Julio Simões
Logística

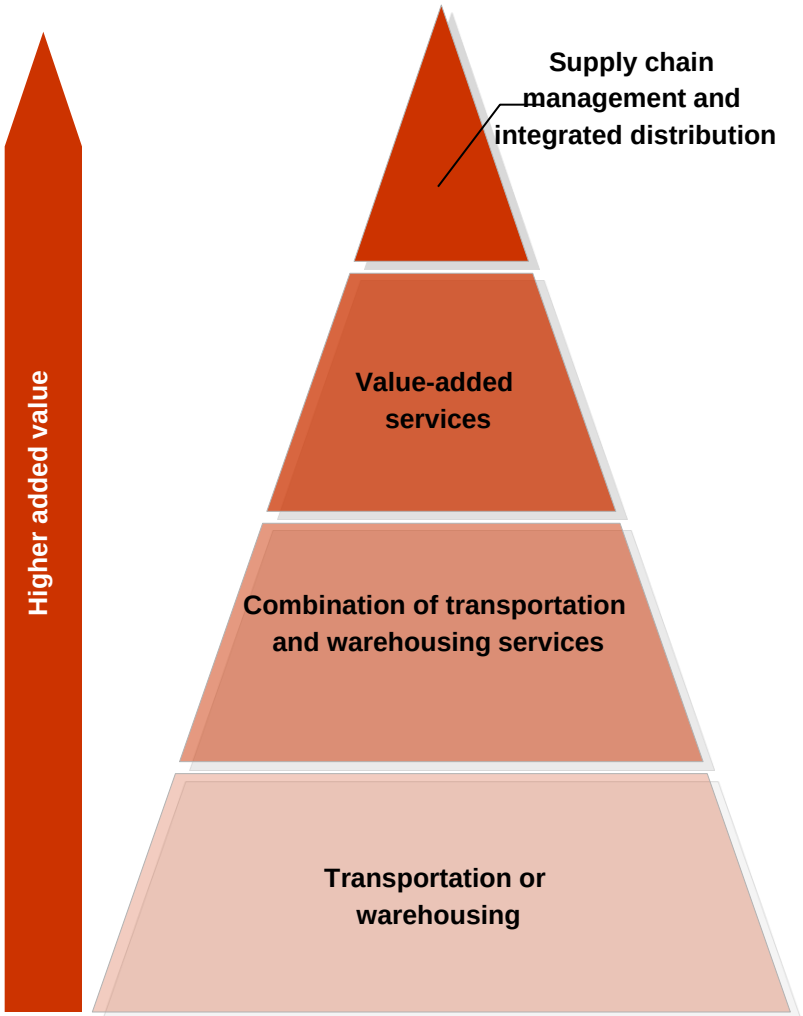


2Q10 Earnings

August 11, 2010

Higher value-added services account for 74% of Julio Simões' revenue in 2Q10

Logistics Services Pyramid



Source: Booz Allen

Julio Simões' operations aim at higher value-added services



Dedicated Supply Chain Services

- Logistics management contracts renaging from raw material collection to data management and product delivery

53%



Fleet Management and Outsourcing

- Light and heavy vehicles and equipments with value-added services (data management, driver, assistant, among others)

21%



Passenger Transport

- Urban and intercity transport, chartering and tourism

14%



General Cargo Transportation

- Point-to-point product transportation

10%

% % of gross revenue from services in 2Q10 (remaining 2% is related to other activities)

Leading company aimed at high value-added businesses

Main Highlights

R$ 1.2 billion in additional contract negotiated in the first half of 2010.

✓ Fleet Management and Outsourcing - R$ 680.8 million

✓ Services Dedicated to Supply Chain - R$ 470.7 million

✓ Passenger Transportation, specifically chartering - R$ 40.5 million

⇨ This equals to an additional gross revenue of around R$ 91.5 million per quarter, of which approximately 21% had already been received by 2Q10.

