuring of financial liabilities depends on their classification, which may be one of the following:

a. Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading when they are acquired for the purpose of a short term sale. This category includes financial derivative instruments engaged by the company that do not meet the hedge accounting criteria laid down in CPC 38 (IAS 39). Gains and losses on financial liabilities held for trading are recognized in the income statement.

The company did not classify any financial liabilities at fair value through profit or loss during the nine-month period to September 30, 2011 or in the financial year ended on December 31, 2010.

b. Loans and financing

Following their initial recognition, loans and financing that bear interest rates are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the income statement at the moment that the liabilities are written off, as well as during amortization by the effective interest rate method.

c. Debentures

Debentures issued by the company are recorded at cost, corrected monetarily using the effective interest rate method, plus monetary variations, according to the closing rates for each period.

d. Write-offs

A financial liability is written off when the obligation is revoked, cancelled or expires. When an existing financial liability is replaced with another liability from the same lender, under substantially different terms, or when the terms of an existing liability are significantly altered, such replacement or alteration is treated as the writing off of the original liability and recognition of a new liability, and the difference between their respective book values is recognized in the income statement.

(iv) Financial instruments – presented at net value

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

2.8 Inventory

Inventory items are assessed at average acquisition cost, with a provision made, when appropriate, for a sum that is considered by the management to be sufficient to cover possible losses.

Vehicles purchased from the manufacturers for resale to third parties are valued at acquisition cost, which happens to be lower than the resale value.

2.9 Assets put up for sale as a result of fleet renewal

Pursuant to its service agreements, the company needs to constantly renew its fleet, after a certain period of use. When vehicles and items of machinery and equipment are put up for sale, they are reclassified from fixed assets (property, plant and equipment) to "assets available for sale".

Once they have been classified as assets that are up for sale, these assets are no longer depreciated and are recorded at their residual or market value, whichever is lower.

2.10 Property, plant and equipment

Items of property, plant and equipment are recorded at their acquisition or construction cost, plus interest and other charges incurred during the acquisition or construction. Depreciation is calculated using the straight-line method, at the rates mentioned in Note 14, taking into consideration the estimated useful life and recovery value of the item, and is recognized in the profit or loss for the year.

The company adopts different sale prices for its vehicles and, consequently, estimates the respective depreciation rates, which are applied on the straight-line basis to the vehicle fleet and machinery, in order to offset any gains or losses arising from differences between the sale price and the cost of the item at the moment that the asset is sold.

Residual values, the useful life of the assets and the depreciation methods are reviewed, and adjusted accordingly, by the management at the end of each financial year, or whenever it is considered appropriate. The depreciation of vehicles and other assets that comprise the cost of services rendered is recognized in the profit or loss for the year.

The book value of an asset is immediately reduced to its recovery value when the book value is greater than its expected future economic benefit.

2.11 Leasing

A contract is classified as a leasing agreement on the basis of factors relating to the use of the specific asset or assets or on the right to use of a specific asset or assets on the date that the contract comes into force.

The company as lessee

Financial leasing transactions that transfer to the company virtually all the risks and benefits relating to ownership of the leased item are initially capitalized at the fair value of the leased asset or at the present value of the minimum lease payments, whichever is lower. The initial direct costs incurred in the transaction are added to the cost, when applicable. Financial leasing payments are allocated to financial charges, with a reduction in the financial leasing liabilities, so as to obtain a constant rate of interest on the outstanding

balance of the liabilities. The financial charges are recognized in the income statement. The leased assets are depreciated over the course of their useful life, as estimated by the company.

Operational leasing payments are recognized as expenses in the income statement, on the straight line basis over the course of the leasing period.

The company as lessor

Leasing agreements whereby the company transfers virtually all the risks and benefits relating to ownership of the asset are treated as a sale, with the relevant item written off and recognition of the financial revenue over the course of the contractual leasing period.

Leasing agreements under which the group does not transfer virtually all the risks and benefits relating to ownership of the asset are considered to be operational leasing agreements and the revenues are recorded in a similar manner to rental revenues, on the straight line basis over the course of the leasing period.

2.12 Intangible assets and goodwill

The company's intangible assets consist mainly of the premiums paid in company acquisitions, based on their expected future profitability, which were amortized up to December 31, 2008 and, since January 1, 2009, have undergone an annual assessment of their recovery value (see Note 15). Only the goodwill arising from the appreciation of property, plant and equipment is amortized, taking into consideration the estimated useful life of the asset from which it originated and the respective write-offs during the period.

2.13 Impairment test

The management reviews the net book value of key assets on an annual basis, in order to assess events or changes in economic and operational circumstances that may denote impairment or loss of their recovery value. When such evidence is detected and the net book value exceeds the recovery value, an impairment provision is made, to adjust the net book value to the recovery value. No indications of impairment were identified during the nine-month period to September 30, 2011 or in the financial year ended on December 31, 2010.

2.14 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 at 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, in order to determine whether it is acting as an agent or principal and, at the end of this process, concluded that it is the principal in all of its revenue agreements.

The following specific criteria must also be met before the revenue can be recognized in the books:

a. Revenue from services rendered

Revenue from services rendered is recognized on the basis of the performing of the services provided for in the service agreements between the parties or upon completion of the same. When the result of the agreement cannot be reliably measured, the revenue is recognized only to the extent that the expenses incurred can be recovered.

b. Revenue from the sale of assets used to provide services

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

c. Interest income

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

d. Leasing revenue

Leasing revenue is recognized as operational leasing and recorded on the straight basis over the course of the leasing contract.

2.15 Taxes

a. Current income tax and social contribution

Income tax and social contribution are calculated in accordance with the criteria set out in the prevailing tax legislation. At the parent company, income tax and social contribution are calculated at the normal rate of 15%, plus a surcharge of 10% for income tax and 9% for social contribution. As permitted under the tax legislation, certain subsidiaries, with annual turnover of less than R$ 48,000 in the previous financial year, have chosen to adopt the assumed profit taxation regime. For these subsidiaries, the basic income tax rate is 8% and the social contribution rate is 12% of gross revenue (32% when revenue derives from providing services and 100% of all financial income), on top of which the usual 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 bases of the assets and liabilities and their book values.

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

• on temporary tax differences relating to investments in subsidiaries, in which the period for reversing the temporary differences can be controlled and it is likely that the temporary differences will not be reversed in the near future.

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

• on deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only 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 the temporary differences.

The book value of deferred tax assets is revised on every balance sheet date and written off when it is no longer likely that taxable profits will be available to enable them to be used, in whole or in part.

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

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

Deferred tax assets and liabilities are presented at net value if there is a legal or contractual right to offset the fiscal asset against the fiscal liability and if they relate to the same taxable entity and are subject to the same tax authority.

c. Taxes on revenues

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

• the sales taxes incurred in the purchasing of goods or services are not recoverable from the tax authorities, in which case the sales tax is recognized as part of the cost of acquiring the asset or of the expense item, as applicable;
• the accounts receivable and payable are presented together with the amount of the sales tax; and
• the net amount of the recoverable or payable sales taxes is recorded under accounts receivable or payable on the balance sheet.

2.16 Provisions

General

Provisions are recognized when the company has a current liability (judicial or non-judicial), as a result of a past event, and it is likely that economic benefits will be required to settle the liability and the amount of the liability 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 contract, the reimbursement is recognized as a separate asset, but only when such reimbursement is practically certain.

Expenses in relation to any provisions are reported in the income statement, net of reimbursements.

Provisions for judicial and administrative claims

The company is party to various judicial and administrative proceedings. Provisions are accrued for all contingencies relating to lawsuits when it is probable that a disbursement of resources will be necessary to settle the contingency/liability and a reasonable estimate of the amount can be made. Assessment of the probability of loss includes analysis of the available evidence, the hierarchy in law, the available jurisprudence, the most recent decisions by the courts and their relevance within the legal system, as well as the opinion of outside legal advisers. The provisions are revised and adjusted to take into account changes in circumstance, such as the applicable statute of limitations, the conclusions of tax inspections, or additional explanations that come to be identified, based on new factors or court decisions.

2.17 Joint ventures (Consortia)

The company maintains operations in consortia ("1 2 3", "Unileste" and "Metropolitano de Transportes"), whereby the entrepreneurs have a contractual agreement that determines joint control of the operations.

Jointly-controlled operations involve the use of company assets and other resources, as well as those of the other consortium partners, in consideration of the setting up of a legal entity. The company records the assets it controls and the liabilities and expenses it incurs, as well as its portion of the revenue relating to the services rendered.

2.18 Cost of borrowing

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 expenses in the period they are incurred. Borrowing costs consist of interest and other costs incurred by an entity in relation to its borrowing.

2.19 Earnings per share

The company calculates the earnings per share using the weighted average number of common shares outstanding during the pertinent accounting period, in accordance with technical ruling CPC 41 (IAS 33).

2.20 Other current and non-current assets and liabilities

An asset is recognized on the balance sheet when it is likely that its future economic benefits will be generated in the company's favor and its cost or value can be reliably measured. A liability is recognized on the balance sheet when the company has a legal obligation, or one arising from a past event, and it is probable that economic resources will be required to settle it. When applicable, these will include the respective charges and monetary and exchange variations incurred. Provisions are recorded on the basis of the best estimates of the risk involved.

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

2.21 Information per segment

The company is established within a single economic segment, which is the rendering of services, even though its business lines are divided into Dedicated Supply Chain Services, Fleet/Equipment Management and Outsourcing, Passenger Transportation and Freight Transportation. The company's management

regularly reviews this segment's results on a consolidated basis. The company's business is formalized, in the majority of cases, through contracts, which have their own cycle, from acquisition through utilization and subsequent sale of the corresponding assets.

2.22 Significant accounting judgements, estimates and assumptions

a. Judgements

The preparation of the company's consolidated interim financial statements requires that the management makes judgments and estimates and adopts premises that affect the amounts of the reported revenues, expenses, assets and liabilities, as well as the reporting on contingent liabilities on the cut-off date for the interim financial statements.

Nevertheless, the uncertainty surrounding such assumptions and estimates could lead to results that require adjustments to the book value of the affected asset or liability in future reporting periods.

b. Estimates and assumptions

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

b.(i). Impairment of non-financial assets

An impairment exists when the book value of an asset or cash-generating unit exceeds its recovery value, which is the greater of its fair value less selling costs or its utility value. The calculation of fair value less selling costs is based on available information regarding sales transactions for similar assets or market prices less additional costs to dispose of such asset. The calculation of the utility value is based on the discounted cash flow model. The cash flows derive from the budget for the next five years and do not include reorganization that the company has not yet committed to, nor significant future investments that will improve the asset base of the cash-generating unit being tested for impairment. The recovery value is sensitive to the discount rate used in the discounted cash flow method, as well as to expected future cash inflows and to the growth rate used for extrapolation. Details of the key assumptions used to determine the recovery value of the different cash-generating units, including a sensitivity analysis, are provided in Note 16.

b.(ii). 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 complexity of the existing contracts, differences between the actual results and the premises adopted, or future changes in such premises, could require future adjustments to the taxation income and expenses already recorded. The company makes provisions, based on suitable estimates, for the possible consequences of auditing by the tax authorities of the

respective jurisdictions where it operates. The amount of such provisions is based on several factors, such as prior experience of tax 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 in regard to a wide variety of issues, depending on the prevailing conditions in the respective company domicile.

Considerable judgment by the management is required in determining the amount of deferred tax assets that should be recognized, based on the probable time period and future taxable income levels, as well as the company's fiscal planning strategies.

b.(iii). Fair value of financial instruments

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

b.(iv). Provisions for fiscal, civil and labor contingencies

The company recognizes a provision for fiscal, civil and labor claims. Assessment of the probability of loss includes the analysis of available evidence, the hierarchy in law, the available jurisprudence, the most recent decisions by the courts and their relevance within the legal system, as well as the opinion of outside legal advisers. The provisions are revised and adjusted to take into account changes in circumstance, such as the applicable statute of limitations, the conclusions of tax inspections, or additional explanations that come to be identified, based on new factors or court decisions.

2.23 New IFRS and IFRIC interpretations

These interim financial statements were prepared in accordance with accounting principles, practices and criteria that are compatible with those adopted for the preparation of the financial statements for the most recent financial year, as well as with the new rulings, interpretations and changes that came into effect as of January 1, 2011 and the standards, modifications and interpretations published by the IASB (International Accounting Standards Board) and the IFRIC (International Financial Reporting Interpretations Committee):

- **IAS 24 Related party disclosure requirements of government-related entities and definition of a related party (Revised)** - Simplifies the disclosure requirements in relation to government-related entities and clarifies the definition of a related party. This revised rule addresses aspects that, under the previous disclosure requirements and definition of a related party, were extremely complex and difficult to apply in practice, particularly in environments where government control is pervasive. It provides partial

exemption for government-related entities, as well as a revised definition of a related party. This amendment was issued in November 2009 and came into effect for the fiscal years from January 1, 2011 onwards. This amendment has had no impact on the company's consolidated interim financial statements.

- **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 adopts a simple approach to determining whether a financial asset should be 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 determining impairment losses. This standard will come into effect for the fiscal years from January 1, 2013 onwards. The company does not expect this change to have any impact on its parent company and consolidated interim financial statements.

- **IFRIC 14 Prepayments on a minimum funding requirement** - This amendment only applies to situations where an entity is subject to minimum funding requirements and makes advance payment of its contributions in order to meet those requirements. It allows the entity to record the benefit of such prepayment as an asset. The amendment came into effect for the fiscal years from January 1, 2011 onwards. It has had no impact on the parent company and consolidated interim financial statements.

- **IFRIC 19 Settling financial liabilities using equity instruments** - IFRIC 19 was issued in November 2009 and became effective as of July 1, 2010, although earlier application was permitted. This interpretation clarifies the requirements of the 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 shares issued by the entity or other equity instruments in full or partial settlement of said financial liability. The adoption of IFRIC 19 has not had any impact on the parent company and consolidated interim financial statements.

- **Amendments to IAS 32, Classification of rights issues** - This amendment aims to clarify that issues of subscription rights enabling the acquisition of a fixed number of the company's equity instruments at a fixed price are to be classified as equity, independent of the exercise price denominated currency, whenever the issue is directed at all the holders of the same class of shares or interest proportionate to the number of securities they already own. The adoption of this amendment has had no impact on the company's financial situation or results.

3 Spending, by type

The company's income statements are presented according to function. The following table shows details of the company's spending, by type:

	Parent Company		Consolidated	
	Sep.30, 2011	Sep.30, 2010	Sep.30, 2011	Sep.30, 2010
Cost of asset sales and services rendered	(518,838)	(570,441)	(740,345)	(658,241)
Personnel expenses	(320,636)	(316,749)	(465,230)	(385,157)
Other costs	(118,510)	(117,885)	(166,328)	(153,757)
Depreciation and amortization	(119,447)	(55,788)	(138,064)	(58,060)
Other income (expenses)	(2,356)	(19,028)	(24,706)	(24,461)
	(1,079,786)	**(1,079,891)**	**(1,534,673)**	**(1,279,676)**
Cost of services rendered	(865,382)	(852,397)	(1,180,245)	(1,005,805)
Cost of the sale of assets used in rendering services	(140,496)	(160,242)	(250,013)	(189,181)
Administrative and commercial expenses	(93,300)	(73,844)	(105,135)	(85,826)
Other operating revenue (expenses), net	19,392	6,592	720	1,136
	(1,079,786)	**(1,079,891)**	**(1,534,673)**	**(1,279,676)**

4 Cash and cash equivalents

	Parent Company		Consolidated	
	Sep.30, 2011	Dec.31, 2010	Sep.30, 2011	Dec.31, 2010
Bradesco - Fundo Exclusivo				
Debentures	4,696	44,450	8,111	68,385
Repurchase agreements	-	109,856	-	169,013
Bank deposit certificates - CDBs	72,357	15,066	124,972	23,179
Others	-	3,694	-	5,683
	77,053	**173,066**	**133,083**	**266,260**
CEF - Fundo Exclusivo				
Debentures	23,338	-	45,284	-
Bank deposit certificates - CDBs	62,739	-	121,738	-
Others	5,111	-	9,917	-
	91,188	**-**	**176,939**	**-**
Other short-term investments				
Bank deposit certificates - CDBs	17,593	23,656	23,338	24,137
Cash and Banks				
Cash	432	646	1,169	1,385
Banks	5,244	9,016	8,999	18,574
	5,675	**9,662**	**10,168**	**19,959**
Total current assets	**191,509**	**206,384**	**343,528**	**310,356**

The company has short-term investments in the “Bradesco Fundo de Investimento Multimercado Crédito Privado JSL” and the “Caixa Econômica Federal Fundo de Investimento JSL Multimercado Crédito Privado”, managed respectively by the financial institutions Bradesco S.A. and the Caixa Econômica Federal, which are also responsible for the custody of the assets belonging to those fund portfolios and for the financial settlement of the related transactions.

These exclusive funds are audited annually by independent auditors and are subject to obligations restricted to payment for asset management services and related charges, such as custody and auditing fees and other expenses, and do not involve significant financial obligations nor the committing of company assets as a guarantee of such obligations.

The average yield of the investments during the nine-month period to September 30, 2011 was 0.95% (against 0.84% during the same period of 2010).

5 Marketable securities

A portion of the short term investments in the exclusive funds is presented under current assets as "Marketable securities", since they do not possess immediate liquidity.

	Parent Company		Consolidated	
	Sep.30, 2011	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Bradesco - Fundo Exclusivo				
National Treasury Bills - LTNs	32,335	-	55,849	-
Financial treasury bills - LFTs	18,926	68,377	32,689	105,196
	51,262	**68,377**	**88,538**	**105,196**
CEF - Fundo Exclusivo				
Financial treasury bills - LFTs	6,250	14,100	12,127	60,663
National treasury notes - NTN-B	7,076	-	13,729	-
	13,325	**14,100**	**25,856**	**60,663**
Total current assets	**64,587**	**82,477**	**114,394**	**165,859**

The balance of R$ 12,030 under non-current assets, as at December 31, 2010, is linked to the amortization of loans taken out from custodial financial instituitions. Following the settlement of the 2nd issue of debentures, on July 6, 2011, the company retained this short-term investment, but no longer as "Marketable securities", but as "Cash and cash equivalents".

6 Accounts receivable

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Accounts receivable (i)	214,984	201,848	355,990	326,133
Adjustment to present value (i)	(358)	(1,387)	(8,044)	(9,814)
Revenue to be invoiced (ii)	53,453	57,881	87,141	77,120
Leasing revenue - sales (iii)	114,588	132,384	114,719	132,384
(-) Estimated losses from doubtful debts (iv)	(22,761)	(26,128)	(31,841)	(35,583)
	359,906	**364,598**	**517,965**	**490,240**
Current assets	262,269	257,763	378,925	344,505
Non-current assets	97,637	106,835	139,040	145,735
Total	**359,906**	**364,598**	**517,965**	**490,240**

i) Receivables with an average maturity of more than 90 days are recorded at present value upon the initial recording of the transaction, pursuant to the variations of the Selic (Central Bank base rate), as this rate is close to the average rate used by the company to calculate the prices of the related contracts. Financial charges are recognized as financial income when they are incurred;

ii) Revenue to be invoiced refers to any bills of lading issued and recognized on the accrual basis as revenue for the period, when the services are effectively provided. Based on the measurement of the services rendered from one reporting period to another, the company recognizes the proportional rights pertaining to each month;

iii) The company recorded in its current and non-current assets the accounts receivable in relation to equipment leasing contracts that have been considered as sales, in accordance with CPC 6. The unrecognized future financial income amounted to R$ 13,107 on September 30, 2011; and

iv) The changes in estimated losses from doubtful debts, during the nine months to September 30, 2011, are shown below:

	Parent Company	Consolidated
Balance on December 31, 2010	**(26,128)**	**(35,583)**
(+) Additions	(12,821)	(14,601)
(-) Used	7,067	7,374
(-) Unused and write-offs	9,121	10,969
Balance on September 30, 2011	**(22,761)**	**(31,841)**

Classification by maturity (Aging list)

	Net accounts receivable			
	Parent Company		Consolidated	
	Sep.30, 2011	Dec.31, 2010	Sep.30, 2011	Dec.31, 2010
More than 365 days past due	1,818	8,313	4,195	8,830
181 to 365 days past due	7,917	6,030	8,521	7,765
91 to 180 days past due	5,039	4,359	5,494	5,146
31 to 90 days past due	6,390	15,318	8,967	16,059
Up to 30 days past due	16,194	27,276	23,421	32,365
Past due	**37,358**	**61,296**	**50,598**	**70,165**
Due in up to 30 days	171,902	141,160	238,594	184,565
Due in 31 to 90 days	20,775	17,655	30,406	24,699
Due in 91 to 180 days	12,353	11,340	24,767	20,707
Due in 181 to 365 days	20,274	20,785	45,101	37,404
Due in over 365 days	97,244	112,362	128,500	152,700
Falling due	**322,549**	**303,302**	**467,367**	**420,075**
Total	**359,906**	**364,598**	**517,965**	**490,240**

7 Inventory

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Materials for use/consumption	11,199	8,577	15,173	12,905
In storage	587	326	647	379
Goods for sale (i)	-	-	67,825	-
Others	22	55	22	55
(-) Provision for losses	(1,076)	(795)	(1,142)	(803)
Total	**10,732**	**8,163**	**82,525**	**12,536**

i) Vehicles purchased from the manufacturers that are in the process of being customized for resale to a customer in the state of Minas Gerais.

Changes in the provision for losses

	Parent Company	Consolidated
Balance on December 31, 2010	**(795)**	**(803)**
(+) Additions	(898)	(963)
(-) Write-offs	617	624
Balance on September 30, 2011	**(1,076)**	**(1,142)**

8 Goods available for sale (fleet renovation)

The company's fleet renovation process involves putting certain assets (vehicles and machinery) up for sale. In accordance with CPC 31 (IFRS 5), the company classifies in this item assets that were previously recorded as property, plant and equipment but have been made available for immediate sale.

The amounts are presented at the lower of residual cost, which is the acquisition cost less depreciation accrued up to the date that the goods were put up for sale, or fair value less the estimated cost of selling the asset.

These assets are available for immediate sale, in their present state, and, as a consequence, they are very likely to be sold within a maximum of twelve months.

This change in the classification criterion complies with the alterations mandated by the adoption of the new accounting rules in 2010, but does not change the nature of the asset sales transaction (as property, plant and equipment) for taxation purposes.

9 Recoverable taxes

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Value-added tax on sales and services - ICMS (i)	40,642	31,391	55,773	39,034
Adjustment to present value	(6,008)	(3,567)	(6,008)	(3,567)
Prepaid income tax and social contribution (IRPJ/CSLL)	-	-	23,709	6,352
Income tax withheld at source - IRRF	9,435	9,852	14,759	10,874
Income tax and social contribution to be offset	12,504	12,935	12,512	12,935
Social contribution withheld at source - CSRF	3,367	2,865	4,565	3,139
Social security charges – INSS	1,802	3,292	4,268	5,889
INSS recoverable	-	-	3,860	-
Tax on services (ISS) recoverable	252	636	908	1,265
PIS / COFINS	258	265	803	687
Other taxes	113	50	591	129
	62,364	**57,719**	**115,738**	**76,737**
Current assets	41,576	30,875	94,951	49,893
Non-current assets	20,787	26,844	20,787	26,844
Total	**62,364**	**57,719**	**115,738**	**76,737**

i) ICMS is mainly represented by credits in relation to the acquisition of fixed assets, offset at a monthly rate of 1/48, pursuant to the prevailing tax legislation. It is recorded at present value upon the initial recording of the credit, linked to the changes in the broad consumer price index (IPCA), since this is similar to the expected indexation of the fixed asset that will be affected. Financial charges are recognized as financial income when they are incurred.

10 Judicial deposits

The company's judicial deposits are limited to the amounts deposited and held in escrow until the related claims are decided.

The balances and changes in these deposits are shown below:

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Labor claims (i)	24,073	13,139	27,127	14,056
Civil claims (ii)	3,629	1,593	7,006	3,793
Fiscal claims (ii)	989	989	989	989
Total	**28,690**	**15,720**	**35,121**	**18,838**

i) Refer, basically, to deposits placed in escrow and the judicial freezing of company bank accounts, in relation to lawsuits that are in progress. The company is appealing against the embargoes in order to obtain the total or partial unfreezing of these amounts;and

ii) Refer to guarantees demanded in order to be able to proceed with the lawsuits.

11 Other credits

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Amounts receivable - CMT (i)	739	15,141	34,176	15,163
Advances to suppliers	1,649	1,628	4,972	2,321
Amounts receivable - Lubiane merger	2,329	-	2,329	-
Other credits	1,851	1,525	2,223	5,038
Amounts receivable - consortia	1,054	-	1,838	-
Advances to employees	1,450	1,417	1,830	1,586
Contractual guarantees	-	-	1,212	627
Claims receivable	653	909	653	909
Real estate guarantees	475	173	648	-
Improved productivity project (ii)	-	8,543	-	8,543
Amounts receivable - inter-company (iii)	8,315	5,211	-	-
Total	**18,515**	**34,548**	**49,880**	**34,187**
Current assets	16,730	26,355	46,146	25,255
Non-current assets	1,785	8,193	3,734	8,932
Total	**18,515**	**34,548**	**49,880**	**34,187**

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

ii) This amount refers to prepaid expenses in connection with a productivity improvement project, which is currently being repaid/amortized in accordance with the pertinent service contract; and

iii) Mainly comprising the leasing of vehicles, machinery and equipment to the subsidiary CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. (see Note 23.1).

12 Prepaid expenses

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Vehicle tax – IPVA	4,715	-	5,926	-
Insurance for appropriation	2,859	2,394	3,275	2,772
Other expenses for appropriation	1,524	651	1,896	672
Leasing for appropriation (i)	-	3,337	-	3,337
Total	**9,098**	**6,382**	**11,097**	**6,781**

i) The change is due to an operational leasing agreement with Ribeira Imóveis Ltda., under a contract signed on August 31, 2009, which expires in May 2011 (see Note 23.3).

ii) IPVA vehicle tax in relation to the company's fleet.