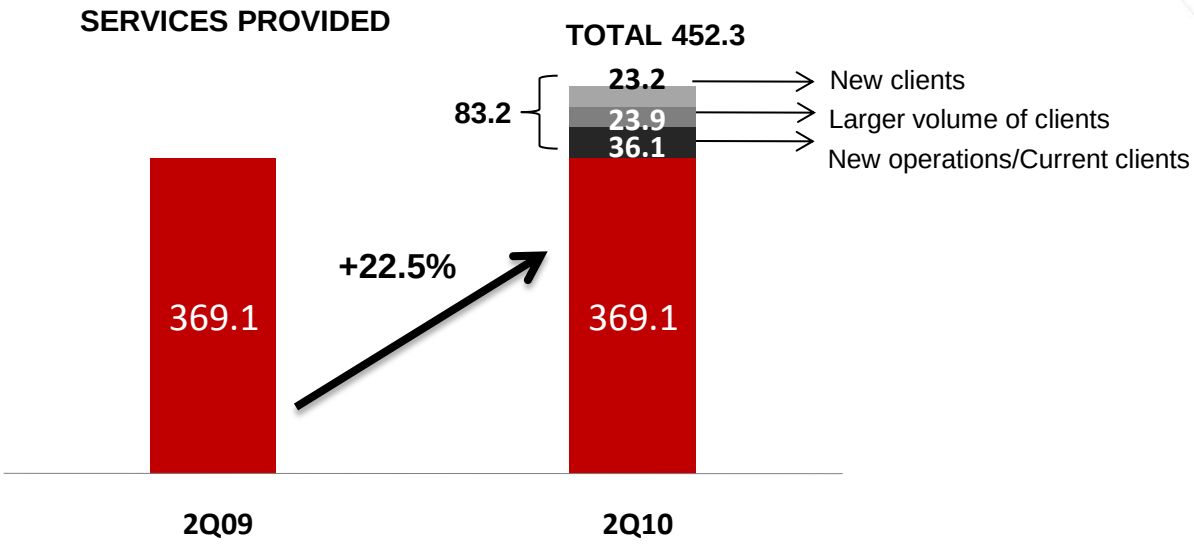
Early startup of activities of the Intermodal Logistics Center of Itaquaquecetuba:

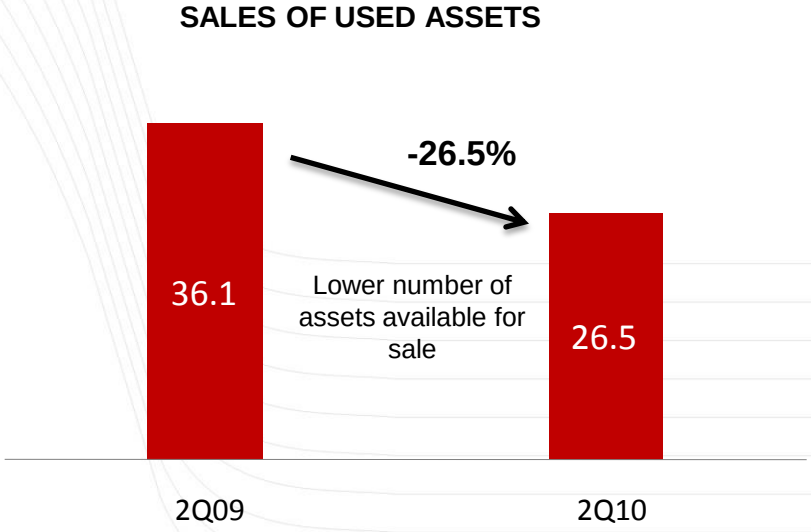
The terminal's activities started up in August 2010, operating with the steel sector; despite the construction still being under way and with a forecast for conclusion in the first half of 2011.