13 Investments

					Parent Company	
Investments	**Net Equity**	**Stake %**	**Equity Pickup**	**Other**	**Permanent Investments Sep.30, 2011**	**Permanent Investments Dec.31, 2010**
JP Tecnolimp S.A.	8,869	99.00	2,203	-	8,781	6,578
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	3,664	99.99	1,094	-	3,664	2,570
CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda.	410,300	99.99	31,244	-	410,300	407,365
Transportadora Grande ABC Ltda.	2,569	99.99	(6,175)	8,738	2,569	6
Goodwill from fixed asset appreciation (TG-ABC) (i)	-	-	-	-	2,452	3,643
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	2,176	99.99	2,252	-	2,176	-
JSL Locações Ltda.	200	99.99	-	-	200	-
Total permanent investments			30,618	8,738	430,142	420,162

Other Investments	**Net Equity**	**Stake %**	**Net income for the period**	**Other**	**Permanent Investments Sep.30, 2011**	**Permanent Investments Dec.31, 2010**
Work Container Ind. Transf. Plast. Ltda. (ii)	12,065	0.15	6	-	18	12
Interpass Participações S/A. (ii)	24,673	6.57	8,999	-	1,622	1,622
Total of other investments			9,005	-	1,640	1,634
Total parent company investments			39,623	8,738	431,782	421,796

					Consolidated	
Investments	**Net Equity**	**Stake %**	**Net income for the period**	**Other**	**Permanent Investments Sep.30, 2011**	**Permanent Investments Dec.31, 2010**
Work Container Ind. Transf. Plast. Ltda. (ii)	12,065	0.15	6	-	18	12
Interpass Participações S/A. (ii)	24,673	6.57	8,999	-	1,622	1,622
Total investments			9,005	-	1,640	1,634

i) Goodwill from the appreciation of fixed assets, in relation to the acquisition of Transportadora Grande ABC Ltda., amounting to R$22,944, with accumulated amortization of R$20,492, taking into account the depreciation and/or disposal of the underlying assets; and

ii) Valued at cost.

13.1. Changes in investments

Investments	Permanent and other investments Dec.31, 2010	Injections of capital and acquisitions	Realization of goodwill on asset appreciation	Equity pickup	Other	Permanent investments Sep.30, 2011	Result of equity pickup Sep.30, 2010
JP Tecnolimp S.A.	6,578	-	-	2,203	-	8,781	1,160
Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	2,570	-	-	1,094	-	3,664	329
CS Brasil Transporte de Passageiros e Serviços Ambientais Ltda.	407,365	-	-	31,244	(28,309) (i)	410,300	11,134
Transportadora Grande ABC Ltda.	6	8,738	-	(6,175)	-	2,569	(6)
Goodwill from fixed asset appreciation (TG-ABC)	3,643	-	(1,191)	-	-	2,452	-
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	-	5,019	-	2,252	(5,095) (ii)	2,176	-
JSL Locações Ltda.	-	200	-	-	-	200	-
Total	**420,162**	**13,957**	**(1,191)**	**30,618**	**(33,404)**	**430,142**	**12,617**

i) The sum of R$ 28,309 refers to a deferred tax liability in relation to the appreciation of fixed assets transferred by the parent company to the subsidiary CS Brasil, due to a capital increase carried out in December 2010; and

ii) *Balance of the provision for losses on investments recorded on December 31, 2010.*

13.2. Investments in subsidiaries

The parent company's stakes in the assets, liabilities, revenues and expenses of its subsidiaries, for the nine-month period to September 30, 2011 and the financial year ended on December 31, 2010 and included in the consolidated interim financial statements, are shown below:

	September 30, 2011							
	Parent Company						Consolidated	
	JSL Locações Ltda.	Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	Transportadora Grande ABC Ltda.	JP Tecnolimp S/A	Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	Work Container Indústria de Transformação Plástica Ltda.	Interpass Participações S.A.
Current assets	200	2,814	20,173	5,019	12,683	453,899	5,485	282,540
Non-current assets	-	4,738	19,700	4,748	211	225,510	8,911	25,493
Current liabilities	-	(1,743)	(16,480)	(815)	(9,229)	(184,936)	(1,119)	(262,911)
Non-current liabilities	-	(3,633)	(20,824)	(83)	-	(84,172)	(1,074)	-
Net equity	200	2,175	2,569	8,869	3,664	410,300	12,203	45,122
Revenue	-	10,285	59,575	5,133	1,356	477,242	2,022	17,797
Expenses	-	(8,035)	(65,750)	(2,909)	(262)	(445,998)	(971)	(6,092)
Net income for the period	-	2,250	(6,175)	2,224	1,094	31,244	1,051	11,705

	December 31, 2010						
	Parent Company						Consolidated
	Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	Transportadora Grande ABC Ltda.	JP Tecnolimp S/A	Mogipasses Comércio de Bilhetes Eletrônicos Ltda.	CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda.	Work Container Indústria de Transformação Plástica Ltda.	Interpass Participações S.A.
Current assets	2,661	14,148	3,185	5,985	276,223	2,283	198,013
Non-current assets	2,369	27,612	4,486	3,748	294,493	10,258	25,748
Current liabilities	(6,966)	(20,141)	(866)	(7,163)	(85,852)	(309)	(190,089)
Non-current liabilities	(3,157)	(21,613)	(160)	-	(77,499)	(1,079)	-
Net equity	(5,093)	6	6,645	2,570	407,365	11,153	33,672
Revenue	8,611	89,001	6,924	1,391	294,341	2,752	13,958
Expenses	(7,130)	(100,941)	(4,049)	(448)	(272,712)	(1,669)	(4,960)
Net income for the period	1,481	(11,940)	2,875	943	21,629	1,083	8,998

14 Property, plant and equipment

	Parent Company								
	Vehicles	Machinery and Equipment	Construction in progress (i)	Improvements to third-party property (ii)	Computers and Accessories	Furniture and Fixtures	Vessels (iii)	Others	Total
Cost or appraisal:									
Balance at December 31, 2010	1,244,714	171,327	5,677	56,722	6,603	4,529	2,080	164	1,491,816
Additions	525,499	106,263	32,833	199	2,200	1,714	-	549	669,257
Write-offs	(183,930)	(11,867)	-	-	140	-	-	-	(195,657)
Transfers	(630)	823	(4,998)	4,805	-	-	-	-	0
Written off in specific transactions (*)	(50,904)	(12,965)	-	-	-	-	-	(638)	(64,507)
Balance at September 30, 2011	1,534,748	253,581	33,513	61,726	8,943	6,243	2,080	75	1,900,909
Depreciation:									
Balance at December 31, 2010	(147,855)	(22,447)	-	(1,924)	(4,534)	(2,221)	(82)	(75)	(179,138)
Depreciation expenses during the reporting	(98,405)	(16,384)	-	(2,991)	(740)	(328)	(78)	-	(118,927)
Write-offs	51,894	6,453	-	-	-	-	-	-	58,347
Written off in specific transactions (*)	16,915	1,814	-	-	(8)	-	-	-	18,721
Balance at September 30, 2011	(177,451)	(30,564)	-	(4,915)	(5,282)	(2,549)	(160)	(75)	(220,996)
Net residual value:									
Balance at December 31, 2010	1,096,859	148,880	5,677	54,798	2,069	2,308	1,998	89	1,312,678
Balance at September 30, 2011	1,357,297	223,017	33,513	56,811	3,661	3,694	1,920	-	1,679,913
Average rates of depreciation (%):									
Light vehicles	8.9	-	-	-	-	-	-	-	
Heavy vehicles	8.5	8.6	-	-	-	-	-	-	
Others	-	-	-	4.0	20.0	10.0	5.0	10.0	

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

	Consolidated								
	Vehicles	Machinery and Equipment	Construction in progress (i)	Improvements to third-party property (ii)	Computers and Accessories	Furniture and Fixtures	Vessels (iii)	Others	Total
Cost or appraisal:									
Balance at December 31, 2010	1,563,034	180,103	5,875	56,526	8,368	5,780	2,079	9,448	1,831,213
Additions	555,400	100,319	34,026	238	1,704	1,795	-	6,086	699,568
Goodwill from asset appreciation - TG-ABC	2,452	-	-	-	-	-	-	-	2,452
Write-offs	(296,573)	(12,302)	-	-	140	-	-	-	(308,735)
Transfers	647	1,253	(8,614)	8,614	-	-	-	(1,900)	-
Written off in specific transactions (*)	(69,707)	(13,607)	-	-	-	-	-	(683)	(83,997)
Balance at September 30, 2011	1,755,253	255,766	31,287	65,378	10,212	7,575	2,079	12,951	2,140,501
Depreciation:									
Balance at December 31, 2010	(204,628)	(24,432)	-	(1,924)	(5,729)	(2,891)	(82)	(448)	(240,134)
Depreciation expenses during the reporting period	(116,013)	(16,997)	-	(2,999)	(882)	(405)	(78)	(63)	(137,436)
Write-offs	86,245	6,593	-	-	-	-	-	-	92,838
Written off in specific transactions (*)	20,478	1,976	-	-	(8)	-	-	(8)	22,438
Loss from reduction of recovery value	-	-	-	-	-	-	-	-	-
Balance at September 30, 2011	(213,918)	(32,860)	-	(4,923)	(6,619)	(3,296)	(160)	(519)	(262,294)
Estimated loss from reduction of recovery value (iv)									
Balance at December 31, 2010	(393)	-	-	-	-	-	-	-	(393)
Net residual value:									
Balance at December 31, 2010	1,358,013	155,671	5,875	54,602	2,639	2,889	1,997	9,000	1,590,686
Balance at September 30, 2011	1,541,335	222,906	31,287	60,455	3,593	4,279	1,919	12,432	1,878,207
Average rates of depreciation (%):									
Light vehicles	8.9	-	-	-	-	-	-	-	
Heavy vehicles	8.5	8.6	-	-	-	-	-	-	
Others	-	-	-	4.0	20.0	10.0	5.0	10.0	

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

i) Improvements relating to the construction of the intermodal terminal in Itaquaquecetuba, comprising 4 (four) storage sheds. Two of these have already been completed and the others will be built in line with the operational demand. This item includes interest on loans, to the sum of R$ 197, that was capitalized during this period of 2011 (R$ 2,230 in the same period of 2010);

ii) Balances substantially comprise construction work on the Unileste/Poá garage, reclassified as improvements to third-party property following completion of the work in late 2009, which started to be amortized in 2010, in line with the land lease term (5 years), including capitalized interest on loans, to the sum of R$ 568 in 2009 (R$ 580 in 2008), and balances relating to the first phase of the work on the Itaquaquecetuba intermodal terminal;

iii) Refers to the vessel for providing dredging services; and

iv) During the annual review of the book value of its assets in 2010, the company perceived that the book value of some of the vehicles belonging to its subsidiary Transportadora Grande ABC Ltda. exceeded the recovery value, calculated at the net selling price of those assets. A provision was then made, by the parent company, to reduce the book values to the realizable values, with a contra entry in the net income for the year, under cost of services rendered. The impairment was realized in 2011, with the sale of the corresponding assets.

During the period January 1, 2011 to September 30, 2011, the company and its subsidiaries purchased assets for the total sum of R$ 699,568. These assets were acquired, in part, through Finame and commercial leasing operations, under the terms mentioned in Notes 17 and 19. During the same period of 2011, the company and its subsidiaries disbursed a total of R$ 78,446 (R$ 35,366 in the same period of 2010) in payment for these acquired assets. With regard to the work on the Itaquaquecetuba intermodal terminal and the garage in Poá, part of the cost of loans taken out in 2008 and 2009 to provide adequate working capital was capitalized.

The residual value of vehicles and machinery, which comprises the acquisition cost less depreciation accrued up to the cut-off date, is compared to their expected realization (sale) value, which is based on used vehicle price lists published by dealers and industry associations such as FIPE and Molicar.

Moreover, where the residual value of an asset exceeded its second hand market selling price, the company reviewed the relevant customer service or leasing contracts (known as cash-generating units), in order to obtain the usage value (present value of estimated future cash flows under said contracts) in each case, as determined by CPC 1 (IAS 36), and it was not considered to be necessary to make a provision for adjustment to the recovery value.

15 Intangible assets

	Parent Company						
	Premium on acquisition of Lubiani Transportes Ltda. (i)	Premium on acquisition of Transportadora Grande ABC Ltda. (i)	Premium on acquisition of Yolanda Logística Armazém Transporte e Serviços Gerais Ltda. (i)	Software (iii)	Usage rights	Trademarks and patents	Total
Cost or appraisal:							
Balance at December 31, 2010	73,011	85,511	6,233	5,850	96	165	170,866
Additions	-	-	-	799	-	-	799
Transfers	-	-	-	638	-	-	638
Balance at September 30, 2011	73,011	85,511	6,233	7,287	96	165	172,303
Amortization:							
Balance at December 31, 2010	(42,652)	(2,451)	(208)	(3,546)	-	(20)	(48,877)
Amortization expenses during the reportin	-	-	-	(698)	-	(2)	(699)
Write-offs	-	-	-	-	(96)	-	(96)
Balance at September 30, 2011	(42,652)	(2,451)	(208)	(4,244)	(96)	(22)	(49,672)
Balance at December 31, 2010	73,011	83,060	6,025	2,304	96	145	121,989
Balance at September 30, 2011	30,359	83,060	6,025	3,043	-	143	122,630

	Consolidated								
	Premium on acquisition of Lubiani Transportes Ltda. (i)	Premium on acquisition of Transportadora Grande ABC Ltda. (i)	Premium on acquisition of Yolanda Logística Armazém Transporte e Serviços Gerais Ltda. (i)	Software (iii)	Usage rights	Trademarks and patents	São José dos Campos lease (ii)	Sorocaba City Hall lease (iv)	Total
Cost or appraisal:									
Balance at December 31, 2010	73,011	85,511	6,233	6,288	96	171	4,257	-	175,567
Additions	-	-	-	839	-	1	-	1,750	2,590
Write-offs	-	-	-	-	-	(5)	-	-	(5)
Transfers	-	-	-	638	-	-	-	-	638
Written off in specific transactions (*)	-	-	-	22	-	12	-	-	34
Balance at September 30, 2011	73,011	85,511	6,233	7,787	96	179	4,257	1,750	178,824
Amortization:									
Balance at December 31, 2010	(42,652)	(2,451)	(208)	(3,782)	-	(21)	(857)	-	(49,971)
Amortization expenses during the period	-	-	-	(749)	-	(1)	(148)	-	(898)
Write-offs	-	-	-	-	(96)	-	-	-	(96)
Written off in specific transactions (*)	-	-	-	96	-	1	(89)	-	8
Balance at September 30, 2011	(42,652)	(2,451)	(208)	(4,435)	(96)	(21)	(1,094)	-	(50,957)
Net intangible assets									
Balance at December 31, 2010	30,359	83,060	6,025	2,506	96	150	3,400	-	125,596
Balance at September 30, 2011	30,359	83,060	6,025	3,352	-	158	3,163	1,750	127,867

i) Premiums paid in the acquisition of businesses, based on their expected future profitability, which were amortized to December 31, 2008;

ii) Concessionary rights, acquired in 2008, for a period of 12 years, which are being amortized by the straight line method over the concession period, which expires in July 2020;

iii) Software has a useful life of 5 years and is amortized by the straight line method over that period; and

iv) Concessionary rights, acquired on June 16, 2011, for a period of 8 years, which are being amortized by the straight line method over the concession period, which expires in June 2019.

16 Impairment test of premiums paid on the basis of expected future profitability and of intangible assets with an undefined useful life

For impairment testing purposes, any goodwill acquired through business combinations and in connection with assets that have undefined useful lives has been allocated to the company, since it has only one business segment with a single cash-generating unit.

The company tests for impairment on an annual basis, taking into consideration, among other factors, the ratio between its market capitalization and its book value, so as to be able to identify any signs of impairment. As at September 30, 2011, the company's market capitalization was higher than its book value, suggesting a potential increase in the recovery value of the goodwill and an increase in the recovery value of the intangible assets.

The key premises adopted in estimating the recovery value, based on the utility value, take into account the country's economic track record and reasonable macroeconomic assumptions, as follows:

- Revenues: forecast for 2011 to 2020, considering an increase in the customer base, revenue from fleet renovation, market revenue growth in relation to GDP and the company's growing share of this market;

- Costs and expenses: forecast over the same period as the revenues, with customer base dynamics in line with the company's past performance and historical revenue growth;

- Capital expenditure: estimated, taking into consideration the infrastruture required to support the company's service provision; and

- Discount rate: in estimating the utility value, the estimated future cash flows were discounted to present value using an average discount rate based on a capital cost rate of 7.8%.

17 Loans and financing

				Parent Company					
				Current		Non-current		Total	
Type	Average rate (%)	Interest terms (%)	Maturity	Sep.30, 2011	Dec.31, 2010	Sep.30, 2011	Dec.31, 2010	Sep.30, 2011	Dec.31, 2010
In local currency									
Operational (Vehicles, machinery and equipment)									
Finame (i)	8.3	Fixed rate / TJLP	2021	189,463	162,206	726,060	538,831	915,523	701,037
CCB (**)	13.6	Fixed rate	2013	-	-	9,980	9,980	9,980	9,980
				189,463	162,206	736,040	548,811	925,503	711,017
Non-operational									
CCB (ii) (**)									
Acquisitions	13.9	2 + CDI rate	2015	74	209	28,194	28,194	28,268	28,403
PEC (*)				-	47,922	-	47,500	-	95,422
CCB (**)	13.7	115 of CDI rate	2016	-	-	146,916	-	146,916	-
Export credit note (iii)	14.0	2.1 + CDI rate	2014	279	255	60,000	60,000	60,279	60,255
				353	48,386	235,110	135,694	235,464	184,081
				189,816	**210,592**	**971,151**	**684,505**	**1,160,967**	**895,097**

The amortization schedule is shown below, by year of maturity:

		Sep.30, 2011 Parent Company	
	Installment maturity	**Amount**	**%**
Total current liabilities	To September/2012	189,816	16.3
	October to December/201	58,566	5.0
	2013	255,435	22.0
	2014	262,059	22.6
	2015	219,347	18.9
	2016	93,316	8.0
	2017	44,287	3.8
	2018 onwards	38,140	3.3
Total non-current liabilities		971,151	83.7
Total		**1,160,967**	**100.0**

				Consolidated					
				Current		Non-current		Total	
Type	**Average rate (%)**	**Interest terms (%)**	**Maturity**	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
In local currency									
Operational (Vehicles, machinery and equipment)									
Finame (i)	8.3	Fixed rate / TJLP	2021	201,327	175,174	769,580	590,168	970,907	765,342
CCB (**)	13.6	Fixed rate	2013	-	-	9,980	9,980	9,980	9,980
				201,327	175,174	779,560	600,148	980,887	775,322
Non-operational									
CCB (ii) (**)									
Acquisitions	13.9	2 + CDI rate	2015	74	209	28,194	28,194	28,268	28,403
PEC (*)				-	47,922	-	47,500	-	95,422
CCB (**)	13.7	115 of CDI rate	2016	-	-	146,916	-	146,916	-
Export credit note (iii)	14.0	2.1 + CDI rate	2014	279	255	60,000	60,000	60,279	60,255
				353	48,386	235,111	135,694	235,464	184,081
				201,680	**223,560**	**1,014,671**	**735,842**	**1,216,351**	**959,402**

The amortization schedule is shown below, by year of maturity:

		Sep.30, 2011 Consolidated	
	Installment maturity	**Amount**	**%**
Total current liabilities	To September/2012	201,680	16.6
	October to December/201	61,544	5.1
	2013	267,419	22.0
	2014	274,042	22.5
	2015	228,611	18.8
	2016	96,337	7.9
	2017	46,494	3.8
	2018 onwards	40,224	3.3
Total non-current liabilities		1,014,671	83.4
Total		**1,216,351**	**100.0**

(*) Special Credit Program - PEC

(**) Bank Credit Notes - CCB

Loans and financing – operational facility

i) Financing for investment in vehicles and equipment (Finame) bears average annual interest of 8.3%, including the TJLP (long term interest rate) for the period;

Loans and financing – non-operational facility

ii) The financial charges on each bank credit note comprise the following:
- *CDI (Interbank Deposit Certificate) rate plus 2 percentage points per year; and*
- *115 percentage points of the CDI (Interbank Deposit Certificate) rate.*

iii) The financial charges on export credit notes comprise an average annual interest rate of 2.1% plus the variations of the CDI (Interbank Deposit Certificate) rate.

With regard to existing loans, the company is subject to certain restrictive covenants that could trigger the early maturity of the debt, under certain circumstances, chief of which are: (i) the company defaults or fails to pay any of its financial obligations on the date they come due; (ii) a significant change in the company's equity control, due to an event such as liquidation, dissolution, spin-off, merger, takeover, sale or corporate restructuring, without the prior approval of the creditor financial institution; (iii) other indications or events that could signify a diminished capacity on the part of the company to honor its commitments. These commitments had been fully honored as at September 30, 2011.

17.1 Bank guarantees

The parent company and its subsidiary Transportadora Grande ABC Ltda. have obtained the following bank guarantees:

Parent Company

- Type: use of existing expedients and those relating to tax enforcement
- Beneficiary: Office of the Attorney General for the National Treasury
- Garantor: Banco da Industria e Comércio S.A.
- Amount: R$ 11,000
- Maturity: Indefinite
- Interest rate: 1.5% p.a. (restatement index: Selic)

Transportadora Grande ABC Ltda.

- Type: use of existing expedients and those relating to INSS lawsuit
- Beneficiary: INSS (National Institute for Social Security)
- Garantor: Banco Itaú S.A.
- Amount: R$ 969
- Maturity: September 8, 2013
- Interest rate: 1.5% p.a. (restatement index: Selic)
- Duration: Sixty months

- Type: use of existing expedients and those relating to lawsuit by the Office of the Attorney General for the National Treasury
- Beneficiary: Office of the Attorney General for the National Treasury
- Garantor: Banco Itaú S.A.
- Amount: R$ 3,175
- Maturity: September 8, 2013
- Interest rate: 1.5% p.a. (restatement index: Selic)
- Duration: Sixty months

18 Debentures

			Parent Company / Consolidated					
			Current		Non-current		Total	
Type	Encargos anuais médios (%)Average annual charges (%)	Maturity	Sep.30, 2011	Dec.31, 2010	Sep.30, 2011	Dec.31, 2010	Sep.30, 2011	Dec.31, 2010
In local currency								
Debentures (i) / (ii)	118 of CDI rate and CDI + 1.85/1.95/2.20	2016	9,554	20,503	360,813	345,842	370,367	366,345
			9,554	**20,503**	**360,813**	**345,842**	**370,367**	**366,345**

The amortization schedule is shown below, by year of maturity:

		Parent Company / Consolidated	
		Sep.30, 2011	
	Installment maturity	Amount	%
Total current liabilities	To September/2012	9,554	2.6
	October to December/2012	-	0.0
	2013	-	0.0
	2014	110,773	29.9
	2015	111,773	30.2
	2016	110,773	29.9
	2017	27,494	7.4
Total non-current liabilities		360,813	97.4
Total		**370,367**	**100.0**

i) Represents 250 non-convertible debentures, issued in accordance with CVM Instruction No. 476 of January 16, 2009, at a unit value of R$1,000, making a total of R$250,000, in 3 (three) series, comprising R$ 83,000 in the 1st series, R$ 84,000 in the 2nd series and R$ 83,000 in the 3rd series, backed by a firm guarantee. The debentures of the 1st series have a maturity of 4 (four) years, those of the 2nd series have a maturity of 5 (five) years and the debentures of the 3rd series mature in 6 (six) years, all as of the issue date (December 20, 2010), coming due on December 20, 2014, 2015 and 2016, respectively. The nominal unit value of the debentures will not be corrected, but the debentures are entitled to six-monthly interest payments, as from the issue date. The remuneration corresponds to 100% (one hundred percent) of the average daily rate for one-day interbank deposits (DI - overnight deposit rate for unrelated financial institutions), expressed as an annual percentage (252 business days), calculated and disclosed on a daily basis by CETIP S.A., plus a spread of 1.85% (one point eight, five percent) per year for the debentures in the 1st series, 1.95% (one point nine, five percent) per year for the debentures in the 2nd series and 2.20% (two point two, zero percent) per year for the debentures in the 3rd series. Calculation of the remunerative interest will be exponential and cumulative, on a "pro rata temporis" basis according to the number of business days that have elapsed, applied to the unamortized nominal unit value of each debenture, from the issue date or the last date of the immediately preceding capitalization period, whichever is applicable, up to the effective payment date. The remuneration is to be paid at the end of each capitalization period.

The transaction costs and premiums on the issuing of marketable securities, as determined by CPC 8 (IAS 39), are as follows:

Item	*Information/amount*
a. Identification of the process, by type	
Financial institution	*HSBC*
Amount of 1st series	*50,000*
Amount of 2nd series	*50,000*
Amount of 3rd series	*50,000*
Financial institution	*BES Investimento*
Amount of 1st series	*33,000*
Amount of 2nd series	*34,000*
Amount of 3rd series	*33,000*
Total amount (HSBC + BESI)	*250,000*
Issuance	*December 20, 2010*
Maturity	*December 20, 2016*
Type	*Unsecured debentures*
CETIP asset identification	*JSML13*
b. Transaction costs incurred	***(93)***
Legal fees	*(80)*
CETIP registration	*(13)*
c. Premiums earned	***721***
Additional amount from settlement on December 28, 2010	*721*
d. Effective interest rate p.a. (%)	***CDI + 2.00%***
1st series	*CDI + 1.85%*
2nd series	*CDI + 1.95%*
3rd series	*CDI + 2.20%*
e. Costs and premiums for appropriation by maturity	***(2,041)***
Fiduciary agent fees (quarterly, pegged to IGP-M inflation index)	*(78)*
Banking fees (monthly, fixed)	*(72)*
Coordination commission (0.3%)/ Firm guarantee (0.2%) / Distribution (0.2%) (HSBC)	*(1,135)*
Coordination commission (0.3%)/ Firm guarantee (0.2%) / Distribution (0.2%) (BESI)	*(757)*

The debentures issued by the company are subject to restrictive covenants that, if not met, could trigger the early maturity of the obligations, chief among which are: (i) failure to comply with the financial covenant, which is to be verified every six months: the Net Debt / EBITDA Added ratio must be less than or equal to 3 (three) times. For the purpose of this item, the EBITDA Added corresponds to the EBITDA plus the residual book cost from the sale of assets, which does not represent a cash disbursement, as it is merely an accounting representation at the moment of the asset disposal; (ii) transformation of the issuer into a limited liability company; (iii) a significant change in the company's equity control, due to an event such as liquidation, dissolution, spin-off, merger, takeover, sale or corporate restructuring, without the express prior approval of the debenture holders at a General Meeting of the Debenture holders called for that purpose; (iv) other indications or events that, at the criteria of the banks, could signify a diminished capacity on the part of the company to honor its commitments; and (v) others. These commitments had been fully honored as at September 30, 2011.

ii) *Represents 113 non-convertible debentures, the fourth such issue by the company in accordance with CVM Instruction No. 476 of January 16, 2009, at a unit value of R$1,000, making a total of R$ 113,000, in a single series. The debentures mature in 6 years from the issue date (June 24, 2011), on December 24, 2017, and their value will be corrected at a rate equivalent to 118% (one*

hundred and eighteen percent) of the average daily rate for one-day interbank deposits (DI - overnight deposit rate for unrelated financial institutions), expressed as an annual percentage (252 business days), calculated and disclosed on a daily basis by CETIP S.A.. Payment of interest will be made on a quarterly basis, from the issue date. Calculation of the remunerative interest will be exponential and cumulative, on a "pro rata temporis" basis according to the number of business days that have elapsed, applied to the unamortized nominal unit value of each debenture, from the issue date or the last date of the immediately preceding capitalization period, whichever is applicable, up to the effective payment date. The remuneration is to be paid at the end of each capitalization period.

The transaction costs and premiums on the issuing of marketable securities, as determined by CPC 8 (IAS 39), are as follows:

Item	*Information/amount*
a. Identification of the process, by type	
Financial institution	*BB-BI*
Single series amount	*113,000*
Issuance	*June 24, 2011*
Settlement	*July 6, 2011*
Maturity	*June 24, 2017*
Type	*Unsecured debentures*
CETIP asset identification	*JSLM14*
b. Transaction costs incurred	***(90)***
Legal fees	*(80)*
CETIP registration	*(10)*
Banking fees	*(0)*
c. Additional amount from settlement on July 6, 2011	***480***
d. Effective interest rate p.a. (%)	***118% of CDI rate***
e. Costs and premiums for appropriation by maturity	***(1,120)***
Fiduciary agent fees (quarterly, pegged to IGP-M inflation index)	*(98)*
Banking fees (monthly, fixed)	*(72)*
Coordination commission (0.3%)/ Firm guarantee (0.3%) / Distribution (0.2%)	*(950)*

The debentures issued by the company are subject to restrictive covenants that, if not met, could trigger the early maturity of the obligations, which are: (i) failure to comply with the financial covenant, which is to be verified every six months: the Net Debt / EBITDA Added ratio must be less than or equal to 3 (three) times. For the purpose of this item, the EBITDA Added corresponds to the EBITDA plus the residual book cost from the sale of assets, which does not represent a cash disbursement, as it is merely an accounting representation at the moment of the asset disposal; (ii) the declared bankruptcy of the issuer; (iii) transformation of the issuer into a

limited liability company; (iv) others. These commitments had been fully honored as at September 30, 2011.

19 Leases and commitments

19.1 Financial leasing payable

Refers to commercial leasing contracts (Finame leasing and financial leasing) to sustain the company's operations, with average annual charges of 15.4%. They consist of the following:

	Parent Company		Consolidated	
	Sep.30, 2011	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Itaú	141,211	20,219	146,539	26,433
HSBC	102,164	82,527	124,566	110,247
Santander	31,255	29,833	47,900	35,568
Bradesco	43,904	39,469	44,161	39,573
Safra	2,804	5,619	2,804	5,619
Unibanco	1,336	10,895	1,336	10,895
Other banks	1,053	1,351	1,053	1,744
Total	**323,727**	**189,913**	**368,359**	**230,079**
Current portion	140,423	107,634	166,532	128,631
Non-current portion	183,304	82,279	201,827	101,448
Total	**323,727**	**189,913**	**368,359**	**230,079**

The non-current portion has the following maturities, considering 2012 as the three-month period from October 1st through December 31st:

	Sep.30, 2011	
Year	**Parent Company**	**Consolidated**
2012	31,608	36,096
2013	109,489	114,698
2014	20,256	21,995
2015 onwards	21,951	29,038
Total	**183,304**	**201,827**

	Parent Company			Consolidated		
	Total net payments	**Net present value (i)**	**Net book value**	**Total net payments**	**Net present value (i)**	**Net book value**
Machinery and equipment	30,507	27,055	45,134	30,507	27,055	45,189
Light vehicles	297,558	276,302	324,560	348,062	320,625	391,556
Heavy vehicles	21,390	18,394	61,028	21,645	18,637	61,028
Others	2,294	1,976	535	2,360	2,042	535
	351,749	**323,727**	**431,257**	**402,574**	**368,359**	**498,308**

	Parent Company		Consolidated	
	Total net payments	**Net present value**	**Total net payments**	**Net present value**
Within twelve months	152,638	140,479	182,082	166,589
In one to five years	199,111	183,248	220,492	201,770
	351,749	**323,727**	**402,574**	**368,359**

i) For commitments of this nature, obligations payable are recorded at present value at the start of the transaction, in accordance with the respective contractual interest rate, with a contra entry in the corresponding fixed asset class. Related financial charges are recognized as financial expenses when they are incurred.

The transactions are collateralized by the leased assets themselves and a surety from the controlling shareholders.

19.2 Operating leases

Minimum future rentals payable under non-cancelable operating leases, as at September 30, 2011, are as follows:

	Sep.30, 2011	
	Parent Company	**Consolidated**
Within twelve months	17,708	17,944
Between one and five years	22,356	22,904
More than five years	12,765	12,765
	52,829	**53,613**

The company has an operating lease agreement with Ribeira Imóveis Ltda., through a contract signed on August 31, 2009 covering the rental payments (see Note 23).

20 Labor liabilities

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Social provisions and payroll charge	38,913	21,795	64,534	35,541
Salaries	14,037	12,845	19,049	17,012
INSS	15,120	13,714	18,757	15,674
FGTS	1,511	2,029	2,169	2,488
Others	187	151	412	322
Total	**69,768**	**50,534**	**104,921**	**71,037**

21 Tax liabilities

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
REFIS IV (i)	29,081	34,108	49,730	51,967
PIS, COFINS and ISS	13,897	13,736	17,478	17,476
Value-added tax - ICMS	4,478	3,308	5,662	4,360
Other tax liabilities	483	484	2,156	2,300
Income tax withheld at source - IRRF	1,618	1,741	1,890	2,007
	49,557	**53,377**	**76,916**	**78,110**
Current assets	20,256	17,986	31,329	33,930
Non-current assets	29,301	35,391	45,587	44,180
Total	**49,557**	**53,377**	**76,916**	**78,110**

i) Based on Law nº 11,941, of May 27, 2009 and Joint PGFN/RFB Administrative Ruling Nº 06/09 "REFIS IV", the company and its subsidiaries opted to pay their outstanding tax liabilities in installments over a period of up to 180 months. As a result, all pre-existing tax liabilities (under the PAES and PAEX) were transferred to this payment system, along with other obligations arising from the company's withdrawal from tax, social security, administrative and judicial lawsuits, and the requisite recalculations, making a total of R$ 42,400 (Parent Company) and R$ 92,211 (Consolidated).

The previously unrecognized legal obligations were registered as adjustments made for previous periods, with the same backdated in the adjusted financial statements for these prior reporting periods. As a result of the reduction in fines, interest, compensation for fiscal losses and negative base for CSLL, the total balance of the aforementioned debt was lowered by R$ 9,278 (Parent Company) and R$ 31,322 (Consolidated). As a consequence of the company adhering to "REFIS IV", as established by the Brazilian Tax Authority (Receita Federal do Brasil), the outstanding balance of the installment due on September 30, 2011, was R$ 29,081 (Parent Company) and R$ 49,730 (Consolidated). This amount payable will accrue interest based on the monthly variation in the country's benchmark SELIC (Special System for Settlement and Custody) overnight rate. The calculation and accounting of these debts was made in accordance with the legal terms laid down in the programs, and confirmation of the total liability was consolidated by the Brazilian Tax Authority in accordance with the program rules. Maintenance of the payment terms and other benefits of the installment payment is conditional upon the timely payment of the stipulated installments.

	Sep.30, 2011							
	Parent Company				Consolidated			
	Principal	Fine	Interest	Total	Principal	Fine	Interest	Total
Social contribution - CSLL	2,873	1,437	1,831	6,140	2,874	1,437	1,832	6,142
Corporate income tax - IRPJ	7,356	3,689	2,424	13,469	7,356	3,689	2,425	13,470
Tax on financial operations - IOF	1,735	908	655	3,298	1,735	908	655	3,298
Social integration program charges - PIS	10	1	23	34	938	186	622	1,746
Social security contribution - COFINS	1,172	122	2,418	3,712	5,275	944	5,480	11,699
Income tax withheld at source - IRRF	52	5	90	148	52	5	90	148
Social security charges - INSS	969	57	1,254	2,280	7,266	687	5,274	13,226
Total	**14,167**	**6,219**	**8,695**	**29,081**	**25,496**	**7,856**	**16,378**	**49,730**

In June 2011, the Brazilian Tax Authority (Receita Federal) finalized the process of consolidating the obligations included in the REFIS IV program, set up by Law nº 11,941, of May 27, 2009 and Joint PGFN/RFB Administrative Rule Nº 06/09. As a result (see Note 33) of the consolidation of these values, the total outstanding debt balance was reduced by R$ 10,147 (Parent Company) and R$ 9,760 (Consolidated), basically as a result of the reductions in fines and interest.

The installments currently being paid by the company are not asset-backed or guaranteed (collateralized) and will be paid according to the following timetable:

	Sep.30, 2011	
Installments due	**Parent Company**	**Consolidated**
Within twelve months	2,223	3,819
Between one and five years	11,114	18,998
More than five years	15,744	26,913
	29,081	**49,730**

22 Accounts payable and advances from customers

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Accounts payable - CMT Consortium (i)	1,654	16,097	36,397	16,097
Customer Advances (ii)	23,447	23,556	33,413	33,531
Accounts payable	6,652	694	13,202	6,180
Acquisitions of the companies - Transportadora Grande ABC and Yolanda Logistica Ltda	10,075	12,742	10,074	12,742
Transport allowance to be passed on - Mogipasses	-	-	8,043	5,817
Freight and haulage payable	7,875	10,596	7,875	10,596
Accounts payable - Consortium 123	3,911	4,390	3,911	4,390
Rent payable	-	-	3,508	2,352
Cheques outstanding	-	1,162	-	1,162
Sorocaba concession rights	-	-	1,167	-
Accounts payable - Lubiani	1,020	-	1,020	-
Dividends payable	-	22,089	108	22,196
	54,633	**91,326**	**118,718**	**115,063**
Current liabilities	42,898	78,618	98,802	95,329
Non-current liabilities	11,735	12,708	19,916	19,734
Total	**54,633**	**91,326**	**118,718**	**115,063**

i) The outstanding balance corresponding to the amount maintained by CMT (Consórcio Metropolitano de Transportes – Urban Passenger Transport) to conduct its operating activities, and in which the company has a stake of 5.3028%; and

ii) Refers to the prepaid amounts received from vehicle sales and fleet renewal, commissions and ticket sales for collective passenger transport.

23 Transactions with related parties

23.1. Assets

						Parent Company
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Relationship**	**Type**	**Maturity**	**R$ - Limit**
Consórcio Unileste	28	11	Affiliate	Loan	Dec.31, 2011	40
Original Cate Central Assist.Tec. Equip. Ltda	5	5	Affiliate	Loan	Dec.31, 2011	20
Yolanda Logística Armazém Transporte e Serviços Gerais Ltda.	-	4,815	Subsidiary	Loan	Dec.31, 2013	10,000
Total	**33**	**4,831**				

						Consolidated
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Relationship**	**Type**	**Maturity**	**R$ - Limit**
Consórcio Unileste	38	11	Affiliate	Loan	Dec.31, 2011	40
Original Cate Central Assist.Tec. Equip. Ltda	5	5	Affiliate	Loan	Dec.31, 2011	20
Total	**43**	**16**				

The amounts corresponding to current loan contracts with related parties are subject to contractual charges based on the variation of the CDI (interbank deposit rate).

The sum of R$ 8,568 (R$ 5,211 on December 31, 2010), recognized as other credits on September 30, 2011 (see Note 11), mainly refers to the rental of vehicles, machinery and equipment from the subsidiary CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda..

23.2. Liabilities

						Parent Company
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Relationship**	**Type**	**Maturity**	**R$ - Limit**
JP Tecnolimp S/A	3,994	3,685	Subsidiary	Loan	Dec.31, 2011	5,000
Consórcio 123	747	747	Affiliate	Loan	Dec.31, 2011	2,000
CS Brasil Ltda.	39	-	Subsidiary	Loan	Dec.31, 2011	80,000
Mogipasses Com. Bilhetes Eletrônicos Ltda.	-	3,555	Subsidiary	Loan	Dec.31, 2011	4,000
Consórcio Unileste	-	8	Affiliate	Loan	Dec.31, 2011	40
Total Current Liabilities	**4,780**	**7,995**				

						Consolidated
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Relationship**	**Type**	**Maturity**	**R$ - Limit**
Consórcio 123	747	748	Affiliate	Loan	Dec.31, 2011	2,000
Consórcio Sorocaba	100	-	Affiliate	Loan	Dec.31, 2011	4,000
Consórcio Unileste	23	8	Affiliate	Loan	Dec.31, 2011	40
CS Brasil Ltda.	9	-	Subsidiary	Loan	Dec.31, 2011	-
Total	**879**	**756**				

The unpaid amounts related to loan contracts with related parties are subject to contractual charges based on the variation of the CDI (interbank deposit rate).

23.3. Financial income (expenses)

Subsidiaries	**JSL**	**CS Brasil**	**Yolanda**	**JP Tecnolimp**
Income	483	79	-	38
Expenses	117	1	482	-

Transactions with related parties are on a similar basis to those with third parties, considering the relative volumes, terms and risks involved.

Additionally, the company made advance payment of property rental to related party Ribeira Imóveis Ltda., amounting to R$ 10,273, for the financial years 2010 and 2011, of which R$ 2,160 was recognized as an expense for the first nine months of 2011 (R$ 6,604 for the same period of 2010). This contract expired in May 2011. The advance was paid at a discount, calculated in accordance with the variation in the SELIC (Central Bank base rate).

23.4. Center for shared services

Seeking a better distribution of common spending amongst the companies using its corporate services, JSL S.A. conducted a study into the spending of the companies that share the same business structure and back office. Based on this study, the spending was allocated amongst the companies, with the sum of R$ 15,229 recognized in the results in relation to the recovery of expenses (see Note 33) as at September 30, 2011 (R$ 2,871 on September 30, 2010).

23.5. Assets, liabilities, revenues and expenses of joint subsidiaries

The company and its subsidiary CS Brasil Transportes de Passageiros e Serviços Ambientais Ltda. take part in joint ventures (consortia) in the public passenger transport segment, which are presented with similar items, line by line, and proportionately, in terms of each asset, liability, revenue and expense in their financial statements, according to CPC 19. The joint ventures (consortia) and their respective business stakes are shown below:

Consórcio	JSL	CS Brasil	Consolidated
Unileste	-	83.70%	83.70%
123	50.00%	-	50.00%
Sorocaba	-	50.00%	50.00%
CMT	0.15%	5.16%	5.28%

24 Provisions for judicial and administrative contingencies

The company is involved in certain legal matters that arise during the normal course of its business, including civil, tax and labor lawsuits, and there are certain cases pending that bear associated risks. Supported by the opinion of the company's legal advisors, provisions have been made to cover probable losses, as follows:

	Parent Company		Consolidated	
Item	**Sep.30, 2011**	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Labor (i)	20,280	21,038	22,928	25,609
Civil (ii)	9,048	7,301	9,070	7,658
Fiscal (ii)	2,858	10	3,177	10
Total	**32,185**	**28,349**	**35,175**	**33,277**

i) Labor contingencies, relating to overtime, business travel, hazardous duty and health hazard premiums and occupational or work-related accident claims;

ii) Provisions for risks regarding civil lawsuits related to indemnity claims for traffic accidents, demanding compensation for pain and suffering, moral, aesthetic and material damages; and

iii) The company and its subsidiaries are party to 112 tax-related lawsuits (judicial and administrative) representing contingent liabilities totaling an estimated R$ 54,322 (of which R$ 26,139 is considered to represent a possible loss and R$ 28,182 presents a remote possibility of loss). *favor altera o item na tradução da figura para '(iii)' - atualmente consta como '(ii)', conforme o original português*

Among the main tax-related cases with a possible chance of loss are:

a) Case nº 3.117.378-0, whereby Lubiani Transportes Ltda., which was taken over by the parent company in May 2008, is held jointly liable for ICMS debts, plus a fine, totaling R$ 6,138, in relation to transport services performed for a customer. The tax authority considers that the goods were delivered to an address other than that indicated on the tax documents. The lower court ruling was unfavorable to the parent company and the case was appealed in the tax court, which has yet to hand down a verdict.

b) *Case nº 3.119.303-1, imposing a fine on the parent company – owner of Lubiani Transportes Ltda. – for allegedly transporting goods to a location other than the one indicated on the tax documents;*
The lower court ruling was unfavorable to the parent company and the case was appealed in the tax court.

In the case of the other civil and labor lawsuits pending, which in the opinion of the management and the company's legal advisors represent possible losses, no provision has been made. The total amount involved in these cases, as at September 30, 2011, was: civil claims - R$ 28,158 and labor claims - R$ 29,274.

The income tax returns of the parent company and its subsidiaries are subject to review and final approval by the tax authorities within a period of five years. Other tax and social security charges relating to different time periods are also subject to final review and approval by the tax authorities.

24.1. Changes in the provisions for judicial and administrative contingencies

	Parent Company	Consolidated
Balance as at December 31, 2010	**28,349**	**33,277**
Additions	8,532	10,216
Reductions	(4,696)	(8,318)
Balance as at September 30, 2011	**32,185**	**35,175**

25 Shareholders' equity

25.1 Capital stock

The company's fully subscribed and paid up share capital as at September 30, 2011 stood at R$ 600,936, divided among 198,889,656 common shares with no par value.

25.2 Changes in capital

In April 2010, based on the terms and conditions defined in CVM Instruction n° 400, of December 29, 2003, as amended ("CVM Instruction 400"), and in the ANBID (National Association of Investment Banks) Code of Regulations and Best Practices for Public Security Offerings ("ANBID Code"), the company made a primary public distribution of 55,813,953 common shares, without par value, that are book entry registered and free and clear of any onus or encumbrance, issued by the company ("common shares") and excluding any preferential right to buy shares in the company, within the limit for authorized capital in Brazil and including overseas placement efforts ("the Offering").

The offering comprised a primary public distribution in the non-organized over-the-counter (OTC) market.

The number of common shares included in the original offering was increased by a supplementary lot 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	Value of share capital
Balance as at December 31, 2009	**139,151,802**	**139,152**
Increase in share capital as per Board meeting of April 19, 2010 (i)	55,813,954	446,511
Increase in share capital as per Board meeting of May 20, 2010 (i)	3,923,900	31,392
Net transaction costs - IPO	-	(15,834)
Balance as at December 31, 2010	**198,889,656**	**601,221**
Net transaction costs - IPO	-	(285)
Balance as at December 31, 2011	**198,889,656**	**600,936**

25.3 Transaction cost

As determined in CPC Pronouncement 8 (IAS 39) – Cost of Transaction and Premiums in the Issuing of Marketable Securities, the company registered the values paid in relation to the IPO as a reduction in share capital, net of tax. The recorded amounts are shown below:

	Consolidated
Net transaction costs as at March 31, 2010	-
Transaction costs	(23,991)
Income tax and social contribution credits	8,157
Net transaction costs in 2010	**(15,834)**
Transaction costs	(432)
Income tax and social contribution credits	147
Net transaction costs as at September 30, 2011	**(285)**
Total net transaction cost in the period	**(16,119)**

25.4 Treasury stock

At a meeting of the Board of Directors held on December 16, 2010, the company decided to purchase 2,000,000 common shares issued by the company, without decreasing the share capital ("Stock

Buyback"). By September 30, 2011, the company had purchased 1,944,500 common shares, for R$ 21,580, leaving a balance of 55,000 shares to be acquired.

25.5 Allocation of income

Under the company's bylaws, the shareholders are entitled to an annual mandatory dividend equivalent to at least 25% of the net income for the year, adjusted as follows: (i) 5% allocated to a legal reserve; and (ii) a sum set aside for a contingency reserve and the reversal of the same reserve established in previous years. A portion of the net income may also be retained, for the purpose of meeting a capital budget or to set up a statutory revenue reserve called an "investment reserve".

The amount to be actually distributed is approved at the Annual Shareholders' Meeting (AGM) that approves the management's accounts for the previous year, based on the proposal presented by the Executive Board and approved by the Board of Directors. The dividends are distributed as determined at the AGM, which is held within the first four months of each year. The bylaws also allow for the distribution of interim dividends, which may be offset against the mandatory dividend.

- At an AGM held on February 8, 2010, the company's shareholders approved the full distribution of the net income earned in 2009, amounting to R$59,801, which included the minimum statutory dividend of R$14,950 already accounted for in 2009. This was used for the repayment of outstanding loans from related parties, amounting to R$55,400.

- At an AGM held on March 10, 2010, the company's shareholders approved the distribution of an interim dividend, amounting to R$35,000, which was charged to a portion of the revenue reserve. This amount was used to repay loans from related parties, except those of the company's subsidiaries.

25.6 Statements of comprehensive income

For the periods ending on September 30, 2011 and 2010, the company's comprehensive income matched its net income, in the amounts of R$ 41,903 and R$ 67,375, respectively.

Other comprehensive income (deemed cost realization), totaling R$ 34,583 for the nine months to September 30, 2011 and R$ 20,772 for the same period in 2010, were recorded in the statement of changes in shareholders' equity. However, since this income was realized against retained earnings, it did not result in any equity change and, consequently, had no impact on the comprehensive income for the periods ended on September 30, 2011 and 2010.

26 Provision for income tax and social contribution

Deferred

Deferred tax assets and liabilities were calculated on the basis of the balances of tax losses and temporary differences for income and social contribution that can be offset or taxed in the future. They are calculated and classified according to forecast realization and the future profitability of the company and its subsidiaries. On September 30, 2011, the total tax losses and negative social contribution base amounted to R$ 57,279 for the parent company and R$ 83,146 in the consolidated figures.

The origin of the deferred corporate income tax and social contribution is as follows**:**

26.1 Tax credits and debits

	Parent Company		Consolidated	
	Sep.30, 2011	**Dec.31, 2010**	**Sep.30, 2011**	**Dec.31, 2010**
Fiscal Credits				
Tax loss and negative social contributions base (tax carry forwards)	(19,475)	(18,786)	(26,350)	(23,713)
Provision for judicial and administrative claims	(10,267)	(8,962)	(10,937)	(10,252)
Provision for share issue transaction costs	(8,304)	(8,159)	(8,304)	(8,159)
Provision for losses on investments	-	(8,182)	-	(8,182)
Adjustments to present value	(2,761)	(2,196)	(5,374)	(2,070)
Deferred revenue from public entities	(1,517)	(1,529)	(1,517)	(1,529)
Provision for doubtful debts	288	(663)	(151)	(960)
Profit sharing	-	(727)	-	1,046
Lubiani merger	(6)	(8,731)	(6)	(8,731)
Fiscal Debits				
Difference between economic and fiscal depreciation of assets	82,962	52,045	92,960	57,159
Financial leasing fixed assets	67,320	133,011	81,633	136,561
Reversal of goodwill	-	8,725	-	8,725
Deferred payments to public entities	-	-	3,110	-
Equity assessment	-	-	2,389	2,393
Total	**108,240**	**135,846**	**127,453**	**142,288**

Estimated term for realization

The management foresees that the deferred tax credits arising from temporary differences will be offset proportionately to the realization of the relevant contingencies, losses and projected obligations.

With regard to the deferred tax credits resulting from fiscal losses and the negative social contribution calculation base, the management estimates that these should be offset within the next three years.

The tax debits are largely made up of temporary differences, for which a rate of 34% is applied.

26.2 Reconciliation of income tax and social contribution provisions

The current amounts are calculated on the basis of the existing rates levied on taxable income, plus or minus any respective additions and deductions.

	Parent Company		Consolidated	
	Sep.30, 2011	**Sep.30, 2010**	**Sep.30, 2011**	**Sep.30, 2010**
Income before income tax and social contributions	**42,926**	**112,493**	**59,248**	**114,124**
Nominal rate	34%	34%	34%	34%
IRPJ and CSLL calculated at the nominal rate	(14,595)	(38,248)	(20,144)	(38,802)
Permanent (additions) exclusions				
Positive effect of REFIS Consolidation	3,446	-	3,314	-
Non-deductible expenses	(1,405)	(1,341)	(1,689)	(1,578)
Tax incentives - PAT	-	-	542	-
Other (additions) exclusions	1,215	(9,780)	444	(5,826)
30% tax deduction due to tax loss and negative calculation base	-	(995)	303	(362)
Amortization of goodwill (Yolanda / TG-ABC)	(94)	(156)	(94)	(156)
Equity pickup	10,410	5,401	-	-
Income tax and social contribution	**(1,023)**	**(45,118)**	**(17,324)**	**(46,724)**
Current	(173)	-	(32,012)	(7,216)
Deferred	(850)	(45,118)	14,688	(39,509)
Income tax and social contribution deducted	**(1,023)**	**(45,118)**	**(17,324)**	**(46,724)**
Effective rate	-2.4%	-40.1%	-29.2%	-40.9%

27 Insurance cover

The parent company and its subsidiaries hold insurance policies that are considered by the management to be sufficient to cover possible risks to their assets and/or liabilities. The insurance cover includes:

Civil liability against third parties

Covers material and physical damages, pain and suffering and personal accidents for all the operating activities carried out by the parent company and its subsidiaries:

	Description	R$ ('000)
Duration	10/2010 to 10/2011	
Annual premium	R$ 5,640	
Coverage	Material damage	975
	Physical injury	1,900
	Pain and suffering	300

Cargo transportation - vehicles

A significant portion of the vehicle transportation operations is insured directly by the customers. For all other cases, insurance is taken out that provides variable coverage, according to the value of vehicles being transported.