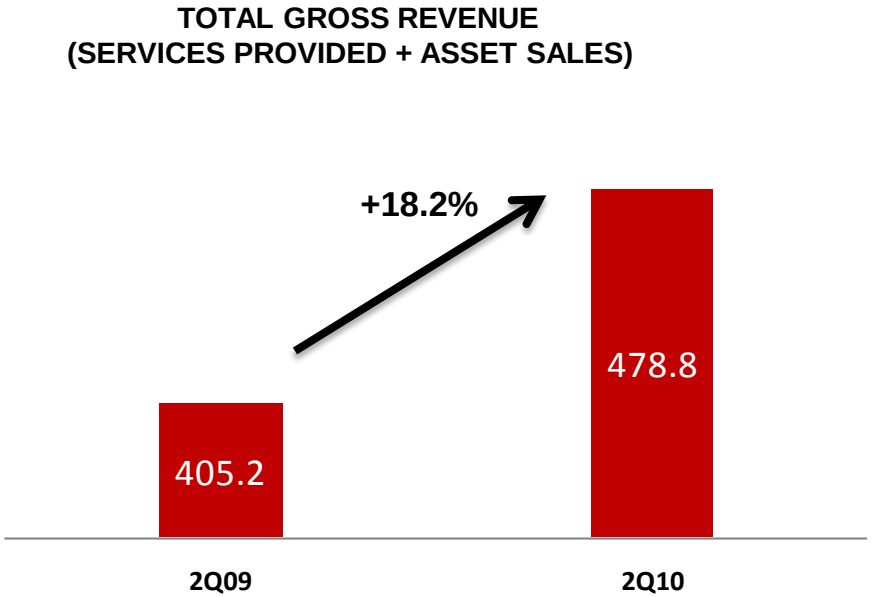
Activities involve:

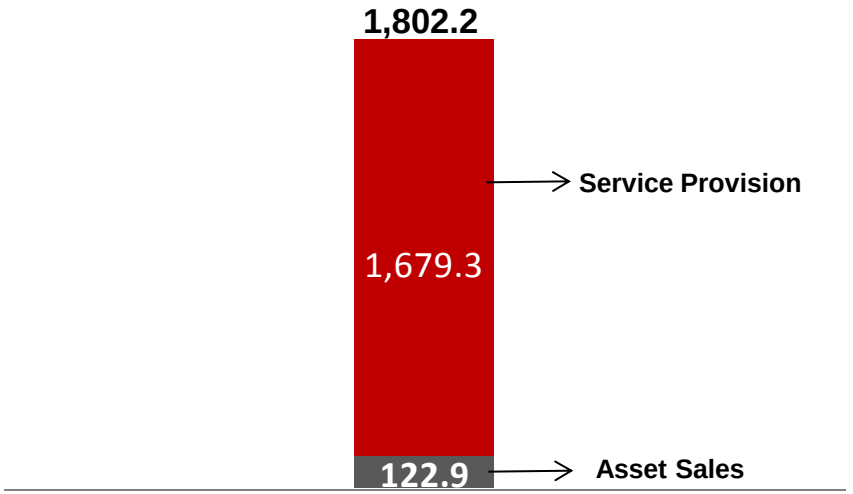
a)Transfer;
b) Internal transport;
c) Warehousing;
d) Delivery to end recipient

Gross Revenue (R$ million)







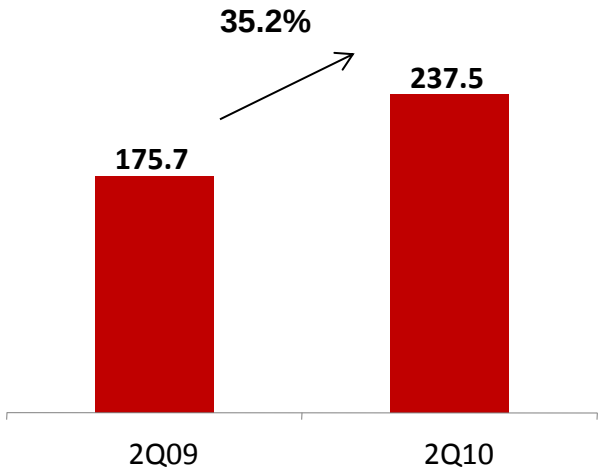


Gross Revenue from Services (R$ million)

Dedicated Services



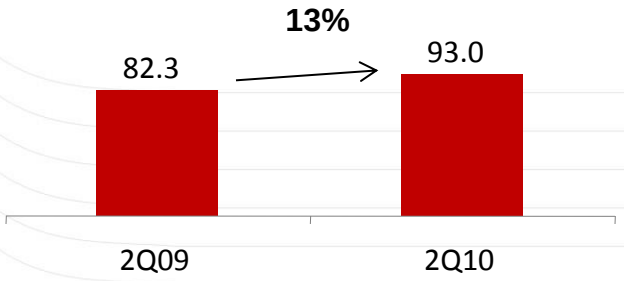
53%



Fleet Management and Outsourcing



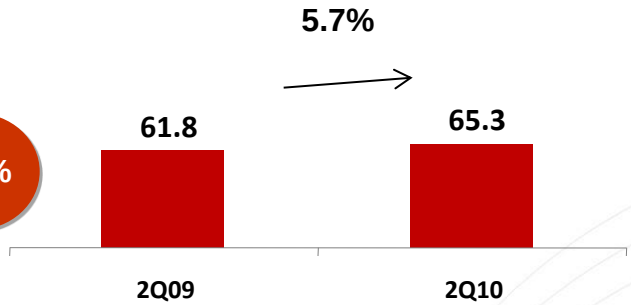
21%



Passenger Transportation



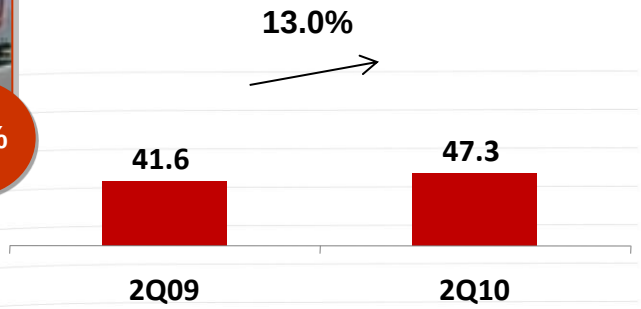
14%



General Cargo Transportation



10%

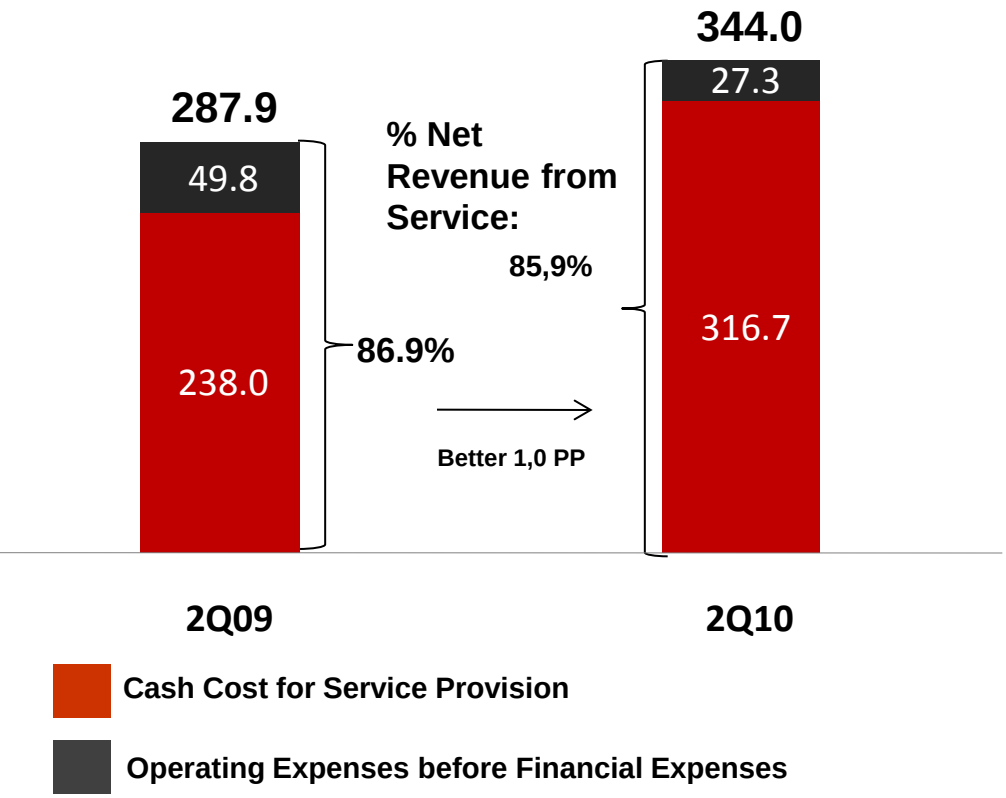