Cargo transportation - products

Insurance taken out to cover possible damages or losses in transportation, which varies according to the value of the cargo being transported:

	Description	R$ ('000)	Details
Duration	05/2011 to 05/2012		
Annual premium	R$ 5,545		
Coverage	Civil liability	5,000	Maximum limit per vehicle per shipment
	Cargo loss	1,100	

Third-party liability

Insurance against possible damage or losses that may arise in storage, with coverage as stipulated in the table below:

	Description	R$ ('000)
Duration	11/2010 to 10/2011	
Coverage	Fire, lightening and explosion	44,300
	Electrical damage	222
	Aggravated theft / robbery	500
	Operational civil liability	500
	Others	450

Goods belonging to third parties that are stored at the company's depots, as a result of its logistics and warehousing activities, amounted to a total value of R$ 86,793 on September 30, 2011 (R$ 107,742 on December 31, 2010), of which R$ 32,872 was the responsibility of the third party, as at September 30, 2011 (R$ 60,230 on December 31, 2010).

Fleet

We have taken out no insurance for our fleet, in view of the high insurance costs and our low record of claims.

28 Management remuneration

The remuneration plus payroll charges of the executives and directors in the period between January 1 and January 30, 2011 came to a total of R$ 9,433 (R$ 4,709 in the same period of 2010) and is classified under "Short-term benefits to staff and management".

The limit approved at the shareholders' meeting on the remuneration for 2011 was R$ 17,000 plus charges.

29 Financial instruments

The financial instruments currently used by the company and its subsidiaries are limited to cash and cash equivalents, marketable securities, accounts receivable, loans and financing for working capital and

investments, credits and debits with related parties and other credits and debits, all traded under normal market conditions, and they are recognized in the interim financial statements pursuant to the criteria described in note 2. These instruments are managed according to operational strategies aimed at liquidity, profitability and risk minimization.

Fair value of financial assets and liabilities

The following is a class-based comparison of the book and fair values of the company's financial instruments presented in the interim financial statements.

	Book value		Fair value	
	Sep.30, 2011	Dec.31, 2010	Sep.30, 2011	Dec.31, 2010
Financial assets				
Cash and cash equivalents	343,528	310,356	343,528	310,356
Marketable securities	114,394	177,889	114,394	177,889
Accounts receivable	517,965	490,240	544,851	490,240
Other credits	49,880	34,187	49,880	34,187
Total	**1,025,767**	**1,012,672**	**1,052,653**	**1,012,672**
Financial liabilities				
Loans and financing	1,584,710	1,189,481	1,584,710	1,189,481
Debentures	370,367	366,345	370,367	366,345
Suppliers	74,773	54,461	74,773	54,461
Accounts payable and advances	118,718	115,063	118,718	115,063
Total	**2,148,568**	**1,725,350**	**2,148,568**	**1,725,350**

The fair value used for recording the financial investments was determined using the prices of similar transactions taking place in active markets, corresponding to level 1 in the fair value ranking system.

The company made no hedging or speculative investments in derivatives or any other risky assets.

Financial risk management objectives and policies

The company's principal financial liabilities, apart from derivatives, are loans, accounts payable to customers and other accounts payable. The primary purpose underlying these financial liabilities is to raise funds for the company’s operations. The company has loans and other credits, receivables from customers and other accounts receivable and demand and short-term deposits arising directly from its operations. Hence, the company is exposed to market risk, credit risk and liquidity risk.

The company's senior management supervises the management of such risks, with the support of a Financial and Supplies Committee, which provides suitable advice on financial risks within the corporate governance structure. This committee assists and makes recommendations to the senior management so

that any company activity involving any kind of financial risk is governed by suitable risk management policies and procedures.

It is the company's practice not to engage in any derivative transactions for speculative purposes. It is the responsibility of the Board of Directors to authorize any operations involving any type of financial derivative, and considering for this purpose any contracts that generate financial assets or liabilities for the parties to the agreement, regardless of the market in which they are traded or listed or the type of agreement.

Market risk

Market risk involves potential fluctuations in the fair value of future cash flows of a financial instrument due to changes in the market price. Market prices encompass three types of risk: interest rate risk; foreign exchange risk; and price risk (for commodities, stocks and other items). The company is only exposed to interest rate risk.

Financial instruments that are affected by market risk include loans receivable and loans payable, deposits, financial investments, marketable securities and debentures.

Interest rate risk

Interest rate risk involves potential fluctuations in the fair value of future cash flows of a given financial instrument, due to variations in market interest rates. The company's exposure to risks associated with market interest rate fluctuations mainly relates to its long-term obligations regarding loans, financing, debentures, financial investments and marketable securities that are subject to variable interest rates.

Interest rate sensitivity

The following chart shows the company's sensitivity to potential changes in annualized interest rates, keeping all other variables in the company's pre-tax earnings (they are affected by the impact of loans and financing payable and cash and cash equivalents subject to variable rates) constant. With regard to the company's net equity, there is only one impact that is not significant.

		Impact on annual results		
		Scenario I	**Scenario II**	**Scenario III**
Operation	**Risk**	***Probable***	***-25%***	***+25%***
Financial investments				
Position at September 30, 2011		(4,579)	(5,724)	(3,434)
457,922	CDI	-1.00%	-1.25%	-0.75%
Debt linked to CDI rate				
Position at September 30, 2011		9,742	12,177	7,306
974,190	CDI	-1.00%	-1.25%	-0.75%
Debt linked to TJLP rate				
Position at September 30, 2011		-	2,452	(2,452)
980,887	TJLP	0.00%	-0.25%	0.25%

The company carried out a study of the potential impact of interest rate variations on the value of financial investments and loans and financing, including debentures and leasing payable. The debt was separated into two parts: debt linked to the CDI (Interbank Deposit Certificate) rate and debt linked to the TJLP (Long Term Interest Rate), the variations of which can be quite distinct from one another.

In this study, the probable scenario is a 1% fall in the CDI rate, (the median rate, based on market expectations and data released by the Brazilian Central Bank, on October 1, 2011, was 12.5%), which has a proportional impact on the company's debt and financial investments. Within this scenario, it was considered that the TJLP would not change, based on the track record of this rate over the last few months.

Scenario II considers an additional reduction of 25% in the CDI rate and of 0.25% in the TJLP rate in relation to the probable scenario. Scenario III considers a lower reduction in the CDI rate, of just 0.75%, which is 25% less than in the probable scenario.

Credit risk

Credit risk involves the possibility of a counterpart failing to fulfill an obligation under an agreement or financial instrument that could lead to a financial loss. The company is exposed to credit risk in its operational activities (mainly in relation to accounts receivable) and financing activities, including deposits in banks and financial institutions and other financial instruments.

Accounts receivable

Customer-related credit risk is reviewed on a monthly basis by the company, and is subject to established procedures, controls and policies regarding such risk. The executive board and senior management closely monitor outstanding client receivables. Every month the company will review the need to set up a provision for doubtful debt on an individual basis in regard to its leading customers. Furthermore, a large

number of smaller-balance accounts receivable are pooled in homogenous groups for the purpose of estimating the recoverable loss on a collective basis. The calculation is based on effective historical data.

Financial instruments and cash deposits

The credit risk associated with funds held in banks and financial institutions is 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 concentration of risk and thereby mitigate potential financial losses in the event of any such institution going bankrupt.

Liquidity risk

The company monitors risks associated with funding shortages on an ongoing basis, through a liquidity planning tool.

The goal is to achieve a balance between funding continuity and flexibility, through use of secured accounts, bank loans, debentures and financial and operational leasing transactions. The company works with a medium-term debt horizon in order to ensure short-term liquidity, analyzing installment schedules, charges and cash flow variables.

Capital management

The main purpose behind the company's capital management policy is to ensure sound credit ratings and unencumbered capital ratios in support of its business and to maximize the value delivered to the shareholders.

The company manages its capital structure and adjusts it to changes in economic conditions. In order to maintain or adjust its capital structure, the management may adjust the payment of dividends to shareholders, return capital to them or issue new shares.

The company manages its capital through leverage ratios and the payment of minimum dividends to the shareholders. It is the company’s policy to maintain the leverage ratio at less than or equal to three times the value of the EBITDA-A for any given 12-month period. Included in the company’s net debt are loans, financing and commercial leases that generate earnings, less cash and cash equivalents and marketable securities, except discontinued operations. The EBITDA-A comprises the net income for the period, plus taxes on profit, net financial income, depreciation and amortization, and also includes the cost of the sale of assets used to render services. On September 30, 2011, the leverage ratio was 2.2.

30 Net operating revenue

	Parent Company		Consolidated	
	Sep.30, 2011	**Sep.30, 2010**	**Sep.30, 2011**	**Sep.30, 2010**
Revenue from sales and services rendered	1,208,680	1,142,296	1,642,634	1,350,150
Revenue from sale of assets utilized in rendering services	140,103	243,172	253,651	276,691
(-) Revenue deductions				
Sales taxes	(116,170)	(117,237)	(166,519)	(138,775)
Value-added tax - ICMS	*(55,255)*	*(50,621)*	*(68,875)*	*(58,450)*
Social security contribution - COFINS	*(39,687)*	*(41,364)*	*(60,620)*	*(50,237)*
Social integration program charges - PIS	*(8,650)*	*(8,989)*	*(13,199)*	*(10,915)*
Tax on services - ISS	*(12,579)*	*(16,263)*	*(23,826)*	*(19,174)*
Returns	(25,410)	(19,902)	(27,153)	(22,836)
Discounts granted	(784)	(3,560)	(1,503)	(4,626)
Total net revenue	**1,206,419**	**1,244,769**	**1,701,110**	**1,460,604**

No single customer contributed more than 10% of the company's gross operating revenues for the periods ended on September 30, 2011 and 2010.

All amounts included in net revenue are considered in the calculation bases for determining the corporate income tax and social contribution due.

Taxes levied on sales mainly consist of the ICMS (at rates ranging from 7% to 19%), municipal taxes on services (rates of between 2% and 5%), and PIS (at either 0.65% or 1.65%) and Cofins (rate of 3% or 7.6%) contributions.

31 Costs of sales and services rendered

	Parent Company		Consolidated	
	Sep.30, 2011	**Sep.30, 2010**	**Sep.30, 2011**	**Sep.30, 2010**
Personnel	(279,655)	(296,257)	(418,874)	(357,825)
Independent truckers and outsource	(228,184)	(199,857)	(249,268)	(220,923)
Fuels and lubricants	(59,636)	(86,779)	(109,824)	(110,868)
Parts, tyres and maintenance	(75,586)	(111,375)	(114,543)	(121,897)
Depreciation	(118,377)	(54,368)	(136,654)	(56,287)
Others	(103,944)	(103,761)	(151,082)	(138,005)
Total cost of sales and services rendered	**(865,382)**	**(852,397)**	**(1,180,245)**	**(1,005,805)**

32 Administrative and commercial expenses

	Parent Company		Consolidated	
	Sep.30, 2011	**Sep.30, 2010**	**Sep.30, 2011**	**Sep.30, 2010**
Payroll and payroll charges	(40,980)	(20,492)	(46,271)	(27,332)
Services rendered	(15,335)	(12,187)	(17,027)	(15,226)
Telephones	(5,680)	(5,600)	(5,875)	(6,100)
Renting of third-party properties	(4,510)	(3,897)	(5,024)	(4,248)
Advertising and publicity	(4,617)	(3,130)	(4,808)	(4,152)
Provision for doubtful debts	(3,593)	(5,659)	(4,209)	(3,528)
Communication	(3,621)	(4,755)	(3,633)	(4,950)
Building conservation and maintenance	(1,707)	(2,100)	(1,777)	(2,400)
Trips, meals and accommodations	(1,424)	(2,342)	(1,532)	(2,537)
Depreciation	(1,069)	(1,420)	(1,408)	(1,784)
Automobile taxes, conservation and maintenance	(1,214)	(500)	(1,218)	(500)
Other administrative and commercial expenses	(9,550)	(11,761)	(12,353)	(13,069)
Total administrative and commercial expenses	**(93,300)**	**(73,844)**	**(105,135)**	**(85,826)**

33 Other operating income (expenses), net

	Parent Company		Consolidated	
	Sep.30, 2011	**Sep.30, 2010**	**Sep.30, 2011**	**Sep.30, 2010**
Provision for judicial and administrative contingencies	(11,340)	(13,560)	(15,163)	(15,771)
REFIS IV revision - JSL / TG-ABC (i)	10,147	-	9,760	-
Leasing revenue	1,480	7,673	1,480	2,338
Reversal of expenses	738	472	948	472
Amortization of goodwill	(278)	-	(278)	-
Revenue / (expenses) in relation to administrative services (	15,229	2,871	-	2,871
Other operating revenue / (expenses)	3,416	9,076	3,973	11,226
Total other operating revenues / (expenses)	**19,392**	**6,532**	**720**	**1,136**

i) see Note 21.

ii) see Note 23.4.

34 Net financial income (expenses)

	Parent Company		Consolidated	
	Sep.30, 2011	**Sep.30, 2010**	**Sep.30, 2011**	**Sep.30, 2010**
Income				
Investment earnings	16,755	20,579	34,424	22,284
Adjustments to present value	9,422	4,443	13,824	5,957
Interest	2,187	2,835	2,043	1,377
Discounts	1,389	2,596	1,522	2,708
Other financial income	10	1,085	10	1,086
Financial Income	**29,763**	**31,538**	**51,823**	**33,412**
Expenses				
Interest	(134,809)	(90,356)	(142,789)	(90,317)
Monetary restatement	(4,296)	(5)	(7,962)	(5)
Other financial expenses	(72)	73	(2,740)	(6,356)
Bank charges	(2,464)	(568)	(2,689)	(804)
IOF tax on financial transactions	(478)	(595)	(559)	(999)
Discounts	(545)	(154)	(68)	(169)
Financial Expenses	**(142,664)**	**(91,605)**	**(156,807)**	**(98,650)**
Net Financial Result	**(112,901)**	**(60,067)**	**(104,984)**	**(65,238)**

35 Earnings per share

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

	Sep.30, 2011	**Sep.30, 2010**
Numerator:		
Net income for the period	41,903	67,375
Denominator:		
Weighted average number of outstanding shares	197,341,489	180,716,870
Basic and diluted earnings per share, net - R$	**0.21**	**0.37**

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

36 Commitments

The company's commitments through insurance companies to provide guarantees regarding public obligations, as at September 30, 2011, are shown below:

Beneficiary – Minas Gerais state police

Type – provide an exclusive guarantee of the performing of Outsourced Management services, with maintenance, including the supply of 1,000 police vehicles, under the terms specified by the state government of Minas Gerais
Amount insured - R$ 3,908
Validity – January 5, 2011 to January 13, 2013

Beneficiary – CEMIG Geração e Transmissão S.A.
Type – guarantee the performing of leasing and management services involving 673 pickup trucks, without drivers, to meet the transportation requirements of CEMIG throughout the state of Minas Gerais and, exceptionally, municipalities in other states and during trips
Amount insured - R$ 5,867
Validity – July 26, 2010 to October 27, 2015.

Beneficiary – COMLURB (Municipal Urban Cleaning Company)
Type – guarantee payment of indemnification, up to the amount established in the policy, for damages caused by the Insurance Policyholder due to failure to perform the services under contract
Amount insured and validity:
R$ 3,796 - December 15, 2010 to April 25, 2013
R$ 2,997 - December 3, 2010 to April 25, 2013
R$ 1,459 - December 3, 2010 to March 9, 2012
R$ 2,784 - December 3, 2010 to February 28, 2012
R$ 2,591 - December 3, 2010 to February 28, 2012
R$ 3,272 - December 3, 2010 to November 18, 2013
R$ 2,380 - December 3, 2010 to November 18, 2013.

37 Subsequent events

On November 3, 2011, the Board of Directors approved the company's possible acquisition of SIMPAR Concessionárias Ltda. ("Concessionárias"), whose principal activity is the selling of automobiles and trucks, as well as running an insurance brokerage. If the negotiations are successful, the company expects to effect the takeover by means of a stock amalgamation, without any cash outlay.



Mogi das Cruzes, November 9, 2011 – **JSL (BM&FBOVESPA: JSLG3)**, the company with the broadest extensive portfolio of logistics services in Brazil and the leader in its segment in terms of net revenue, releases its consolidated results for 3Q11 and 9M11. The financial and operating information is presented in Brazilian Reais based on consolidated figures as per Brazilian GAAP. All comparisons, except otherwise stated, refer to 3Q10 and 9M10,and balance sheet and result data referring to past periods are presented under IFRS

JSL reports EBITDA margin of 18.7% in 3Q11

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Conference call and webcast- 3Q11

November 10, 2011

12:00 p.m. (Brasília) – with simultaneous translation

Portuguese: +55 (11) 3127-4971

English: +1 (516) 300-1066

Webcast: www.jsl.com.br/ir

Investor Relations

Tel: +55 (11) 4795-7178/7422/7438

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ri@jsl.com.br

Highlights:

- **Total gross revenue** of **R$ 686.4 million** in **3Q11** and R$ 1.896 billion (+16.6%) in 9M11:

  - Gross revenue from Services of **R$ 600.2 million (+22.2%)** in **3Q11** and R$ 1.643 billion (+21.7%) in 9M11, represented by:

  - ✓ **+48.3%** in **Management and Outsourcing** in **3Q11** and +45.8% in 9M11;
  - ✓ **+10.8%** in **Dedicated Services** in **3Q11** and +12.8% in 9M11;

- **Traditional EBITDA** of **R$ 115.6 million** in **3Q11** and R$ 302.6 million (+26.2%) in 9M11:

  - EBITDA from Services of **R$ 112.8 million (+119.0%)** in **3Q11** and R$ 305.1 million (+92.7%) in 9M11:

  - ✓ **Margin of 21.3% (+9.4 p.p.) in 3Q11 and 21.0% (+7.7 p.p.) in 9M11;**

  - EBITDA-A[1] of **R$ 195.2 million** in **3Q11** and R$ 521.7 million (+28.9%) in 9M11:

  - ✓ **Margin of 31.6% in 3Q11 and 30.7% (+2.9 p.p.) in 9M11;**

- **Net Income** of **R$ 17.5 million** in **3Q11** and R$ 41.9 million in 9M11.

Financial Statements (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10	12 Months
Gross Revenue	**717.2**	**654.5**	**686.4**	**-4.3%**	**4.9%**	**1,626.8**	**1,896.3**	**16.6%**	**2,529.1**
Revenue from Services	491.3	547.4	600.2	22.2%	9.6%	1,350.2	1,642.6	21.7%	2,170.4
Revenue from Sale of Assets	225.9	107.2	86.2	-61.8%	-19.5%	276.7	253.7	-8.3%	358.7
Net Revenue	**652.8**	**585.6**	**616.9**	**-5.5%**	**5.3%**	**1,460.6**	**1,701.1**	**16.5%**	**2,269.0**
Gross Profit	**148.4**	**78.6**	**108.5**	**-26.9%**	**38.0%**	**265.6**	**270.9**	**2.0%**	**360.3**
Gross Profit from Services	65.9	83.4	105.7	60.3%	26.7%	184.2	273.4	48.4%	363.0
Gross Profit from Sales of Assets	82.5	(4.8)	2.8	-96.6%	-157.7%	81.4	(2.5)	-103.1%	(2.7)
Gross Margin	22.7%	13.4%	17.6%	-5.1 p.p.	+4.2 p.p.	18.2%	15.9%	-2.3 p.p.	15.9%
Income before tax	**88.6**	**13.9**	**23.1**	**-73.9%**	**66.6%**	**114.1**	**59.2**	**-48.1%**	**86.0**
Net Income	**58.4**	**9.1**	**17.5**	**-70.0%**	**92.9%**	**67.4**	**41.9**	**-37.8%**	**67.5**
Net Margin	9.0%	1.6%	2.8%	-6.1 p.p.	+1.3 p.p.	4.6%	2.5%	-2.2 p.p.	3.0%
EBITDA-A	**247.3**	**180.4**	**195.2**	**-21.1%**	**8.2%**	**404.9**	**521.7**	**28.9%**	**669.8**
EBITDA-A Margin	37.9%	30.8%	31.6%	-6.2 p.p.	+0.8 p.p.	27.7%	30.7%	+2.9 p.p.	29.5%
EBITDA	**134.0**	**101.6**	**115.6**	**-13.7%**	**13.8%**	**239.7**	**302.6**	**26.2%**	**392.9**
EBITDA Margin	20.5%	17.4%	18.7%	-1.8 p.p.	+1.4 p.p.	16.4%	17.8%	+1.4 p.p.	17.3%
EBITDA from Services	51.5	106.4	112.8	119.0%	6.0%	158.3	305.1	92.7%	395.6
EBITDA Margin from Services	11.9%	22.0%	21.3%	+9.4 p.p.	-0.7 p.p.	13.3%	21.0%	+7.7 p.p.	20.6%

[1] **EBITDA-A** or EBITDA-Added - represents EBITDA plus the residual costs associated with the sales of fixed assets, which do not represent operational cash disbursemenrts, as they represent merely an accounting adjustment to book value at the time of sale. Thus, the Company's management believes that EBITDA-A is a more accurate representation of cash flow than traditional EBITDA, and more accurately represents the Company's capacity to meet its financial obligations.

JSLG3 NOVO MERCADO BM&FBOVESPA

I. MANAGEMENT SUMMARY

JSL's **3Q11** results came **in line with expectations**, both in relation to **gross revenue** and **EBITDA margin from Services**, demonstrating the **resilience** of its businesses, supported by its **diversified operations** in several economic sectors and the structure of its contracts that ensure a minimum volume most of the times. The performance is also reinforced by the fact that the Company has prioritized contracts that bring in at least minimum expected returns.

Gross revenue from Services totaled **R$ 600.2 million** in **3Q11**, **22.2% up** on 3Q10, despite specifics impacts of the economy on certain operations of the automotive sector. **In 9M11,** gross revenue from Services stood at **R$ 1.643 billion,** 21.7% up on 9M10, contributing to Total gross revenue, which amounted to **R$ 1.896 billion in the same period.**

EBITDA from Services more than doubled, going from R$ 51.5 million in 3Q10 to **R$ 112.8 million** in **3Q11**, accompanied by a EBITDA from Services **margin** of **21.3%**, **9.4 p.p.** up on 3Q10, chiefly due to the 4.4 p.p. growth of **Management and Outsourcing**, which usually has higher margins, in JSL's Service mix, in addition to the process of maturation of new contracts, scale gains and the constant improvement of controls and management of operations. Another aspect that has been contributing to improving the Company's results is the decline in the average fleet age, in turn reducing costs relating to parts, tires and maintenance. Note that in 3Q11, the Company recorded **non-recurring expenses** of R$ 12.6 million mainly related to contingencies. Excluding this amount, the EBITDA from Services margin would have come to 23.6%. In **9M11**, EBITDA from Services totaled **R$ 305.2 million**, **92.7% up** on the same period of 2010. Consolidated **traditional EBITDA** stood at **R$ 302.6 million** in **9M11**, **26.2% up** on 9M10, accompanied by a traditional EBITDA margin of 17.8%. **EBITDA-A** totaled **R$ 521.7 million**, **28.9% up** on 9M10, and the EBITDA-A margin widened by 2.9 p.p. to 30.7%.

In **3Q11**, revenue from the **Sale of Assets** totaled **R$ 86.2 million**, **61.8% lower due to CPC06**. However, the **usual Resale of assets** used in its operations, which represented 89.7% of the Sale of Assets in the period, maintained the pace recorded in the first half of the year, 41.8% up on 3Q10. The expansion of JSL's network of used-vehicle stores helped the Resale of Assets reach **R$ 217.3 million** in 9M11, **106.3% up** on 9M10. In this sense, the Company revised its initial expectation for the usual Resale of Assets in 2011 from R$ 230.0 million to R$ 250 million.

Note that, in accordance with **CPC06**, the Company recorded a **non-recurring** relevant volume of rental contracts under "Installment sales" in **3Q10**, affecting the comparability of that quarter with 3Q11. Under CPC06, due to the characteristics of these machinery and equipment rental contracts, in 3Q10 the Company recognized a non-recurring R$ 141.8 million under gross revenue from the Sale of Assets related to the sum of the present value of revenue from said contracts, which had a 60-month term. In 3Q11, these operations resulted in the recognition of R$ 4.0 million under revenue from the Sale of Assets. In addition, this recognition affects the Company's receivables, since although the amounts from these rentals were recognized at present value, they are effectively received during the term of the contracts. Therefore, accounts receivable from these operations have been diluted by approximately R$ 9.0 million per quarter and the balance related to these contracts totaled R$ 121.5 million in 3Q11.

JSL's growth is directly linked to its investments, which are necessary for the constant renewal of its assets and implementation of new operations linked to contracts that ensure future cash flows. In **3Q11**, these investments totaled **R$ 227.0 million**, **80.4%** of which allocated to the **expansion** of the Company's operations.

In October, the Company began operating public passenger transportation in **Sorocaba-SP** since it won the public bid held by the municipal government for an **8-year term** and **overall revenue** estimated at **R$ 241.0 million**. Also in October, the Company launched **JSL Aluguel de Caminhões** (JSL Truck Rental), which **inaugurated a new niche** in the country, expanding its commercial operations and benefitting from its differentiated position in the purchase of trucks. The new business will serve both companies and individuals, offering several vehicle models and daily, weekly, monthly and longer period contracts, in accordance with clients' needs. Prices will vary in accordance with the contract term. The idea is to bring the concept of customized service, which is already a routine in the Company's logistics solution, to the rental of trucks. JSL will

have a toll-free service, which will be responsible for the initial contact with clients and will direct them to a technical team who will design a customized solution.

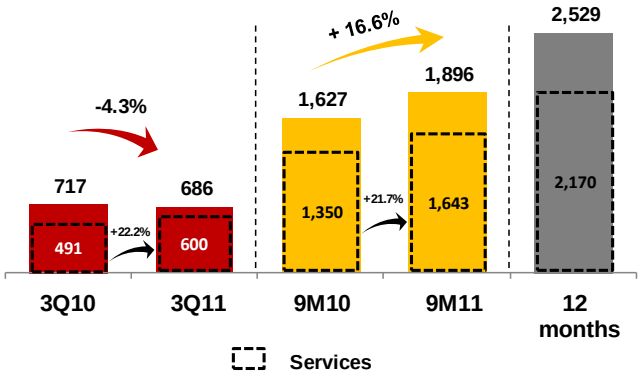
In September, as recognition for the quality of its services, **JSL** was **elected** by the Logistics and Supply Chain Institute **(ILOS)** as the **best Brazilian logistics operator** for the third year in a row, among the 250 most remembered companies in the market. JSL is the **only company present in the ranking of the 10 best** Logistics Services Providers **every year** since the inception of the ILOS Award. The award, which is based on a survey of the country's main industries, also elected JSL the **best** company in the **pulp and paper, steel and mining, automotive and auto part sectors** and the second best company in the chemical and petrochemical sector.

In November, the Company published a Material Fact announcing its intention to analyze the possible acquisition of a network of concessionaires, which would fuel the resale of assets and optimize sale value, as further described at the end of this report.

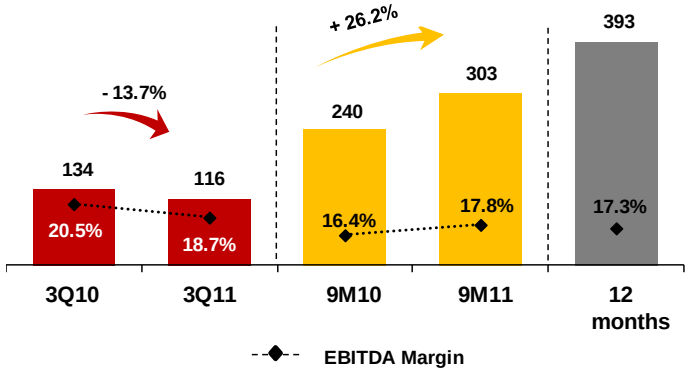
As expected, the Company has maintained its guidance of delivering **traditional EBITDA of approximately R$ 410 million in 2011**. JSL believes its **revenue** will **grow** by **approximately 20% in 2011** over 2010, while it initially expected it to expand by 25%. This change was chiefly due to specifics impacts of the automotive and sugar and ethanol sectors, the latter caused by lower-than-expected harvests. Note that this impact on revenue is limited, as most contracts guarantee a minimum volume and the Company has been very selective about the quality of the contracts that it maintains in its portfolio.

3Q11 and 9M11 Financial Highlights
(R$ million)

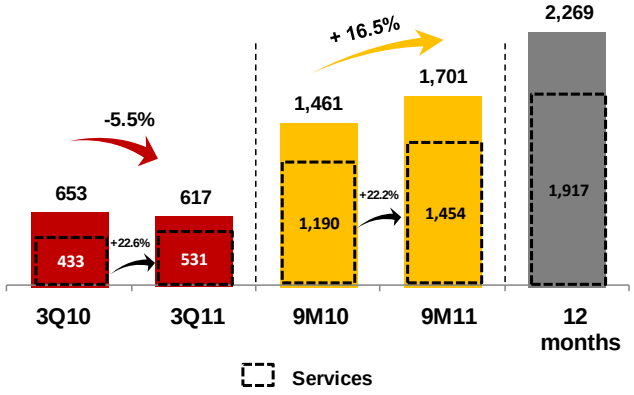
Gross Revenue



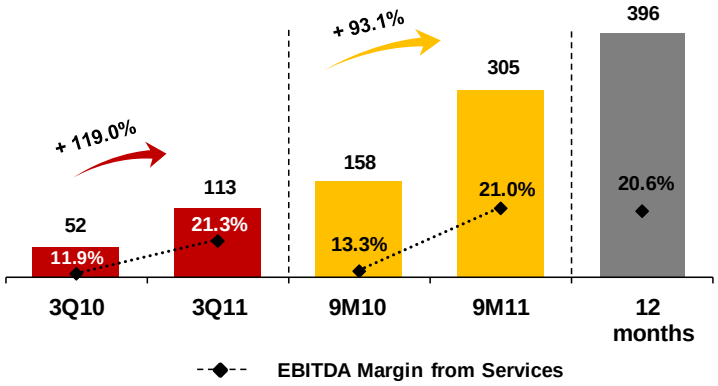
Traditional EBITDA



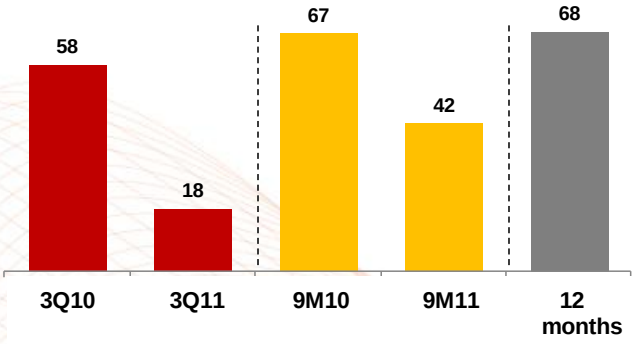
Net Revenue



EBITDA from Services



Net Income



II. OPERATING PERFORMANCE – GROSS REVENUE

JSL presented **Total gross revenue** of **R$ 686.4 million** in **3Q11**, led by revenue from **Services**, which went **up** by **22.2%**, recording **increases across all business lines** over 3Q10, sustained by a diverse portfolio of clients from different economic sectors and the structure of its commercial contracts. **Total gross revenue** amounted to **R$ 1.896 billion** in **9M11**, **R$ 1.643 billion** of which from **Services**.

Apart from gross revenue from **Services**, which climbed from R$ 491.3 million in 3Q10 to **R$ 600.2 million** in **3Q11**, Total revenue was also driven by revenue from the **Sale of Assets**, which totaled **R$ 86.2 million** in the quarter, 89.7% of which from the usual Resale of Assets used in our operations. Usual resale totaled **R$ 217.3 million** in **9M11**, **106.3% up** on 9M10, leading the Company to revise its initial expectation of R$ 230.0 million for 2011 to R$ 250.0 million.

Note that in 3Q10 JSL recorded at once R$ 141.8 million under gross revenue from Sale of Assets related to the sum of the present value of revenue from certain machinery and equipment rental contracts, with a 60 month term, pursuant to **CPC06**, due to the characteristics of these contracts. In 3Q11, these operations resulted in the recognition of R$ 4.0 million under revenue from the Sale of Assets. Excluding these non-recurring effects from both the 3Q10 and 3Q11 results, Total gross revenue grew by 18.6% between the periods and by 27.4% between 9M10 and 9M11, as the following table shows.

Total Gross Revenue* (Pro forma - Excluding the effects of CPC06)

Gross Revenue (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10	12 Months
Gross Revenue from Services	491.3	547.4	600.2	22.2%	9.6%	1,350.2	1,642.6	21.7%	2,170.4
Gross Revenue from Sales of Assets	84.1	107.2	82.2	-2.2%	-23.3%	134.9	249.7	85.1%	354.7
Total	**575.3**	**654.5**	**682.4**	**18.6%**	**4.3%**	**1,485.0**	**1,892.3**	**27.4%**	**2,525.1**

*Excluding the effects of CPC 06 in the accounting of Gross Revenue from the Sale of Assets, R$ 141.8 million in the 3Q10 and of R$ 4.0 million in the 3Q11.

Total Gross Revenue – Accounting Figures – considering CPC06

Gross Revenue (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10	12 Months
Gross Revenue from Services	**491.3**	**547.4**	**600.2**	**22.2%**	**9.6%**	**1,350.2**	**1,642.6**	**21.7%**	**2,170.4**
Gross Revenue from Sales of Assets	**225.9**	**107.2**	**86.2**	**-61.8%**	**-19.5%**	**276.7**	**253.7**	**-8.3%**	**358.7**
Resale of Assets used to provide services	54.5	79.6	77.3	41.8%	-2.9%	105.3	217.3	106.3%	271.1
Sales of Assets with Management	29.5	27.5	4.9	-83.5%	-82.3%	29.5	32.4	9.7%	83.6
Machinery and Equipment Rental (Present Value) - CPC06	141.8	-	4.0	-97.2%	n.a.	141.8	4.0	-97.2%	4.0
Total	**717.2**	**654.5**	**686.4**	**-4.3%**	**4.9%**	**1,626.8**	**1,896.3**	**16.6%**	**2,529.1**

Historically, the Company's results demonstrate seasonal fluctuations on account of the sectors it operates in, with the second half of the year accounting for a larger share of annual revenue from Services. Thus, 3Q11 gross revenue from Services was 9.6% higher than in 2Q11, following the trend recorded last year, when it grew by 8.6% between 2Q10 and 3Q10.

However, note that revenue from Management and Outsourcing is distributed much more evenly between the quarters, as they consist of fixed monthly amounts. Seasonality tends to diminish as this business line increases its share in JSL's Service mix.

Gross Revenue from Services

As highlighted, 3Q11 gross revenue from Services grew by 22.2% over 3Q10 and 9.6% over 2Q11, totaling **R$ 600.2 million**. In the period, all the Company's business lines presented growth, particularly **Management and Outsourcing**, which has been increasing its share in the Company's business mix, and whose **revenue**

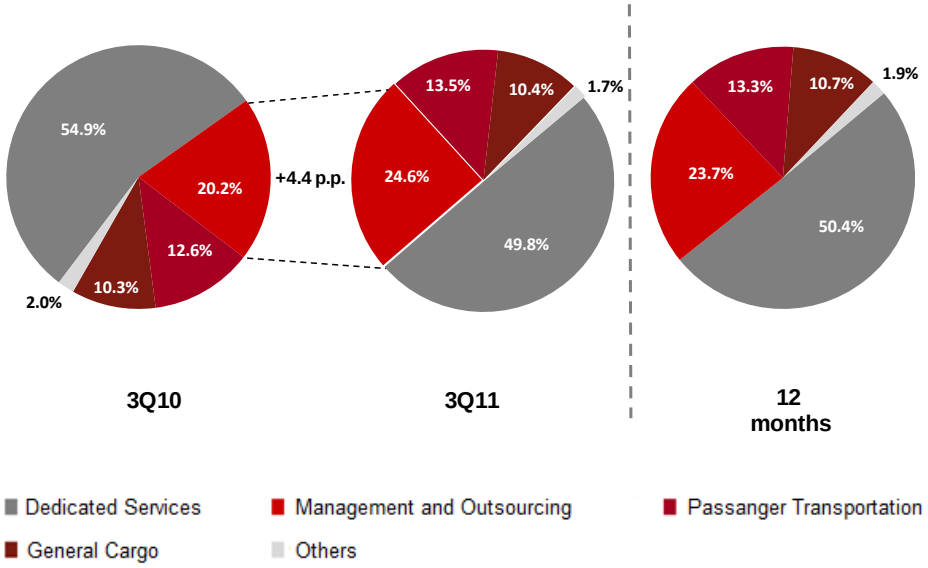
recorded a **48.3% upturn** in this quarter in comparison with 3Q10. **Passenger Transportation** also **grew by 32.2%** in the same comparison.

Year-to-date gross revenue from Services went up by 21.7%, from the R$ 1.350 billion in 9M10 to **R$ 1.643 billion** in **9M11**.

Gross Revenue from Services (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10	12 Months
Gross Revenue from Services	**491.3**	**547.4**	**600.2**	**22.2%**	**9.6%**	**1,350.2**	**1,642.6**	**21.7%**	**2,170.4**
Dedicated Services	269.6	265.7	298.7	10.8%	12.4%	717.0	808.7	12.8%	1,093.7
Managment and Outsourcing	99.5	135.4	147.5	48.3%	8.9%	273.4	398.7	45.8%	513.6
Passanger Transportation	61.5	79.1	81.4	32.2%	2.9%	189.6	228.0	20.3%	289.5
General Cargo Transportation	50.7	56.5	62.4	23.0%	10.3%	140.2	176.7	26.0%	232.8
Others	10.0	10.7	10.2	2.8%	-4.1%	29.9	30.5	2.1%	40.8

In the breakdown of gross revenue from Services in 3Q11, the business lines with higher value-added, Dedicated Services and Management and Outsourcing, jointly represented 74.4% of the total, with the latter presenting an increase of 4.4 p.p. in relation to 3Q10, as shown in the following graphs.

Breakdown of Gross Revenue from Services
By Business Line

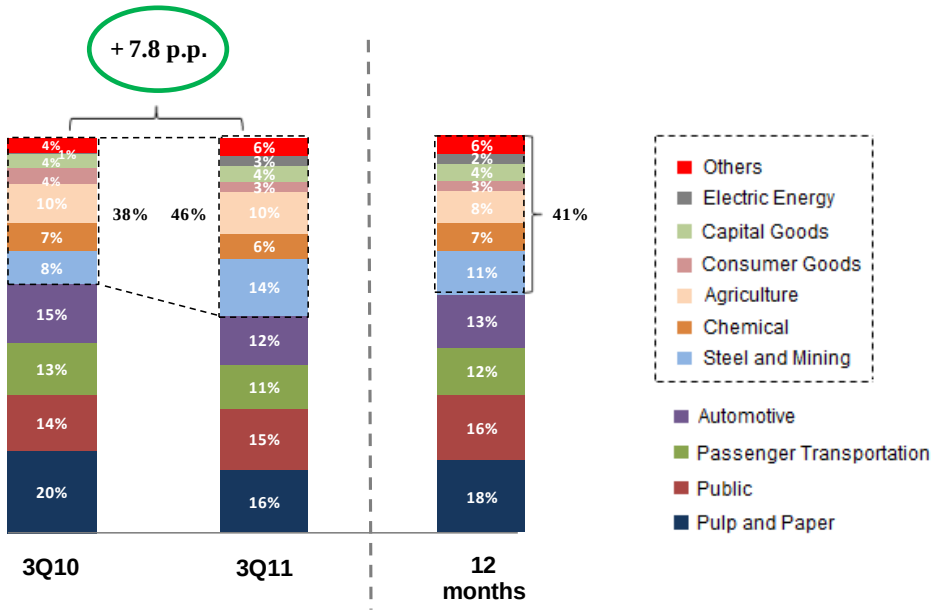


Gross revenue from Services from the existing contracts existing in both comparison periods - **Revenue from Same Contracts (RSC) grew by 8.7%**, from R$ 454.2 million in 3Q10 to **R$ 493.8 million** in **3Q11**. In **9M11**, **RSC moved up by 12.5%** over 9M10. In addition, the **new contracts** negotiated by the Company at the end of 2010 and those added until May 2011 contributed to the **R$ 106.4 million** from **new operations** in **3Q11**, 80.6% of which from cross selling (addition of new contracts to existing clients) and 19.4% from new clients, and the **R$ 189.7 million** in **9M11**.

RSC - Gross Revenue from Services (R$ million)	3Q10	3Q11	Var. 3Q11x3Q10	9M10	9M11	Var. 9M11x9M10
Gross Revenue from Services	**454.2**	**493.8**	**8.7%**	**1,291.5**	**1,453.0**	**12.5%**
Dedicated Services	239.8	252.9	5.5%	680.8	731.0	7.4%
Managment and Outsourcing	96.1	106.2	10.5%	268.0	331.5	23.7%
Passenger Transportation	58.8	65.3	11.0%	176.3	190.7	8.2%
General Cargo Transportation	49.5	59.2	19.6%	136.4	169.2	24.1%
Others	10.0	10.2	2.8%	29.9	30.5	2.1%

JSL has a diversified client portfolio, offering logistics services to several economic sectors. Its diversification strategy led to revenue growth not only in its traditional sectors, but also in others such as steel and mining, electricity, agriculture and capital goods, which, combined with other sectors, saw their share in the revenue mix grow by 7.8 p.p. over 3Q10, as the graph below shows.

Breakdown of Gross Revenue from Services
By economic sector



We present below the behavior of the Company's business lines:

Dedicated Services

Gross revenue from Dedicated Services **grew by 10.8%** over 3Q10 and **12.4%** over 2Q11, totaling **R$ 298.7 million** in **3Q11**. This increase could have been higher, if it were not for the fact that the current macroeconomic environment affected certain operations in the automotive sector on a non-recurring basis, pushing down this sector's gross revenue by 5.9% between 3Q10 and 3Q11.

Revenue from same contracts **(RSC)** contributed **R$ 252.9 million** and the remaining **R$ 45.7 million** came from **new contracts**, 86.4% of which from cross selling and 13.6% from new clients. The sectors whose share in the mix of Dedicated Services grew the most over 3Q10 were steel and mining (+5.8 p.p.), agriculture (+1.4 p.p.) and capital goods (+1.4 p.p.). **In 9M11,** Dedicated Services totaled **R$ 808.7 million, 12.8% up** on 9M10, with RSC moving up by 7.4% to R$ 731.0 million and the remaining R$ 77.7 million coming from new contracts.

Management and Outsourcing

In line with the trend already seen in previous quarters, revenue from Management and Outsourcing **grew** by a substantial **48.3%**, from R$ 99.5 million in 3Q10 to **R$ 147.5 million** in **3Q11**. **RSC climbed by 10.5%** between the periods and new contracts amounted to R$ 41.3 million in 3Q11, 68.1% of which from cross selling. In the breakdown of gross revenue from Management and Outsourcing in 3Q11, the sectors whose shares increased the most were electric energy (+7.5 p.p.), steel and mining (+6.1 p.p.) and food (+1.0 p.p.).

In 9M11, gross revenue from Management and Outsourcing **grew by 45.8%** to **R$ 398.7 million** and revenue from same contracts were 23.7% higher than in 9M10, with new contracts contributing R$ 67.2 million, most of which from cross selling.

Passenger Transportation

Another positive highlight in the quarter was the growth in gross revenue from Passenger Transportation. Revenue from this business line went from R$ 61.5 million in 3Q10 to **R$ 81.4 million** in 3Q11, **32.2% up**. Of this total, 71% came from public transportation and the other 29% came from charters for private companies. **RSC increased by 11%** to **R$ 65.3 million** and new operations, virtually all from cross selling, contributed R$ 16.1 million to total revenue in the quarter.

The improvement in these results was directly linked to the maturation of charter contracts with clients in the mining sector for the transportation of employees, pushing up revenue from charters, from R$ 6.1 million in 3Q10 to **R$ 21.9 million** in 3Q11, more than offsetting the 11 public intercity lines the Company stopped operating in August 2010. In addition, public transportation fares increased by an average of 7.9% between 3Q10 and 3Q11, contributing to revenue from these operations.

As a result, **in 9M11**, revenue from Passenger Transportation **grew by 20.3%** to **R$ 228.0 million**, with **RSC moving up by 8.2%** and new operations contributing R$ 37.3 million.

In June 2011, JSL **won the bid** held by the **Sorocaba-SP** municipal government for municipal passenger transportation, with an 8-year term and overall gross revenue estimated at **R$ 241.0 million**. The start-up of the operations related to this bid was on October 31, 2011.

General Cargo Transportation

In 3Q11, gross revenue from General Cargo transportation stood at **R$ 62.4 million**, **23.0% up** on 3Q10, due to 20.5% increase in transported volume over 3Q10. In addition, the average price per ton moved up by 2.8% over 3Q10. RSC grew by 19.6% in the quarter and new operations contributed R$ 3.2 million to 3Q11.

In **9M11**, gross revenue from this business line totaled **R$ 176.7 million**, **26.0% up** on 9M10, chiefly due to the 13.4% increase in the average price per ton and the 11.1% growth in transported volume over the same period of 2010. RSC moved up by 24.1% between 9M10 and 9M11 and new operations contributed R$ 7.5 million, 63% of which from cross selling.

Gross Revenue from the Sale of Assets

Gross revenue from the Sale of Assets totaled **R$ 86.2 million** in this quarter. As already mentioned, in 3Q10, the Company recognized at present value a non-recurring R$ 141.8 million related to future installments of machinery and equipment rental contracts with a 60-month term, pursuant to CPC06. In 3Q11, it recognized R$ 4.0 million from the same operations. Due to this accounting effect, gross revenue from the Sale of Assets declined by 61.8% between these periods. On the other hand, the Resale of Assets used in the rendering of Services grew by 41.8% over 3Q10, totaling R$ 77.3 million.

In 9M11, total revenue from the Sale of Assets stood at R$ 253.7 million. In addition to the 106.3% upturn in the usual Resale of Assets, the Sale of Assets with Management (installment sales of new vehicles to clients using our fleet management services) climbed by 9.7%.

Excluding the impact of CPC06 both in 3Q10 and 3Q11, total gross revenue from the Sale of Assets remained virtually flat over 3Q10. Between 9M10 and 9M11, growth would have come to 85.1%, as shown in the table below.

Gross Revenue from the Sale of Assets* – (Pro-forma - Excluding the effects of CPC06)

Gross Revenue from Sales of Assets (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10	12 Months
Gross Revenue from Sales of Assets	**84.1**	**107.2**	**82.2**	**-2.2%**	**-23.3%**	**134.9**	**249.7**	**85.1%**	**354.7**
Resale of Assets used to provide services	54.5	79.6	77.3	41.8%	-2.9%	105.3	217.3	106.3%	271.1
Sales of Assets with Management	29.5	27.5	4.9	-83.5%	-82.3%	29.5	32.4	9.7%	83.6

*Excluding the effects of CPC 06 in the accounting of Gross Revenue from the Sale of Assets, R$ 141.8 million in the 3Q10 and of R$ 4.0 million in the 3Q11.

Gross Revenue from the Sale of Assets – Accounting Figures – considering CPC06

Gross Revenue from Sales of Assets (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10	12 Months
Gross Revenue from Sales of Assets	**225.9**	**107.2**	**86.2**	**-61.8%**	**-19.5%**	**276.7**	**253.7**	**-8.3%**	**358.7**
Resale of Assets used to provide services	54.5	79.6	77.3	41.8%	-2.9%	105.3	217.3	106.3%	271.1
Sales of Assets with Management	29.5	27.5	4.9	-83.5%	-82.3%	29.5	32.4	9.7%	83.6
Machinery and Equipment Rental (Present Value) - CPC06	141.8	-	4.0	-97.2%	n.a.	141.8	4.0	-97.2%	4.0

Note that the machinery and equipment rental contracts recognized at present value impact the Company's receivables, as these contracts have a 60-month term and every quarter this amount is reduced by approximately R$ 9.0 million.

III. RESULTS ANALYSIS

1. Net Revenue

Net Revenue (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Gross Revenue	**717.2**	**654.5**	**686.4**	**-4.3%**	**4.9%**	**1,626.8**	**1,896.3**	**16.6%**
- Gross Revenue from Services	491.3	547.4	600.2	22.2%	9.6%	1,350.2	1,642.6	21.7%
- Gross Revenue from Sale of Assets	225.9	107.2	86.2	-61.8%	-19.5%	276.7	253.7	-8.3%
Deductions from Revenue	**(64.4)**	**(68.9)**	**(69.5)**	**8.0%**	**0.9%**	**(166.2)**	**(195.2)**	**17.4%**
Net Revenue	**652.8**	**585.6**	**616.9**	**-5.5%**	**5.3%**	**1,460.6**	**1,701.1**	**16.5%**
- Net Revenue from Services	433.0	484.5	530.8	22.6%	9.6%	1,190.0	1,453.6	22.2%
- Net Revenue from Sale of Assets	219.8	101.2	86.0	-60.9%	-15.0%	270.6	247.5	-8.5%

Gross Revenue Deductions

Deductions, consisting mainly of sales taxes, discounts and returns, totaled R$ 69.5 million in 3Q11, corresponding to 10.1% of the Company's Total gross revenue, 1.2 p.p. more than the 9.0% recorded in the same period the year before. Excluding the effects of CPC06 on both gross revenue and taxes, gross revenue deductions would have remained flat at 10.2% between 3Q10 and 3Q11.

In 9M11, deductions totaled R$ 195.2 million or 10.3% of Total gross revenue, virtually flat over 9M10.

Net Revenue

Total net revenue amounted to **R$ 616.9 million** in 3Q11, 86% of which from revenue from Services, which increased by 22.6%, from R$ 433.0 million in 3Q10 to R$ 530.8 million in 3Q11. Revenue from the Sale of Assets totaled R$ 86.0 million, versus R$ 219.8 million in 3Q10, due to the effects of CPC06 in that quarter. Excluding this impact in both periods, the Company's Total net revenue would have grown by 18.7%.

In 9M11, Total net revenue amounted to R$ 1.701 billion, 16.5% up on 9M10. Excluding the effects of CPC06, Total net revenue would have grown by 28.2%.

2. Costs and Gross Profit

Total costs amounted to R$ 508.3 million in 3Q11, virtually flat over 3Q10, chiefly due to the effects of CPC06 in that quarter, when the costs from the Sale of Assets were impacted by R$ 69.4 million. As a percentage of Total net revenue, costs increased from 77.3% to 82.4% for the same reasons.

The cost of Services went up by 15.8% between 3Q10 and 3Q11, chiefly due to higher depreciation costs, as depreciation rates were adjusted as of the first half of the year. As a percentage of net revenue from Services, the cost of Services stood at 80.1%, 4.7 p.p. down on 3Q10, chiefly due to the larger share of Management and Outsourcing in the revenue mix.

In 9M11, Total costs came to R$ 1.430 billion, 19.7% higher than in 9M10, chiefly due to adjustments in depreciation. As a percentage of Total net revenue, Total costs came to 84.1% in 9M11.

Costs (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Cost of Services	**(367.0)**	**(401.0)**	**(425.1)**	**15.8%**	**6.0%**	**(1,005.8)**	**(1,180.2)**	**17.3%**
- Personnel	(131.9)	(143.8)	(155.3)	17.7%	7.9%	(357.8)	(419.0)	17.1%
- Independent contractors / third parties	(78.2)	(80.5)	(86.6)	10.7%	7.6%	(220.9)	(248.5)	12.5%
- Fuel and lubricants	(37.6)	(37.6)	(38.2)	1.4%	1.4%	(110.9)	(110.2)	-0.6%
- Parts / tire / maintenance	(47.8)	(38.2)	(36.8)	-23.0%	-3.6%	(121.9)	(114.5)	-6.0%
- Depreciation	(19.9)	(49.2)	(54.5)	173.9%	10.8%	(56.3)	(136.7)	142.8%
- Others	(51.6)	(51.7)	(53.8)	4.2%	4.0%	(138.0)	(151.3)	9.7%
Costs of Sales of Assets	**(137.3)**	**(106.0)**	**(83.2)**	**-39.4%**	**-21.5%**	**(189.2)**	**(250.0)**	**32.2%**
Total	**(504.3)**	**(507.0)**	**(508.3)**	**0.8%**	**0.3%**	**(1,195.0)**	**(1,430.3)**	**19.7%**

Costs (% of Net Revenue)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Cost of Services (as % of Net Revenue from Services)	**84.8%**	**82.8%**	**80.1%**	**-4.7 p.p.**	**-2.7 p.p.**	**84.5%**	**81.2%**	**-3.3 p.p.**
- Personnel	30.5%	29.7%	29.2%	-1.2 p.p.	-0.4 p.p.	30.1%	28.8%	-1.2 p.p.
- Independent contractors / third parties	18.1%	16.6%	16.3%	-1.8 p.p.	-0.3 p.p.	18.6%	17.1%	-1.5 p.p.
- Fuel and lubricants	8.7%	7.8%	7.2%	-1.5 p.p.	-0.6 p.p.	9.3%	7.6%	-1.7 p.p.
- Parts / tire / maintenance	11.0%	7.9%	6.9%	-4.1 p.p.	-0.9 p.p.	10.2%	7.9%	-2.4 p.p.
- Depreciation	4.6%	10.2%	10.3%	+5.7 p.p.	+0.1 p.p.	4.7%	9.4%	+4.7 p.p.
- Others	11.9%	10.7%	10.1%	-1.8 p.p.	-0.5 p.p.	11.6%	10.4%	-1.2 p.p.
Cost of Sale of Assets (as % of Net Revenue from Sale of Assets)	**62.5%**	**104.8%**	**96.8%**	**+34.3 p.p.**	**-8.0 p.p.**	**69.9%**	**101.0%**	**+31.1 p.p.**
Total (as % of Total Net Revenue)	**77.3%**	**86.6%**	**82.4%**	**+5.1 p.p.**	**-4.2 p.p.**	**81.8%**	**84.1%**	**+2.3 p.p.**

Total Cost - Excluding CPC06 (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10
Cost of Services	(367.0)	(401.0)	(425.1)	15.8%	6.0%	(1,005.8)	(1,180.2)	17.3%
Cost of Sale of Assets	(137.3)	(106.0)	(83.2)	-39.4%	-21.5%	(189.2)	(250.0)	32.2%
CPC06 Effect	(69.4)	-	(2.5)	-96.4%	-	(69.4)	(2.5)	-96.4%
Cost of Sale of Assets without CPC06	(67.9)	(106.0)	(80.8)	19.0%	-23.8%	(119.8)	(247.5)	106.7%
Total Cost	**(434.9)**	**(507.0)**	**(505.9)**	**16.3%**	**-0.2%**	**(1,125.5)**	**(1,427.8)**	**26.9%**

Total Cost Excluding CPC06 (% of Net Revenue)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10
Cost of Services	84.8%	82.8%	80.1%	-4.7 p.p.	-2.7 p.p.	84.5%	81.2%	-3.3 p.p.
Cost of Sale of Assets	81.2%	104.8%	98.4%	+17.2 p.p.	-6.4 p.p.	89.1%	101.6%	+12.5 p.p.
Total Cost (as % of Total Net Revenue)	84.2%	86.6%	82.5%	-1.7 p.p.	-4.0 p.p.	85.0%	84.1%	-0.9 p.p.

Cost of Services

In 3Q11, the cost of Services totaled R$ 425.1 million, 15.8% up on 3Q10. These costs improved by 4.7 p.p. as a percentage of net revenue from Services, moving from 84.8% in 3Q10 to 80.1% in 3Q11, chiefly due to the 4.4 p.p. increase in the Management and Outsourcing's share in the Company's revenue mix, given that this business line is less labor-intensive and has other lower costs due to its nature. As a result, depreciation costs, which moved up by 173.9% over 3Q10 due to the rate adjustments made in the previous quarter, were more than offset.

In 9M11, the cost of Services came to R$ 1.180 billion or 81.2% of net revenue from Services, 3.3 p.p. down on 9M10, also positively impacted by the changes in the Company's business mix.

Personnel

Personnel costs totaled R$ 155.3 million in 3Q11, 17.7% up on 3Q10, chiefly due to the collective bargaining in May 2011, with an average pay rise of 9.5%; the 4.3% expansion in the average number of staff to support the Company's growth, including the implementation of new operations; and provisions for bonuses linked to performance targets totaling R$ 3.4 million. As a result of the larger share of Management and Outsourcing, which is less labor-intensive, personnel costs as a percentage of net revenue from Services improved by 1.2 p.p., from 30.5% in 3Q10 to 29.2% in 3Q11.

For the same reasons, personnel costs totaled R$ 419.0 million in 9M11, 17.1% up on 9M10. The positive impact of the larger share of Management and Outsourcing led to a 1.2 p.p. improvement of personnel costs as a percentage of net revenue from Services between 9M10 and 9M11.

Independent contractors / third parties

In 3Q11, costs from independent contractors and third parties totaled R$ 86.6 million, 10.7% higher than in the same period of 2010, representing 16.3% of net revenue from Services, 1.8 p.p. down on 3Q10. In 9M11, these costs amounted to R$ 248.5 million, 12,5% up, representing 17.1% of net revenue from Services, a 1.5 p.p. improvement over 9M10.

These results were positively impacted by the larger share of Management and Outsourcing and Passenger Transportation in JSL's Service mix, as these business lines do not use outsourced or contracted drivers. Mainly for this reason, the contribution of the operations that use these professionals (General Cargo Transportation and part of Dedicated Services) to the Company's total revenue from Services fell from 36.0% in 3Q10 to 31.0% in 3Q11.

Fuel and Lubricants

Fuel and lubricant costs totaled R$ 38.2 million in 3Q11, virtually in line with 3Q10's R$ 37.6 million. As a percentage of net revenue from Services, these costs came to 7.2%, a 1.5 p.p. improvement over 3Q10, again due to the larger share of Management and Outsourcing (where most clients pay for fuel), in the Company's business mix.

In 9M11, these costs amounted to R$ 110.2 million, in line with 9M10. As a percentage of net revenue from Services, these costs stood at 7.6% in 9M11, a 1.7 p.p. improvement over 9M10 due to the aforementioned reasons.

Parts, Tires and Maintenance

Costs relating to parts, tires and maintenance stood at R$ 36.8 million in 3Q11, 23.0% down on the R$ 47.8 million recorded in 3Q10. As a percentage of net revenue from Services, these costs declined by 4.1 p.p., from 11.0% in 3Q10 to 6.9% in 3Q11.

This improvement was due to the acquisition of new operating assets, whose base grew by 16.3% over 3Q10 as a result of new contracts, totaling 27,300 items, and the periodic fleet renewal, which reduced the average age of the Company's assets from 1.5 year in 3Q10 to 1.2 year in 3Q11. Thanks to an increasingly modern fleet with low utilization time, the need for repairs and maintenance, including the replacement of tires, was significantly reduced, positively impacting the respective costs. The reduction over 3Q10 was also due to the non-recurring additional costs of R$ 4.8 million related to the inventory write off of parts in 3Q10, so the improvement in 3Q11 was also a result of the absence of these costs in the period.

For all those reasons, costs relating to parts, tires and maintenance came to R$ 114.5 million in 9M11, 6.0% down on 9M10, and improved by 2.4 p.p. as a percentage of net revenue from Services, standing at 7.9%.

Depreciation

As already disclosed in the previous earnings release, in accordance with IFRS recommendations, the Company reviewed the depreciation rates of some of its assets in 2Q11 in order to reflect, in a more realistic manner, the expected residual value of its sales with the market parameters and the nature of the operations to which they are allocated, increasing depreciation costs as of that quarter. In addition, the expansion in the Company's asset base also contributed to the 173.9% increase in nominal depreciation costs, which totaled R$ 54.5 million in 3Q11, corresponding to 10.3% of net revenue from Services, 5.7 p.p. higher than in 3Q10.

In 9M11, depreciation costs amounted to R$ 136.7 million, 142.8% up. As a percentage of net revenue from Services, these costs grew by 4.7 p.p. over 9M10.

Note that the depreciation rates will be reviewed periodically.

Other Costs

In 3Q11, other costs totaled R$ 53.8 million, 4.2% or R$ 2.1 million more than in 3Q10, mainly following the growth in the Company's operations. This increase was mainly influenced by higher costs relating to the IPVA tax, licensing and insurance (+R$ 4.3 million), property rental (+R$ 1.3 million) and outsourced services (+R$ 1.1 million), offset by a decline of R$ 1.7 million in machinery and equipment rental, R$ 1.4 million in damages, R$ 1.2 million in cargo handling and R$ 1.1 million in tolls, the latter thanks to the higher reimbursed volume. As a percentage of net revenue from Services, these costs fell by 1.8 p.p. over 3Q10, to 10.1% in 3Q11.

Other costs increased by R$ 13.3 million over 9M10, totaling R$ 151.3 million in 9M11, chiefly due to costs relating to the IPVA tax, licensing and insurance (+R$ 7.4 million), property rental (+R$ 3.3 million), outsourced services (+R$ 2.2 million), several fees (+R$ 2.2 million) and building maintenance (+R$ 1.5 million), partially offset by the decline of R$ 5.4 million in tolls, R$ 3.8 million in insurance, R$ 1.8 million in damages and R$ 1.4 million in machinery and equipment rental. Other costs as a percentage of net revenue from Services stood at 10.4% in 9M11, a 1.2 p.p. improvement over 9M10.

Cost of the Sale of Assets

The cost of the Sale of Assets totaled R$ 83.2 million in 3Q11, 39.4% down, due to the effects of CPC06, which added R$ 69.4 million related to machinery and equipment rental to these costs, which stood at R$ 2.5 million in 2Q11, explaining the decline in the total cost of the Sale of Assets, following the trend presented by its revenue.

In 9M11, total costs of the Sale of Assets amounted to R$ 250.0 million, 32.2% up on 9M10, due to the 126.3% growth in costs of the usual Resale of Assets, in line with the upturn in revenue.

Cost of Sale of Assets	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Resale of Assets used to provide services	(43.9)	(78.8)	(77.1)	75.7%	-2.2%	(95.7)	(216.7)	126.3%
Sale of Assets with Management[1]	(24.0)	(27.2)	(3.7)	-84.6%	-86.4%	(24.0)	(30.9)	28.5%
Machinery and equipment rental (present value) - CPC06	(69.4)	-	(2.5)	-96.4%	-	(69.4)	(2.5)	-96.4%
Total	**(137.3)**	**(106.0)**	**(83.2)**	**-39.4%**	**-21.5%**	**(189.2)**	**(250.0)**	**32.2%**

[1] Cash Cost

Net Revenue from Sale of Assets (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Resale of Assets used to provide services	54.5	79.6	77.3	41.8%	-2.9%	105.3	217.3	106.3%
Sale of Assets with Management	29.0	21.5	4.8	-83.6%	-77.9%	29.0	26.3	-9.4%
Machinery and equipment rental (present value) - CPC06	136.2	-	3.9	-97.1%	-	136.2	3.9	-97.1%
Total	**219.8**	**101.2**	**86.0**	**-60.9%**	**-15.0%**	**270.6**	**247.5**	**-8.5%**

Cost of Sale of Assets (% of Net Revenue from Sale of Assets)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Resale of Assets used to provide services (% of Net Revenue from Sale of Assets)	80.4%	99.0%	99.6%	+19.2 p.p.	+0.7 p.p.	90.9%	99.7%	+8.8 p.p.
Sale of Assets with Management (as % of Net Revenue from Assets with Management)	82.7%	126.2%	77.7%	-5.0 p.p.	-48.5 p.p.	82.7%	117.4%	+34.7 p.p.
Machinery and equipment rental (present value) - CPC06 (as % of Net Revenue from Rental)	51.0%	-	63.2%	+12.2 p.p.	-	51.0%	63.2%	+12.2 p.p.
Total (as % of Net Revenue from Sale of Assets)	**62.5%**	**104.8%**	**96.8%**	**+34.3 p.p.**	**-8.0 p.p.**	**69.9%**	**101.0%**	**+31.1 p.p.**

Gross Profit

Total gross profit came to R$ 108.5 million in 3Q11, 26.9% down on 3Q10, accompanied by a gross margin of 17.6%. In 9M11, gross profit stood at R$ 270.9 million, 2.0% up on 9M10, accompanied by a gross margin of 15.9%.

Excluding the effects of CPC06, Total gross profit would have increased by 31.1% between 3Q10 and 3Q11, while the gross margin would have widened by 1.7 p.p. to 17.5%, as shown the table below. In 9M11, adjusted gross profit would have grown by 35.5% over 9M10, while the gross margin would have widened by 0.9 p.p. to 15.9%.

Total Gross Profit (Pro forma - Excluding the effects of CPC06)

Gross Profit - Excluding CPC06 (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10
Total Gross Profit	148.4	78.6	108.5	-26.9%	38.0%	265.6	270.9	2.0%
CPC06 Effect	66.8	-	1.4	-97.8%	-	66.8	1.4	-97.8%
Total Gross Profit without CPC06	**81.7**	**78.6**	**107.1**	**31.1%**	**36.2%**	**198.8**	**269.4**	**35.5%**
Gross Margin without CPC06	15.8%	13.4%	17.5%	+1.7 p.p.	+4.0 p.p.	15.0%	15.9%	+0.9 p.p.

Total Gross Profit – Accounting Figures– considering CPC06

Gross Profit (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Total Gross Profit	**148.4**	**78.6**	**108.5**	**-26.9%**	**38.0%**	**265.6**	**270.9**	**2.0%**
Gross Margin (% of Total Net Revenue)	22.7%	13.4%	17.6%	-5.1 p.p.	+4.2 p.p.	18.2%	15.9%	-2.3 p.p.
Gross Profit from Services	**65.9**	**83.4**	**105.7**	**60.3%**	**26.7%**	**184.2**	**273.4**	**48.4%**
Gross Margin from Services (% of Net Revenue from Services)	15.2%	17.2%	19.9%	+4.7 p.p.	+2.7 p.p.	15.5%	18.8%	+3.3 p.p.
Gross Profit from Sale of Assets	**82.5**	**(4.8)**	**2.8**	**-96.6%**	**-157.7%**	**81.4**	**(2.5)**	**-103.1%**
Gross Margin from Sale of Assets (% of Net Revenue from Sale of Assets)	37.5%	-4.8%	3.2%	-34.3 p.p.	+8.0 p.p.	30.1%	-1.0%	-31.1 p.p.

Gross profit from Services moved up by 60.3%, from R$ 65.9 million in 3Q10 to R$ 105.7 million in 3Q11, while the gross margin grew by 4.7 p.p. to 19.9%. Gross profit from Services totaled R$ 273.4 million in 9M11, a substantial increase of 48.4% over 9M10, while the gross margin improved by 3.3 p.p. to 18.8%.

3. Operating Expenses before the Financial Result

Operating expenses before financial result totaled R$ 47.8 million in 3Q11, 32.2% up on 3Q10, representing 9.0% of net revenue from Services, 0.7 p.p. up on 3Q10, due to higher expenses from salaries and related taxes, and non-recurring contingencies, which will be detailed in this section. Excluding the non-recurring contingencies of R$ 9.6 million in 3Q10 and R$ 12.6 million in 3Q11, these expenses remained flat at 6.6% of net revenue from Services.

Operating expenses stood at R$ 106.6 million in 9M11, 22.5% up on 9M10. As a percentage of net revenue from Services, these expenses came to 7.3%, in line with 9M10.

Operating Expenses before Financial Results (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Administrative and Sales Expenses	(32.3)	(36.5)	(37.1)	14.6%	1.6%	(85.8)	(105.1)	22.5%
Tax Expenses	(0.4)	(0.6)	(1.1)	154.2%	94.0%	(1.6)	(2.2)	40.8%
Other Operating Revenues (Expenses)	(3.4)	10.5	(9.6)	185.7%	-191.5%	1.1	0.7	-33.0%
Total	**(36.1)**	**(26.5)**	**(47.8)**	**32.2%**	**80.3%**	**(86.3)**	**(106.6)**	**23.5%**
Total (as % of Total Net Revenue)	**5.5%**	**4.5%**	**7.7%**	**+2.2 p.p.**	**+3.2 p.p.**	**5.9%**	**6.3%**	**+0.4 p.p.**
Total (as % of Net Revenue from Services)	**8.3%**	**5.5%**	**9.0%**	**+0.7 p.p.**	**+3.5 p.p.**	**7.3%**	**7.3%**	**+0.1 p.p.**

Operating Expenses before Financial Result – Excluding Non-Recurring Effects

Operating Expenses before Financial Results - Excluding Non-recurring Effects (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10
Total	**(36.1)**	**(26.5)**	**(47.8)**	**32.2%**	**80.3%**	**(86.3)**	**(106.6)**	**23.5%**
Effect of non-recurring expenses	(9.6)	(4.3)	(12.6)	31.3%	193.0%	(20.0)	(19.4)	-3.0%
Total non-recurring expenses	**(26.5)**	**(22.2)**	**(35.2)**	**32.6%**	**58.5%**	**(66.3)**	**(87.2)**	**31.5%**
Total (as % of Total Net Revenue)	**4.1%**	**3.8%**	**5.7%**	**+1.6 p.p.**	**+1.9 p.p.**	**4.5%**	**5.1%**	**+0.6 p.p.**
Total (as % of Net Revenue from Services)	**6.1%**	**4.6%**	**6.6%**	**+0.5 p.p.**	**+2.0 p.p.**	**5.6%**	**6.0%**	**+0.4 p.p.**

Selling and Administrative Expenses

Selling and administrative expenses totaled R$ 37.1 million in 3Q11, 14.6% up on 3Q10. As a percentage of net revenue from Services, administrative expenses improved by 0.5 p.p. to 7.0% in 3Q11.

In 9M11, these expenses amounted to R$ 105.1 million, 22.5% higher than in 9M10 and virtually flat as a percentage of net revenue from Services in the same period.

Administrative and Selling Expenses (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Personnel	(11.1)	(15.0)	(18.0)	61.8%	19.9%	(30.7)	(46.3)	50.8%
Services Renderded	(5.0)	(5.7)	(6.2)	23.1%	9.1%	(15.2)	(17.0)	11.8%
Communication, advertising and marketing	(2.8)	(3.0)	(2.6)	-9.3%	-14.5%	(7.5)	(8.4)	12.7%
Third-party properties rental	(1.4)	(1.7)	(1.8)	25.0%	2.5%	(4.2)	(5.2)	22.1%
Depreciation	(1.8)	(0.3)	(0.4)	-78.9%	24.4%	(4.2)	(1.4)	-66.1%
Others	(10.1)	(10.8)	(8.2)	-19.4%	-24.0%	(24.0)	(26.8)	11.5%
Total	**(32.3)**	**(36.5)**	**(37.1)**	**14.6%**	**1.6%**	**(85.8)**	**(105.1)**	**22.5%**
Total (as % of Total Net Revenue)	**5.0%**	**6.2%**	**6.0%**	**+1.1 p.p.**	**-0.2 p.p.**	**5.9%**	**6.2%**	**+0.3 p.p.**
Total (as % of Net Revenue from Services)	**7.5%**	**7.5%**	**7.0%**	**-0.5 p.p.**	**-0.5 p.p.**	**7.2%**	**7.2%**	**+0.0 p.p.**

Personnel expenses stood at R$ 18.0 million in 3Q11, a R$ 6.9 million increase over 3Q10, chiefly due to the 54.3% upturn in the average number of staff, already including those allocated to the Company's network of used-vehicle stores, which was restructured last year to optimize the resale of assets used in operations, moving from 5 stores at the end of 3Q10 to 12 now. In addition, the average pay rise of 9.5% granted in May 2011 and the structuring of the trainee program designed to train young professionals as part of the continued development of human capital necessary for the Company's sustainable growth also fueled these expenses in 3Q11. In 9M11, personnel expenses increased by 50.8% to R$ 46.3 million basically due to the same reasons. As a percentage of net revenue from Services, personnel expenses came to 3.4% in 3Q11, 0.8 p.p. up, and 3.2% in 9M11, 0.6 p.p. up.

Expenses relating to the rendering of services totaled R$ 6.2 million in 3Q11, R$ 1.2 million higher than in 3Q10, chiefly due to increased expenses from legal consulting, IT services and security for the used vehicle stores, in line with the Company's growth. In 9M11, these expenses amounted to R$ 17.0 million, 11.8% higher than in 9M10, chiefly due to the same reasons. As a percentage of net revenue from Services, these expenses stood at 1.2% both in 3Q11 and 9M11, remaining flat in relation to the same periods a year earlier.

Communication, advertising and publicity expenses fell by R$ 0.2 million over 3Q10, totaling R$ 2.6 million in this quarter. In 9M11, these expenses increased by R$ 1.0 million over 9M10. As a percentage of net revenue from Services, these expenses stood at 0.5% in 3Q11, 0.2 p.p. down on 3Q10, and 0.6% in 9M11, flat in relation to 9M10.

Third-party property rental totaled R$ 1.8 million in 3Q11, R$ 0.4 million more than the R$ 1.4 million recorded in 3Q10, chiefly due to the rental expenses related to the new used-vehicle stores. In 9M11, these expenses stood at R$ 5.2 million, R$ 1.0 million higher than in 9M10. As a percentage of net revenue from Services, these expenses remained virtually flat at 0.3% in 3Q11 and 0.4% in 9M11.

Expenses classified as "Others" amounted to R$ 8.2 million in 3Q11, 19.4% down on 3Q10, chiefly due to the decline from R$ 2.9 million in 3Q10 to R$ 0.9 million in 3Q11 in provisions for doubtful accounts, positively impacting these expenses as a percentage of net revenue from Services, which stood at 1.5%, 0.8 p.p. down on 3Q10. In 9M11, these expenses totaled R$ 26.8 million, 11.5% up on 9M10, in line with the growth in operations. As a percentage of net revenue from Services, these expenses fell by 0.2 p.p. to 1.8% in 9M11.

Tax Expenses/Revenues

Tax expenses stood at R$ 1.1 million in 3Q11 and R$ 2.2 million in 9M11. The increases of R$ 0.7 million over 3Q10 and R$ 0.6 million over 9M10 were due to higher taxes as a result of the growth in the Company's businesses, such as the FUNDAF (Special Fund of Development and Improvement of Oversight Activities), fee on revenue from imports and warehousing applied to the Company's operations in the EADI dry port in Recife. As a percentage of net revenue from Services, these expenses remained flat at 0.2% in the analyzed periods.

Other Operating Revenue (Expenses)

Other operating revenue (expenses) increased by R$ 6.3 million, from expenses of R$ 3.4 million in 3Q10 to expenses of R$ 9.6 million in 3Q11, chiefly due to impacts recorded in this quarter related to provisions for civil (R$ 2.1 million), tax (R$ 2.9 million) and labor provisions (R$ 6.7 million), totaling non-recurring expenses of R$ 11.7 million in 3Q11. In 3Q10, these contingencies came to R$ 6.7 million.

Excluding the non-recurring expenses of R$ 6.7 million in 3Q10 and R$ 11.7 million in 3Q11 related to provisions for contingencies, revenue would have come to R$ 2.0 million in 3Q11. As a percentage of net revenue from Services, these expenses stood at 0.4% in 3Q11, a 0.4 p.p. improvement over 3Q10.

In 9M11, other operating revenue (expenses) totaled revenue of R$ 0.7 million, chiefly due to revenue of R$ 16.1 million, most of which from the consolidation of the processes related to the balance of the REFIS (Tax Recovery Program) with the Internal Revenue, in the amount of R$ 9.8 million in 2Q11, as mentioned in the last earnings release, offsetting, among other expenses, those related to provisions for labor, tax and civil provisions in the amount of R$ 15.2 million, mostly concentrated in 3Q11.

Financial Result

Financial Result (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Net financial interest	**(21.4)**	**(34.4)**	**(41.1)**	**92.1%**	**19.5%**	**(68.0)**	**(106.1)**	**56.0%**
Income from financial investments	10.9	11.5	13.0	19.4%	13.6%	22.3	34.4	54.5%
Loans and Financing interest	(32.3)	(45.9)	(54.2)	67.6%	18.1%	(90.3)	(140.5)	55.6%
Others financial items	**(2.3)**	**(3.8)**	**3.5**	-250.3%	-191.9%	**2.8**	**1.1**	**-59.4%**
Total	**(23.8)**	**(38.2)**	**(37.6)**	**58.4%**	**-1.6%**	**(65.2)**	**(105.0)**	**60.9%**
Total (as % of Total Net Revenue)	**3.6%**	**6.5%**	**6.1%**	**+2.5 p.p.**	**-0.4 p.p.**	**4.5%**	**6.2%**	**+1.7 p.p.**
Total (as % Net Revenue from Services)	**5.5%**	**7.9%**	**7.1%**	**+1.6 p.p.**	**-0.8 p.p.**	**-5.5%**	**-7.2%**	**1.7 p.p.**

Financial result was an expense of R$ 37.6 million, directly impacted by the 92.1% upturn in net financial interest, following the 58.0% increase in average net debt over 3Q10. This upturn was also due to the growth in net debt cost from 9.6% in 3Q10 to 11.8% in 3Q11, influenced by the increase in the CDI rate, given that 26.4% of JSL's average net debt was linked to this rate in 3Q11. "Other financial items" came to R$ 3.5 million, with a positive impact of R$ 4.8 million related to the reversal of adjustments to present value from the installment sale of assets, offsetting the negative impact from monetary variations (chiefly interest relating to the consolidation of REFIS in the amount of R$ 0.9 million) and R$ 0.5 million from banking expenses.

In 9M11, the net financial result went from a R$ 65.2 million expense in 9M10 to a R$ 105.0 million expense in 9M11, also due to the upturn in the CDI rate and the 39.5% rise in the average net debt balance. "Other financial items" totaled R$ 1.1 million, mainly due to the reversal revenue of adjustment to present value (APV) of R$ 13.8 million, offsetting the R$ 8.0 million monetary variation (R$ 7.0 million of which related to REFIS adjustments in 2Q11) and R$ 2.7 million in banking expenses, among others.

4. Net Income

Net income totaled R$ 17.5 million in 3Q11, accompanied by a net margin of 2.8%. The decline in relation to 3Q10 was due to the effects of CPC06 in that quarter, which had a positive impact of R$ 44.1 million on net income. Adjustments to the depreciation rates made by the Company in 2011 also influenced this decrease.

As shown in the table below, net income would have grown by 12.0% between 3Q10 and 3Q11 excluding this non-recurring accounting effect. The net margin would have stabled between the same periods.

Net Income (Pro forma - Excluding the effects of CPC06)

Net Income - Excluding CPC06 (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M10	9M11	Var. 9M11x9M10
Net Income	58.4	9.1	17.5	-70.0%	92.9%	67.4	41.9	-37.8%
CPC06 Effect	44.1	-	1.4	-96.7%	-	44.2	1.4	-96.8%
Net Income without CPC06	**14.4**	**9.1**	**16.1**	**12.0%**	**77.1%**	**23.2**	**40.5**	**74.3%**
Net Margin without CPC06	2.8%	1.6%	2.6%	-0.2 p.p.	+1.1 p.p.	1.8%	2.4%	+0.6 p.p.

Net Income – Accounting Figures – considering CPC06

Net Income (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Income before tax	**88.6**	**13.9**	**23.1**	**-73.9%**	**66.6%**	**114.1**	**59.2**	**-48.1%**
Deferred tax credits/debits	(30.1)	(4.8)	(5.6)	-81.4%	16.8%	(46.7)	(17.3)	-62.9%
Minority Interest	(0.0)	(0.0)	(0.0)	-14.5%	-3.9%	(0.0)	(0.0)	-10.9%
Net Income	**58.4**	**9.1**	**17.5**	**-70.0%**	**92.9%**	**67.4**	**41.9**	**37.8%**
Net Margin	9.0%	1.6%	2.8%	-6.1 p.p.	+1.3 p.p.	4.6%	2.5%	-2.2 p.p.

Net income totaled R$ 41.9 million in 9M11, accompanied by a net margin of 2.5%. Excluding the effects of CPC06, net income would have moved up by 74.3% between 9M10 and 9M11, while the net margin would have widened by 0.6 p.p.

5. EBITDA-A

JSL's revenue derives from the sum of its contracts. Each of these contracts includes a cycle which begins with the purchase of assets to be used in the operation. Once the necessary resources are in place (personnel and facilities, among others) and the assets are readied, the provision of services begins. The contract will then generate cash flow throughout the life of the contract, which can vary between 2 and 10 years. The final stage in

this cycle is the resale of the asset at the end of the contract. This estimated residual value is taken into consideration when negotiating the price for the contract, and thus, figures into the expected total returns from the contract.

Because of this cycle, and to better reflect the realities of the Company's business, JSL adds back to EBITDA the residual accounting cost from the sale of fixed assets, thus capturing the effects of the final stage of the asset's useful life under the contract. We call this revised EBITDA figure EBITDA-A, or EBITDA-Added. For more information about the EBITDA-A concept, see the glossary in this report.

EBITDA-A totaled R$ 195.2 million in 3Q11, 21.1% down on 3Q10, accompanied by a margin of 31.6%, 6.2 p.p. down on 3Q10, due to the effects of CPC06, as already mentioned in this report. In 9M11, EBITDA-A stood at R$ 521.7 million, 28.9% up on 9M10, while the EBITDA-A margin stood at 30.7%, 2.9 p.p. wider than in 9M10.

Traditional EBITDA amounted to R$ 115.6 million in 3Q11, 13.7% down on 3Q10, accompanied by a traditional EBITDA margin of 18.7%, 1.8 p.p. down on 3Q10. The decline over the previous periods was due to CPC06, which had a positive impact on 3Q10. In 9M11, traditional EBITDA moved up by 26.2% to R$ 302.6 million, with an EBITDA margin of 17.8%, a 1.4 p.p. improvement over 9M11.

Excluding the effects of CPC06, EBITDA-A would have grown by 72.2% between 3Q10 and 3Q11, while the EBITDA-A margin widened by 9.7 p.p. Between 9M10 and 9M11, EBITDA-A would have increased by 92.7% and the EBITDA-A margin would have widened by 10.2 p.p. to 30.5%. Traditional EBITDA would have climbed by 69.9% in 3Q11 over 3Q10 and the traditional EBITDA margin would have improved by 5.6 p.p. In 9M11, traditional EBITDA would have moved up by 92.7% over 9M10 and the traditional EBITDA margin would have widened by 4.7 p.p., as shown in the table below.

EBITDA-A (Pro forma - Excluding the effects of CPC06)

EBITDA - Excluindo CPC06 (R$ milhões)	3T10	2T11	3T11	Var. 3T11x3T10	Var. 3T11x2T11	9M10	9M11	Var. 9M11x9M10
EBITDA tradicional	134.0	101.6	115.6	-13.7%	13.8%	239.7	302.6	26.2%
Efeito CPC06	66.8	-	1.4	-97.8%	-	66.8	1.4	-97.9%
EBITDA tradicional sem CPC06	**67.2**	**101.6**	**114.2**	**69.9%**	**12.4%**	**172.9**	**301.2**	**74.1%**
Margem EBITDA sem CPC06	13.0%	17.4%	18.6%	+5.6 p.p.	+1.3 p.p.	13.1%	17.7%	+4.7 p.p.
EBITDA-A	247.3	180.4	195.2	-21.1%	8.2%	404.9	521.7	28.9%
Efeito CPC06	136.2	-	3.9	-97.1%	-	136.2	3.9	-97.1%
EBITDA-A sem CPC06	**111.1**	**180.4**	**191.3**	**72.2%**	**6.0%**	**268.7**	**517.8**	**92.7%**
Margem EBITDA-A sem CPC06	21.5%	30.8%	31.2%	+9.7 p.p.	+0.4 p.p.	20.3%	30.5%	+10.2 p.p.

EBITDA-A – Accounting – with CPC06

EBITDA-A (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Net Income	**58.4**	**9.1**	**17.5**	**-70.0%**	**92.9%**	**67.4**	**41.9**	**-37.8%**
(-) Financial Result	(23.8)	(38.2)	(37.6)	58.4%	-1.6%	(65.2)	(105.0)	60.9%
(-) Provision for income tax and social contribution	(30.1)	(4.8)	(5.6)	-81.4%	16.8%	(46.7)	(17.3)	-62.9%
(-) Depreciation and Amortization	(21.7)	(49.5)	(54.9)	152.8%	10.9%	(60.4)	(138.4)	128.9%
EBITDA	**134.0**	**101.6**	**115.6**	**-13.7%**	**13.8%**	**239.7**	**302.6**	**26.2%**
EBITDA Margin	20.5%	17.4%	18.7%	-1.8 p.p.	+1.4 p.p.	16.4%	17.8%	+1.4 p.p.
EBITDA from Services	51.5	106.4	112.8	119.0%	6.0%	158.3	305.1	92.7%
EBITDA Margin from Services	11.9%	22.0%	21.3%	+9.4 p.p.	-0.7 p.p.	13.3%	21.0%	+7.7 p.p.
EBITDA from Sales of Assets	82.5	(4.8)	2.8	-96.6%	-157.7%	81.4	(2.5)	-103.1%
EBITDA Margin from Sales of Assets	37.5%	-4.8%	3.2%	-34.3 p.p.	+8.0 p.p.	30.1%	-1.0%	-31.1 p.p.
(-) Costs of Sale of Assets[1]	(113.3)	(78.8)	(79.5)	-29.8%	0.9%	(165.2)	(219.1)	32.7%
EBITDA-A	**247.3**	**180.4**	**195.2**	**-21.1%**	**8.2%**	**404.9**	**521.7**	**28.9%**
EBITDA-A Margin	37.9%	30.8%	31.6%	-6.2 p.p.	+0.8 p.p.	27.7%	30.7%	+2.9 p.p.

EBITDA from Services (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Net Revenue from Services	**433.0**	**484.5**	**530.8**	**22.6%**	**9.6%**	**1,190.0**	**1,453.6**	**22.2%**
Cost of Services	(367.0)	(401.0)	(425.1)	15.8%	6.0%	(1,005.8)	(1,180.2)	17.3%
Gross Profit from Services	**65.9**	**83.4**	**105.7**	**60.3%**	**26.7%**	**184.2**	**273.4**	**48.4%**
Gross Margin from Services	15.2%	17.2%	19.9%	+4.7 p.p.	+2.7 p.p.	15.5%	18.8%	+3.3 p.p.
Operating Expenses (Revenues)	(59.9)	(64.7)	(85.4)	42.6%	31.9%	(151.6)	(211.6)	39.6%
Income from Services before tax	**6.1**	**18.7**	**20.3**	**235.3%**	**8.7%**	**32.7**	**61.8**	**89.2%**
(-) Financial Result	(23.8)	(38.2)	(37.6)	58.4%	-1.6%	(65.2)	(105.0)	60.9%
(-) Depreciation and Amortization	(21.7)	(49.5)	(54.9)	152.8%	10.9%	(60.4)	(138.4)	128.9%
EBITDA from Services	**51.5**	**106.4**	**112.8**	**119.0%**	**6.0%**	**158.3**	**305.1**	**92.7%**
EBITDA Margin from Services	11.9%	22.0%	21.3%	+9.4 p.p.	-0.7 p.p.	13.3%	21.0%	+7.7 p.p.

EBITDA from Sale of Assets (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Net Revenue from Sale os Assets	**219.8**	**101.2**	**86.0**	**-60.9%**	**-15.0%**	**270.6**	**247.5**	**-8.5%**
Cost of Sale of Assets	(137.3)	(106.0)	(83.2)	-39.4%	-21.5%	(189.2)	(250.0)	32.2%
EBITDA from Sale of Assets	**82.5**	**(4.8)**	**2.8**	**-96.6%**	**-157.7%**	**81.4**	**(2.5)**	**-103.1%**
EBITDA Margin from Sale of Assets	37.5%	-4.8%	3.2%	-34.3 p.p.	+8.0 p.p.	30.1%	-1.0%	-31.1 p.p.

EBITDA from Services grew by 119.0%, from R$ 51.5 million in 3Q10 to R$ 112.8 million in 3Q11, while the EBITDA from Services margin stood at 21.3%, 9.4 p.p. up on 3Q10. In 9M11, EBITDA from Services amounted to R$ 305.1 million, 92.7% up on 9M10, while the EBITDA from Services margin stood at 21.0%, 7.7 p.p. up on 9M10. These improvements were mainly due to the larger share of Management and Outsourcing in the Company's mix, in addition to impacts from the prioritization of contracts that guarantee minimum returns, as well as the lower average fleet age, as already mentioned in this report.

Note that the Company recorded non-recurring expenses of R$ 12.6 million in 3Q11 mainly related to adjustments in contingencies. Excluding these non-recurring effects, EBITDA from Services would have totaled R$ 125.4 million, accompanied by an EBITDA margin from Services of 23.6%.

It is worth to mention that during the Company's business expansion, the EBITDA margin will still be below its potential, as the addition of new contracts demands a cycle of implementation that reflects pre-operating costs, while these contracts still do not generate revenue and have a gradual curve until they reach their full capacity.

IV. INVESTMENTS

JSL invested R$ 227.0 million in 3Q11, 80.4% of which went to expanding its operations. Dedicated Services and Management and Outsourcing jointly absorbed 73.5% of total period investments as they are considered to be the Company's most strategic operations thanks to their high added value.

In 9M11, investments totaled R$ 699.6 million, 75.3% of which went to the Company's expansion.

The Intermodal Logistics Center, located in Itaquaquecetuba, absorbed investments of R$ 5.5 million in 3Q11 and R$ 18.7 million in 9M11.

Capex - R$ million

By Category	3Q11	% of Total	9M11	% of Total	12 Months	% of Total
Trucks	48.2	21.2%	242.5	34.7%	288.6	34.5%
Machinery and Equipment	21.9	9.7%	101.9	14.6%	121.0	14.5%
Light Vehicles	98.8	43.5%	224.6	32.1%	267.0	31.9%
Bus	47.7	21.0%	89.8	12.8%	113.6	13.6%
Others	10.3	4.5%	40.8	5.8%	46.4	5.5%
Total	**227.0**	**100.0%**	**699.6**	**100.0%**	**836.6**	**100.0%**

By Business Line	3Q11	% of Total	9M11	% of Total	12 Months	% of Total
Dedicated Services	42.3	18.6%	224.7	32.1%	259.6	31.0%
Management and Outsourcing	124.5	54.9%	325.4	46.5%	394.5	47.2%
Passenger Transportation	50.7	22.3%	114.4	16.4%	136.7	16.3%
General Cargo	2.8	1.2%	13.5	1.9%	13.8	1.7%
Others	6.7	3.0%	21.7	3.1%	32.0	3.8%
Total	**227.0**	**100.0%**	**699.6**	**100.0%**	**836.6**	**100.0%**

By Nature	3Q11	% of Total	9M11	% of Total	12 Months	% of Total
Renewal	44.5	19.6%	173.0	24.7%	228.1	27.3%
Expansion	182.5	80.4%	526.7	75.3%	608.5	72.7%
Total	**227.0**	**100.0%**	**699.6**	**100.0%**	**836.6**	**100.0%**

Note that the acquisitions of the operational assets used by JSL to provide its services are largely financed by specific lines linked to their nature (such as Finance for heavy vehicles, buses, machinery and domestically manufactured equipment and leasing agreements for light vehicles and imported equipment), and in such cases these acquisitions do not have a cash impact, as banks pay suppliers directly for the acquisition of these assets, as the Cash Flow section of this document shows.

Of the R$ 1.878 billion fixed assets recorded at the end of 3Q11, around 5.5% or R$ 103.3 million was in the new contract implementation phase, thus was not generating revenue. In addition, R$ 80.4 million was recorded in assets available for "fleet renewal" sale and R$ 67.8 million was classified in Inventory related to the Sale of Assets with Management, totaling R$ 251.5 million in operation items allocated to the balance sheet that were not generating revenue in the period.

JSL expects to invest approximately R$890.0 million in 2011, more than what was initially expected, chiefly due the larger share of Management and Outsourcing in the annual revenue mix (operations that are usually more capital intensive, but which normally present higher margins in relation to the Company's other business lines) and addenda to the current contracts as a result of increased volumes.

V. CAPITAL STRUCTURE

The Company closed 3Q11 with cash position and financial investments of R$ 457.9 million and gross debt of R$ 1.955 billion, resulting in net debt of R$ 1.497 billion. Of total net debt, 89.5% was linked to the acquisition of assets. In relation to the interest rate exposure, 73.6% of net debt on September 30, 2011 was indexed to the TJLP rate or fixed rates, mainly derived from FINAME lines of credit, presenting, therefore, greater stability in comparison with the CDI rate.

Indebtedness (R$ million)	30/06/2010	30/09/2010	31/12/2010	31/03/2011	30/06/2011	30/09/2011
Cash and Investments[1]	**(385.3)**	**(406.0)**	**(488.2)**	**(390.0)**	**(422.8)**	**(457.9)**
Short Term Debt	366.1	427.4	372.7	328.4	337.2	377.1
Long Term Debt	838.5	998.5	1,183.1	1,320.6	1,494.3	1,578.0
Gross Debt	**1,204.6**	**1,425.9**	**1,555.8**	**1,649.0**	**1,831.4**	**1,955.1**
Net Debt	**819.3**	**1,020.0**	**1,067.6**	**1,259.0**	**1,408.7**	**1,497.2**

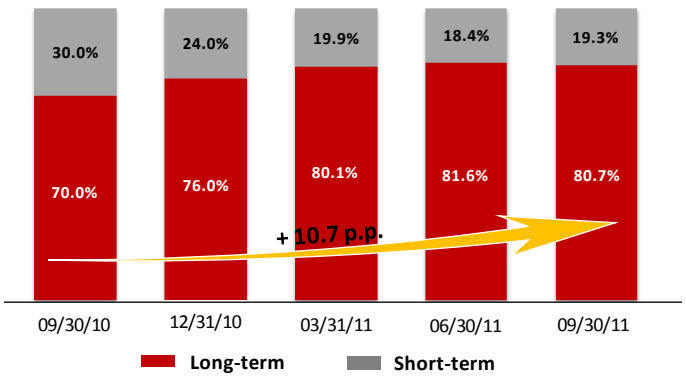
[1]Considers as cash the balance of financial investments classified as non-current assets (securities), which are linked to the amortization of a proportion of the unsettled balance of debentures.

Net debt increased by R$ 88.5 million over 2Q11, chiefly due to the R$ 227.0 million investments in the expansion of operations in 3Q11, mostly specific lines, such as FINAME loans and leasing agreements, which do not impact cash, as in such cases the lending banks pay for the acquisition of assets directly to the Company's suppliers, partially offset by operating cash flow in the period.

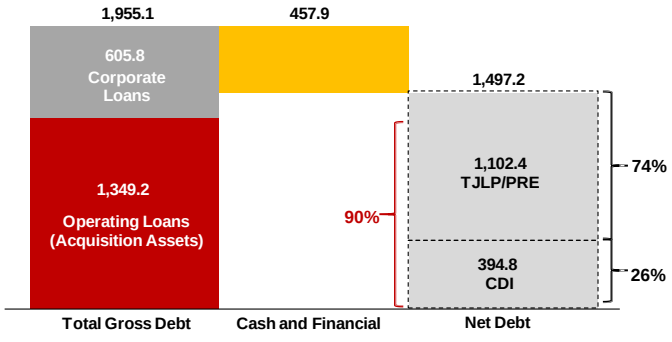
JSL seeks to maintain a cash balance that covers short-term net debt. This prudence in relation to the Company's liquidity arises from the fact that the traditional lines of financing of operating assets usually present a shorter average term, as they have monthly amortizations.

The graph below presents the gross debt amortization schedule and the debt profile:

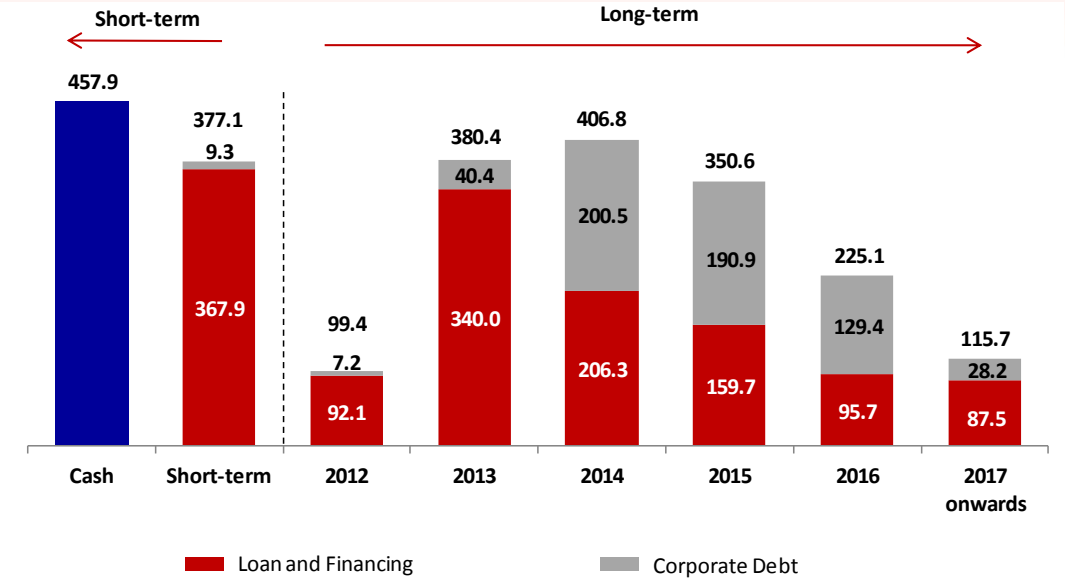
Evolution of Short-Term to Long-Term Gross Debt Ratio



Net Debt Breakdown (R$ million) – 09/30/2011

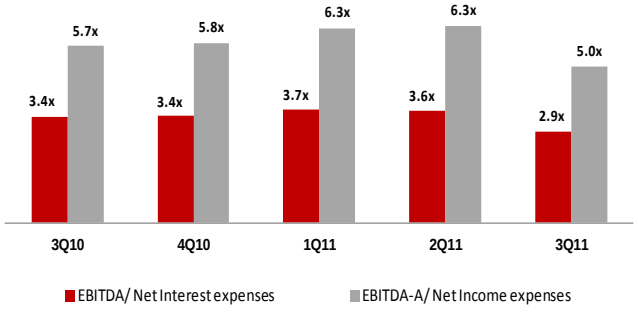


Debt Amortization Schedule
(R$ million)

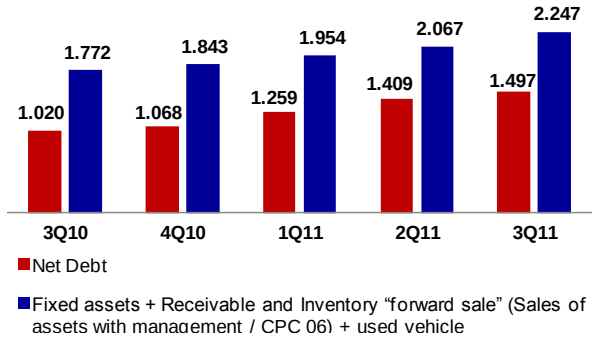


*Short-term: debt falling due in the next 12 months.

Net interest coverage ratio



Net Debt Operating Assets
(R$ million)



The Company has issued debt securities with covenants that limit its leverage ratio based on the Net Debt-to-EBITDA-A ratio of 3.0x. As the following table shows, this ratio ended the period at 2.2x, a level that allows the Company to continue growing with prudent leverage levels.

Balance - end of period	06/30/2010	09/30/2010	12/31/2010	03/31/2011	06/30/2011	09/30/2011
Net Debt / EBITDA-A[2]	2.2x	1.9x	1.9x	2.0x	2.0x	2.2x
Net Debt / EBITDA[2]	3.0x	3.3x	3.2x	3.5x	3.4x	3.8x
EBITDA-A/Net interest expenses	4.1x	5.7x	5.8x	6.3x	6.3x	5.0x
EBITDA/Net interest expenses	2.9x	3.4x	3.4x	3.7x	3.6x	2.9x
Operating Assets[1] / Net Debt	1.8x	1.7x	1.7x	1.6x	1.5x	1.5x
Cash / Short Term Debt	1.1x	0.9x	1.3x	1.2x	1.3x	1.2x

[1] Fixed assets + Receivable and Inventory "forward sale" (Sales of assets with management / CPC 06) + used vehicle

[2] Accumulated over the last 12 months

Note that the high growth rates presented by JSL demand investments associated with assets mainly allocated to its expansion. These assets, when acquired, are already necessarily linked to long-term service provision contracts and thus guarantee future cash flows, being part of the new projects that have an implementation cycle that varies from 90 to 120 days, period in which the Company incurs pre-operating costs without having the respective revenue generation. As a result of this expansionist characteristic, the Company's net debt balance has a higher correlation with future cash flows than was observed in the last twelve months, usual basis for the analysis of leverage indices which, for that reason, were higher than those presented in a scenario of business stability.

JSL intends to constantly improve its debt profile by raising funds in the financial market and thus lengthening the amortization schedule. The Company's gross debt trends are presented below.

Average debt term (years) - End of the period	3Q10	4Q10	1Q11	2Q11	3Q11	Chg. 3Q11x3Q10
Corporate Debt	2.4	3.5	4.0	3.7	3.7	+1.3
Operational Debt	2.5	2.0	2.0	2.3	2.2	-0.3
Total	**2.5**	**2.5**	**2.7**	**2.8**	**2.7**	**+0.2**

VI. CASH FLOW

Operating cash flow totaled R$ 154.0 million, 61.6% up on the R$ 95.3 million recorded in 3Q10, chiefly due to the reduction in working capital consumption over the same period the year before.

Cash Flow Summary[1] (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Net Income	**58.4**	**9.1**	**17.5**	**-70.0%**	**92.9%**	**67.4**	**41.9**	**-37.8%**
Depreciation and Amortization	22.0	49.3	55.1	150.1%	11.7%	59.4	138.2	132.5%
Cost of Sale of Assets[2]	137.3	78.2	76.9	-44.0%	-1.7%	189.2	215.9	14.1%
Other Non-cash adjustments	67.6	44.0	49.0	-27.5%	11.5%	141.5	125.5	-11.3%
Accounts receivables, Inventory and Suppliers	(172.4)	2.2	(22.8)	-86.8%	-1117.8%	(218.7)	(77.4)	-64.6%
Other Assets and Liabilities	16.0	12.5	14.0	-13.0%	11.5%	62.6	1.7	-97.3%
Paid interest	(33.7)	(46.0)	(35.6)	5.7%	-22.6%	(92.6)	(124.7)	34.7%
Operating Cash Generation	**95.3**	**149.3**	**154.0**	**61.6%**	**3.1%**	**208.7**	**321.0**	**53.8%**
Increase in Fixed Assets	(22.1)	(24.1)	(36.0)	63.0%	49.1%	(35.4)	(78.4)	121.8%
Other Investments	0.3	(2.9)	(0.3)	-197.7%	-89.4%	0.2	(3.3)	-1431.8%
Investments Net Cash	**73.5**	**122.3**	**117.7**	**60.1%**	**-3.8%**	**173.6**	**239.3**	**37.8%**
Increase (Decrease) in Capital	(1.4)	-	-	-100.0%	n.a	456.0	(0.4)	-100.1%
Dividends + Interest on Capital	-	(22.1)	-	n.a	-100.0%	(105.4)	(22.1)	-79.0%
Loan and Financing	(51.4)	(66.4)	(82.6)	60.6%	24.4%	(256.1)	(225.5)	-11.9%
(Purchasing) / Selling Treasury Shares	-	(1.1)	-	n.a	-100.0%	-	(21.6)	n.a
Increase (Decrease) in Cash	**20.7**	**32.8**	**35.2**	**69.9%**	**7.3%**	**268.1**	**(30.3)**	**-111.3%**

[1] Considers as cash the balance of financial investments classified as non-current assets (securities), which are linked to the amortization of a proportion of the unsettled balance of debentures.

[2] Non-cash cost

The R$ 22.8 million reduction in the "Accounts Receivable, Inventory and Suppliers" line was the result of the R$ 66.6 million increase in inventory, directly related to vehicles linked to contracts for the Sale of Assets with Management, which will be sold in the coming periods. This was partially offset by the R$ 26.2 million decline in accounts receivable and the R$ 17.5 million improvement in suppliers. Of the balance of 518.0 million (short "plus" long term) in Accounts Receivable at the end of the period, R$ 121.5 million came from the rental of machinery and equipment recorded at present value in 3Q10 under CPC06, which should fall at the pace of approximately R$ 9 million in the quarter, in addition to R$ 93.6 million related to the Sale of Assets with Management, as shown in the table below.

Balance of accounts receivable (R$ million)	3Q11	Expectation to reduce accounts receivable (per quarter)
Services	302.9	-
Sale of Assets with Management	93.6	~ 13
CPC06	121.5	~ 9
Total	**518.0**	

Accounts receivable due in 49 days as a percentage of net revenue from

In addition, the R$ 14.0 million improvement in "Other Assets and Liabilities" was chiefly due to the reduction of R$ 16.8 million in recoverable taxes.

It is the opinion of the Company together with its independent auditors that the variations in cash shown in the Increase in Fixed Assets line should only reflect actual cash outflows by the Company. Thus, the acquisitions of fixed assets that actually represented an outflow of cash totaled R$ 36.0 million during 3Q11. A portion of the acquisitions that were effected through the contracting of financing linked to the acquisition of assets (such as Finame and leasing agreements) totaled R$ 191.0 million in the period. Note that the acquisitions that were financed are not reflected in cash flow at the time of their acquisition. However, as the related debts are amortized, the resulting cash disbursements are reflected on the Loans and Financings line.

In the table below, we provide a summary of capex in 3Q11 funded from both actual cash outlays as well as financing.

Fixed Asset Acquisition (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Total Capex	**272.0**	**275.9**	**227.0**	**-16.5%**	**-17.7%**	**662.8**	**699.6**	**5.6%**
Outlays (Investment with shareholders' equity)[1]	22.8	24.4	36.0	57.9%	**47.5%**	36.1	78.6	117.7%
Loans and financing	249.2	251.5	191.0	-23.4%	**-24.1%**	626.7	621.0	-0.9%

Impact on the Cash Flow

[1] Relative to investments effectively made by the Company, as shown in the Cash Flow Statements

VII. CAPITAL MARKET

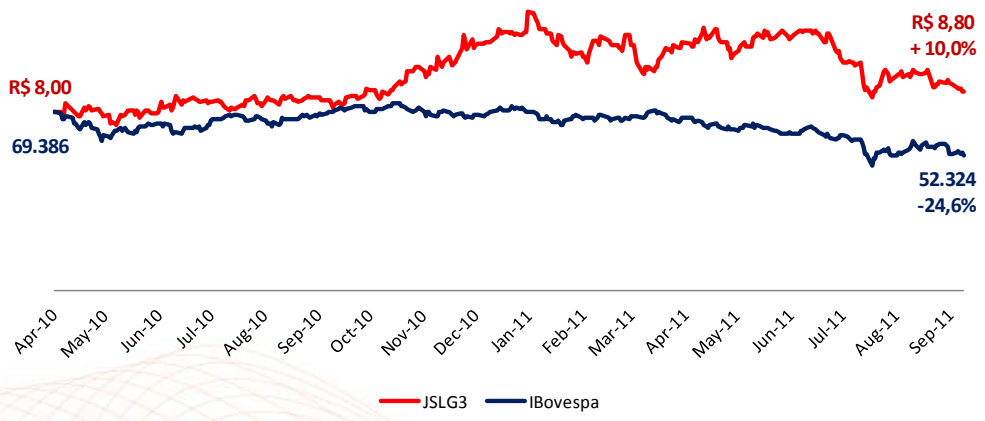
Share Performance

Since the IPO on April 22, 2010, JSL's shares have appreciated 10.0%, above the 24.6% decline of the Ibovespa in the same period. In 3Q11, JSL's shares depreciated by 23.5%, closing the period at R$ 8.55, while the Ibovespa fell by 17.5%. The Company's market capitalization came to R$ 1.700 billion at the closing of 3Q11. Free float, excluding the shares in treasury, was 27.1%.

Indicators	Since IPO[1]	2010	2011[1]	3Q11
Closing Price (R$)	11.50	11.15	11.50	8.80
Maximum Price (R$)	12.50	11.44	11.64	11.50
Minimum Price (R$)	7.40	7.40	7.77	8.55
Average Price (R$)	9.78	8.68	10.56	9.80
JSLG3 Appreciation	10.0%	39.4%	-22.0%	-23.5%
Ibovespa Appreciation	-24.6%	-0.1%	-25.2%	-17.5%

[1] Until September 30, 2011

JSLG3 x IBOV Performance
(Since IPO until 09/30/2011)

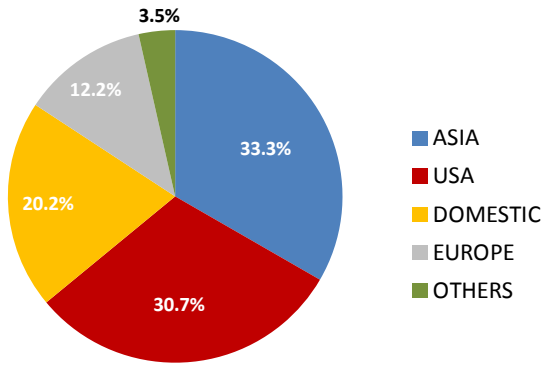


JSL's shares are listed on the Novo Mercado segment of the BM&FBOVESPA and its shares are included in the Special Corporate Governance Stock Index (IGC) and the Special Tag-Along Stock Index (ITAG).

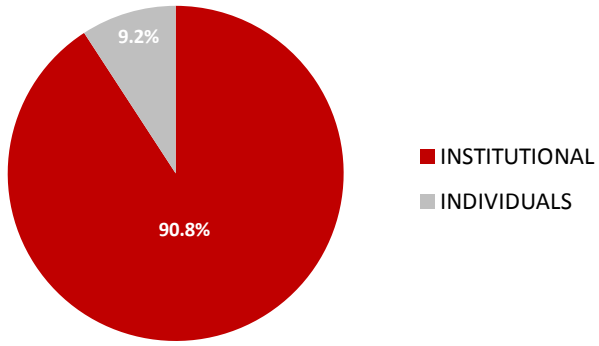
At the end of 3Q11, 90.8% of JSL's outstanding shares were held by institutional investors, 79.8% of whom were foreign, as shown in the graphs below:

Shareholding Base
(09/30/2011)

By region



By type of investor



Share Buyback

The Company has authorized the repurchase of up to 2,000,000 common shares to support a stock option plan. As of the date of this report, the company had 1,944,500 shares held in treasury acquired through these repurchases.

VIII. MATERIAL FACT OF NOVEMBER 3, 2011

On November 3, 2011, JSL's Board of Directors decided to analyze the possible acquisition of SIMPAR Concessionárias Ltda., a network of 30 concessionaires that sell cars and trucks, and an insurance broker, which, according to its management, recorded consolidated gross revenue of R$ 1.3 billion, recurring EBITDA of R$ 23.0 million and net cash of R$ 20.3 million in 2010.

In order to analyze and evaluate this acquisition, as the concessionaires are controlled by a company held by JSL's controlling shareholder, the Board of Directors established an independent committee, which will be supported by independent legal and financial advisors.

If the Independent Committee recommends said acquisition and the relevant decision-making bodies approve it, the Company's management believes that the operation may be concluded by December 31, 2011.

The Company's management believes that the eventual acquisition of the Concessionaires will increase JSL's competitiveness and lead to the capture of synergies, such as additional capacity for the resale of its operational assets and the optimization of their sale value, the aim being to obtain economic benefits for the Company, its shareholders and clients.

About the Company:

JSL *– (BM&FBOVESPA: JSLG3) is the company with the broadest portfolio of logistics services in Brazil and the leader in its segment in terms of net revenue. With over 50 years of experience in this sector, the Company operates nationwide Brazil and across the entire production process, from the transportation of cargo to the complete outsourcing of the logistics chain.*

Some of the statements contained herein are based on current assumptions and perspectives of the Company's management that may undergo material variations in results, performance and future events. Actual results, performance and future events may be significantly different from those expressed or implied by these statements, as a result of various factors, such as general economic conditions in Brazil and other countries, interest rate levels, inflation and exchange rates, changes in laws and regulations, and general competitive factors (global, regional or national).

VIII. GLOSSARY

APV – Adjustment to present value. Applied to monetary assets and liabilities to reflect their current value taking into account contractual cash flows, interest rates explicitly or implicitly applicable to the respective assets and liabilities or rates used by the market for similar transactions. The effects are included in financial income or expenses on the income statement, for term of interests in relation to contractual cash flows.

CPC 6 – Guidelines from the Accounting Pronouncements Committee which regulates commercial leasing operations. This guideline classifies leases based on the extent in which the risks and benefits inherent in the leased asset remain with the lessee or the lessor. According to CPC 06, a leasing contract is classified as financial if it substantially transfers all the risks and benefits inherit in the asset. Given the terms of the transactions, some of JSL's contracts were accounted for as per the terms of this guideline. Thus, the cash flow from payments under these contracts was recognized at present value under gross revenue from the Sale of Assets during 3Q10.

Dedicated Services or Dedicated Services to the Supply Chain – Services provided in an integrated and customized way for each client which includes managing the flow of inputs / raw materials including information from the supplier through entry of the materials into the clients' facilities (Inbound operations), the outflow of products from the clients' facilities to the point of consumption (Outbound operations), and the movement and management of inventory, Reverse Logistics and Warehousing.

EBITDA - According to CVM Circular Letter No. 1/2005, EBITDA represents earnings before financial items, income taxes and social contribution, minority interest, depreciation and amortization. EBITDA is not a measure as defined by Brazilian GAAP. It does not represent cash flow for the periods represented and should not be considered a substitute for net income or cash flow as an indicator of the Company's liquidity. EBITDA does not have a standardized meaning and our definition of EBITDA may not be comparable with used by other companies.

EBITDA-A or EBITDA Added - corresponds to EBITDA plus the residual accounting cost from the sale of fixed assets, which is non-cash, since it represents merely an accounting entry at the time of demobilization of the assets. Thus, the Company's management believes that EBITDA-A is a better measure of operating cash flow than traditional EBITDA, representing the Company's capacity to meet its financial obligations.

General Cargo or General Cargo Transportation – Services for the transportation of products from "point A" to "point B", by vehicles assuming Full Truck Load.

Management and Outsourcing or Management and Outsourcing of Fleets / Equipment – Management and outsourcing services provided by JSL through fleets of both light and heavy vehicles, including aggregated services for the fleet, as well as machinery and equipment.

Passenger Transportation – Charter services for companies, intercity and municipal public transportation of passengers.

REFIS – Tax Recovery Program. Instituted by the federal government, it provides for an extension of federal tax obligations resulting in lower interest costs, fines and charges.

RSC or **Revenue from Same Contracts –** comprised of revenue from contracts in existence for both periods under comparison.

Sale of Assets with Management – Sale of vehicles associated with fleet management contracts.

IV. EXHIBITS

I. Income Statement for the Year

Income Statement (R$ million)	3Q10	2Q11	3Q11	Var. 3Q11x3Q10	Var. 3Q11x2Q11	9M11	9M10	Var. 9M11x9M10
Gross Revenue	**717.2**	**654.5**	**686.4**	**-4.3%**	**4.9%**	**1,626.8**	**1,896.3**	**16.6%**
Gross Revenue from services	491.3	547.4	600.2	22.2%	9.6%	1,350.2	1,642.6	21.7%
Revenue from Sales os Assets	225.9	107.2	86.2	-61.8%	-19.5%	276.7	253.7	-8.3%
(-) Deductions from Revenue	**(64.4)**	**(68.9)**	**(69.5)**	**8.0%**	**0.9%**	**(166.2)**	**(195.2)**	**17.4%**
(=) Net Revenue	652.8	585.6	616.9	-5.5%	5.3%	1,460.6	1,701.1	16.5%
Net Revenue from services	433.0	484.5	530.8	22.6%	9.6%	1,190.0	1,453.6	22.2%
Net Revenue from Sales of Assets	219.8	101.2	86.0	-60.9%	-15.0%	270.6	247.5	-8.5%
(-) Total Costs	**(504.3)**	**(507.0)**	**(508.3)**	**0.8%**	**0.3%**	**(1,195.0)**	**(1,430.3)**	**19.7%**
Cost of services	(367.0)	(401.0)	(425.1)	15.8%	6.0%	(1,005.8)	(1,180.2)	17.3%
Cost of assets of sales	(137.3)	(106.0)	(83.2)	-39.4%	-21.5%	(189.2)	(250.0)	32.2%
(=) Gross Profit	**148.4**	**78.6**	**108.5**	**-26.9%**	**38.0%**	**265.6**	**270.9**	**2.0%**
(-) Operating expenses before financial results	**(36.1)**	**(26.5)**	**(47.8)**	**32.2%**	**80.3%**	**(86.3)**	**(106.6)**	**23.5%**
Administrative and Sales Expenses	(32.3)	(36.5)	(37.1)	14.6%	1.6%	(85.8)	(105.1)	22.5%
Tax Expenses	(0.4)	(0.6)	(1.1)	154.2%	94.0%	(1.6)	(2.2)	40.8%
Other Operating Revenues (Expenses)	(3.4)	10.5	(9.6)	185.7%	-191.5%	1.1	0.7	-33.0%
(+-) Financial Results	**(23.8)**	**(38.2)**	**(37.6)**	**58.4%**	**-1.6%**	**(65.2)**	**(105.0)**	**60.9%**
Income from financial investments	10.9	11.5	13.0	19.4%	13.6%	22.3	34.4	54.5%
Loans and Financing interest	(32.3)	(45.9)	(54.2)	67.6%	18.1%	(90.3)	(140.5)	55.6%
Others financial items	(2.3)	(3.8)	3.5	-250.3%	-191.9%	2.8	1.1	-59.4%
(=) Income before tax	**88.6**	**13.9**	**23.1**	**-73.9%**	**66.6%**	**114.1**	**59.2**	**-48.1%**
Provision for income tax and social contribution	(30.1)	(4.8)	(5.6)	-81.4%	16.8%	(46.7)	(17.3)	-62.9%
(=) Net Income	**58.4**	**9.1**	**17.5**	**-70.0%**	**92.9%**	**67.4**	**41.9**	**-37.8%**
Net Margin	9.0%	1.6%	2.8%	-6.1 p.p.	+1.3 p.p.	4.6%	2.5%	-2.2 p.p.

Income Statement from Services (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Gross Revenue from Services	**491.3**	**547.4**	**600.2**	**22.2%**	**9.6%**	**1,350.2**	**1,642.6**	**21.7%**
(-)Deductions from Revenue from Services	(58.3)	(62.9)	(69.4)	19.0%	10.2%	(160.1)	(189.0)	18.0%
(=)Net Revenue from Services	**433.0**	**484.5**	**530.8**	**22.6%**	**9.6%**	**1,190.0**	**1,453.6**	**22.2%**
(-)Cost of services	(367.0)	(401.0)	(425.1)	15.8%	6.0%	(1,005.8)	(1,180.2)	17.3%
(=)Gross Profit from Services	**65.9**	**83.4**	**105.7**	**60.3%**	**26.7%**	**184.2**	**273.4**	**48.4%**
Gross Margin from Services	15.2%	17.2%	19.9%	4.7 p.p.	2.7 p.p.	15.5%	18.8%	3.3 p.p.
(-)Operating Expenses before Financial Results	(36.1)	(26.5)	(47.8)	32.2%	80.3%	(86.3)	(106.6)	23.5%
(+-) Financial Results	(23.8)	(38.2)	(37.6)	58.4%	-1.6%	(65.2)	(105.0)	60.9%
Rendimentos sobre aplicações financeiras	10.9	11.5	13.0	19.4%	13.6%	22.3	34.4	54.5%
Juros sobre empréstimos e financiamentos	(32.3)	(45.9)	(54.2)	67.6%	18.1%	(90.3)	(140.5)	55.6%
Outros itens financeiros	(2.3)	(3.8)	3.5	-250.3%	-191.9%	2.8	1.1	-59.4%
(=)Income from Services before tax	**6.1**	**18.7**	**20.3**	**235.3%**	**8.7%**	**32.7**	**61.8**	**89.2%**
(-)Provision for income tax and social contribution	(30.1)	(4.8)	(5.6)	-81.4%	16.8%	(46.7)	(17.3)	-62.9%
(=)Net Income from Services	**(24.0)**	**13.9**	**14.7**	**-161.3%**	**6.0%**	**(14.1)**	**44.5**	**-416.0%**
Net Margin from Services	-5.6%	2.9%	2.8%	+8.3 p.p.	-0.1 p.p.	-1.2%	3.1%	+4.2 p.p.

Income Statement from Sale of Assets (R$ million)	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11X9M10
Gross Revenue from Sale of Assets	**225.9**	**107.2**	**86.2**	**-61.8%**	**-19.5%**	**276.7**	**253.7**	**-8.3%**
(-)Deductions from Revenue from Sale of Assets	(6.1)	(6.0)	(0.2)	-96.8%	-96.7%	(6.1)	(6.2)	1.3%
(=) Net Revenue from Sale of Assets	**219.8**	**101.2**	**86.0**	**-60.9%**	**-15.0%**	**270.6**	**247.5**	**-8.5%**
(-) Costs of Sale of Assets	(137.3)	(106.0)	(83.2)	-39.4%	-21.5%	(189.2)	(250.0)	32.2%
(=) Gross Profit from Sale of Assets	**82.5**	**(4.8)**	**2.8**	**-96.6%**	**-157.7%**	**81.4**	**(2.5)**	**-103.1%**
Gross Margin from Sale of Assets	37.5%	-4.8%	3.2%	-34.3 p.p.	8.0 p.p.	30.1%	-1.0%	-31.1 p.p.
(=) Net Income from Sale of Assets	**82.5**	**(4.8)**	**2.8**	**-96.6%**	**-157.7%**	**81.4**	**(2.5)**	**-103.1%**
Net Margin from Sale of Assets	37.5%	-4.8%	3.2%	-34.3 p.p.	8.0 p.p.	30.1%	-1.0%	-31.1 p.p.

II. Balance Sheets

Assets	03/31/11	06/30/11	09/30/11
R$ million			
Current Assets			
Cash and cash equivalents	378.5	411.7	343.5
Securities	-	-	114.4
Accounts receivables	361.0	389.8	378.9
Inventory	34.6	16.0	82.5
Recoverable taxes	49.9	70.4	82.0
Other credits	47.8	40.1	46.1
Prepaid Expenses	18.6	16.0	11.1
Current Assets - Total	**890.4**	**944.1**	**1,058.5**
Assets availablle for sales (fleet renewal)	86.6	94.4	80.4
Noncurrent Assets			
Long-term Assets			
Securities	11.5	11.0	-
Accounts receivables	151.8	154.4	139.0
Recoverable taxes	28.4	35.1	33.7
Deposit in court	28.8	34.4	35.1
Deferred Income tax and Social Contribution	55.6	-	-
Other credits	8.8	3.1	3.7
Long-term Assets - Total	***285.0***	***238.0***	**211.7**
Investments	1.6	1.6	1.6
Property, plant and equipment	1,634.7	1,771.9	1,878.2
Intangible	125.3	127.9	127.9
	1,761.6	***1,901.5***	**2,007.7**
Noncurrent Assets - Total	**2,046.6**	**2,139.5**	***2,219.4***
Total Assets	**3,023.5**	**3,178.0**	**3,358.4**

Liabilities	03/31/11	06/30/11	09/30/11
Current liabilities			
Loans and financing	177,1	184.9	201.0
Debentures	27.9	20.5	9.6
Leasing payable	123.4	131.7	166.5
Suppliers	42.2	57.2	74.8
Salaries and charges payable	75.8	91.6	104.9
Taxes payable	32.2	27.4	31.3
Accounts payable and advances from customers	114.5	95.1	98.8
Related parties	0.8	0.8	0.9
Income tax and Social Contribution payable	13.7	22.5	31.2
Current liabilities - total	***607.5***	***631.8***	***719.0***
Noncurrent liabilities			
Loans and financing	800.7	971.7	1,015.4
Debentures	342.6	337.0	360.8
Leasing payable	177.3	185.6	201.8
Taxes payable	42.1	48.7	45.6
Provision for litigation and administrative demands	35.0	36.7	35.2
Deferred Income tax and Social Contribution	190.8	130.9	127.5
Accounts payable and advances from customers	19.7	19.8	19.9
Noncurrent liabilities - total	**1,608.3**	**1,730.4**	**1,806.1**
Shareholders' equity	-	-	-
Capital stock	600.9	600.9	600.9
Tresuary Shares	(20.5)	(21.6)	(21.6)
Equity Appraisal	96.8	78.2	66.0
Reserves	130.4	158.2	187.8
	807.7	**815.7**	**833.2**
Non-controlling interest	***0.1***	***0.1***	***0.1***
	807.8	**815.7**	**833.3**
Total Liabilities and Shareholders' Equity	**3,023.5**	**3,178.0**	**3,358.4**

III. Cash Flow

Cash Flow Statement R$ million	3Q10	2Q11	3Q11	Chg. 3Q11x3Q10	Chg. 3Q11x2Q11	9M10	9M11	Chg. 9M11x9M10
From operating activities								
Net Income	58.4	9.1	17.5	-70.0%	92.9%	67.4	41.9	-37.8%
Adjustments for conciliating profit with cash generated by operating activities	**229.4**	**168.8**	179.5	**-21.8%**	**6.3%**	**393.6**	**475.8**	**20.9%**
Depreciation/amortization	22.0	49.3	55.1	150.1%	11.7%	59.4	138.2	132.5%
Cost of sale of assets used in service rendering - property, plant and equipment	137.3	78.2	76.9	-44.0%	-1.7%	189.2	215.9	14.1%
(Recording)/reversal of deferred Income Tax and Social Contribution	27.8	(4.4)	(3.5)	-112.5%	-20.6%	38.8	(14.7)	-137.8%
Provision/reversal for litigation and administrative demands	6.6	1.7	(1.5)	-123.2%	-190.6%	10.6	1.9	-82.0%
Provision for doubtful accounts	2.5	(2.6)	(1.5)	-159.0%	-43.4%	3.5	(3.7)	-208.1%
Provision for losses from vehicles available for sale	-	-	0.7	n.a.	n.a.	-	0.7	n.a.
Non-controlling interest	0.0	0.0	0.0	28.6%	50.0%	0.0	0.0	155.6%
Provisioned interest	33.2	46.6	53.3	60.7%	14.3%	92.1	137.5	49.4%
Changes in Current and Noncurrent Assets and Liabilities	**(190.4)**	**(28.1)**	**(147.0)**	**-22.8%**	**423.3%**	**(252.2)**	**(133.9)**	**-46.9%**
Decrease (Increase) in Assets								
Securities	2.2	0.5	(103.4)	-4828.7%	-20488.6%	(0.0)	63.5	-264662.5%
Accounts receivable	(179.8)	(28.7)	27.7	-115.4%	-196.5%	(205.8)	(24.0)	-88.3%
Inventory	(28.6)	18.6	(66.6)	132.4%	-457.6%	(31.6)	(70.0)	121.7%
Recoverable taxes	(7.0)	(27.1)	(10.3)	45.9%	-62.1%	(14.9)	(39.0)	162.0%
Related parties	0.0	(0.0)	(0.0)	-109.1%	0.0%	59.3	(0.0)	-100.0%
Deposit in court	(3.3)	(5.6)	(0.8)	-76.9%	-86.5%	(4.7)	(16.3)	247.2%
Other credits	(2.2)	13.4	(6.6)	201.8%	-149.3%	15.4	(15.7)	-201.6%
Forward Expenses	4.6	2.5	4.9	6.8%	93.9%	(3.7)	(4.3)	15.3%
(Decrease) Increase in Liabilities								
Suppliers	33.5	15.0	17.5	-47.7%	16.7%	15.2	20.3	33.6%
Tax and labor liabilities	16.2	17.7	14.1	-13.0%	-20.4%	38.5	32.7	-15.1%
Accounts payable	6.5	2.8	3.9	-40.2%	40.0%	(32.0)	25.8	-180.4%
Related parties	0.0	0.0	0.1	1022.2%	10000.0%	(0.0)	0.1	-356.3%
Tax provisions	1.3	8.9	8.6	571.9%	-2.5%	4.7	18.5	294.2%
Paid interest	(33.7)	(46.0)	(36.3)	7.6%	-21.1%	(92.6)	(125.4)	35.4%
Net cash generated in operating activities	**97.5**	**149.8**	**50.0**	**-48.7%**	**-66.6%**	**208.7**	**383.8**	**83.9%**
Cash flow from investment activities								
Fixed asset	(22.1)	(24.1)	(36.0)	63.0%	49.1%	(35.4)	(78.4)	121.8%
Intangible asset	0.3	(2.9)	(0.3)	-195.8%	-89.6%	0.2	(3.3)	-1429.4%
Net cash generated (used) in investment activities	**(21.8)**	**(27.0)**	**(36.3)**	**66.7%**	**34.4%**	**(35.1)**	**(81.7)**	**132.6%**
Cash flow from financing activities								
Increase of capital	(1.4)	-	-	-100.0%	-	456.0	(0.4)	-100.1%
Tresuary Shares	-	(1.1)	-	n.a.	n.a.	-	(21.6)	n.a.
Dividends paid	-	(22.1)	-	n.a.	n.a.	(105.4)	(22.1)	-79.0%
Reduction in loans and financing, net	(51.4)	(66.4)	(81.9)	59.3%	23.4%	(256.1)	(224.9)	-12.2%
Net cash generated (used) in financing activities	**(52.8)**	**(89.6)**	**(81.9)**	**55.1%**	**-8.5%**	**94.5**	**(269.0)**	**-384.7%**
Net increase (reduction) in cash and cash equivalents	**22.9**	**-**	**(68.2)**	**-398.1%**	**n.a.**	**268.0**	**33.2**	**-87.6%**
Cash and cash equivalents (including securities)								
Begining of the period	356.1	-	411.7	15.6%	n.a.	110.9	310.4	179.8%
End of the period	378.9	-	343.5	-9.3%	n.a.	378.9	343.5	-9.3%
Net increase (reduction) in cash and cash equivalents	**22.9**	**-**	**(68.2)**	**-398.1%**	**n.a.**	**268.0**	**33.2**	**-87.6%**