NOTE: 2% of Revenues related to other activities

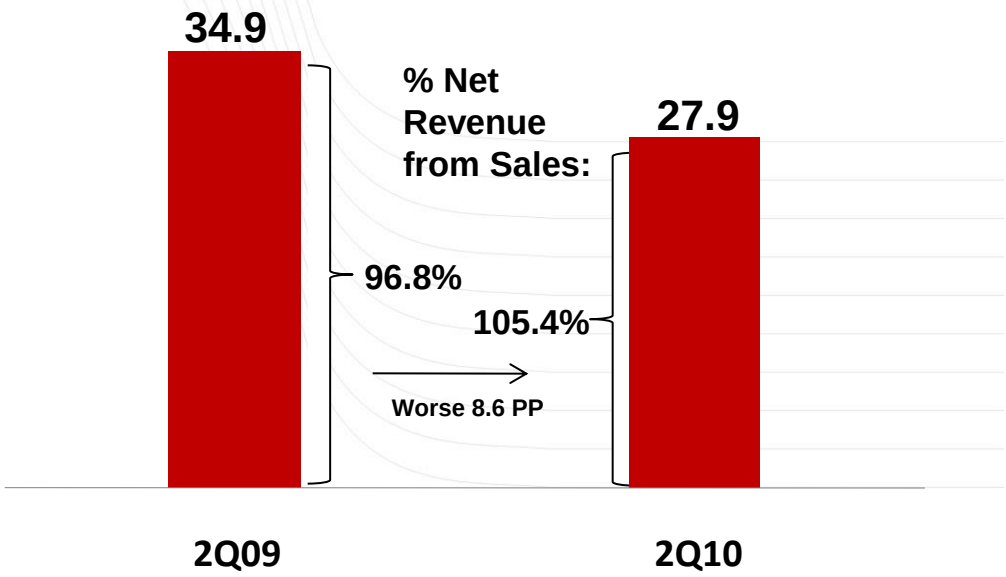
% % of gross revenue in the 2nd quarter of 2010

Costs and Operating Expenses Evolution
(R$ million)

Cost and cash expenses for service provision

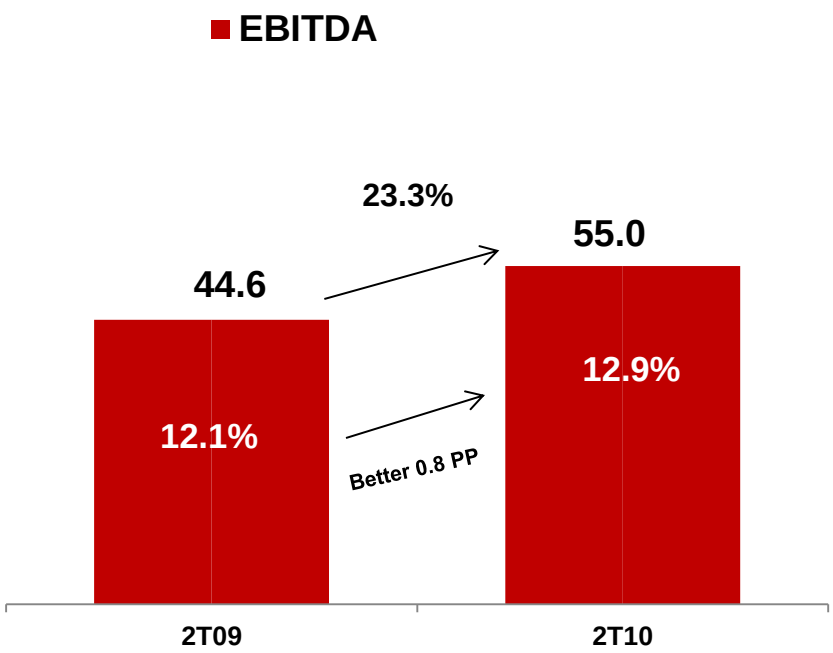


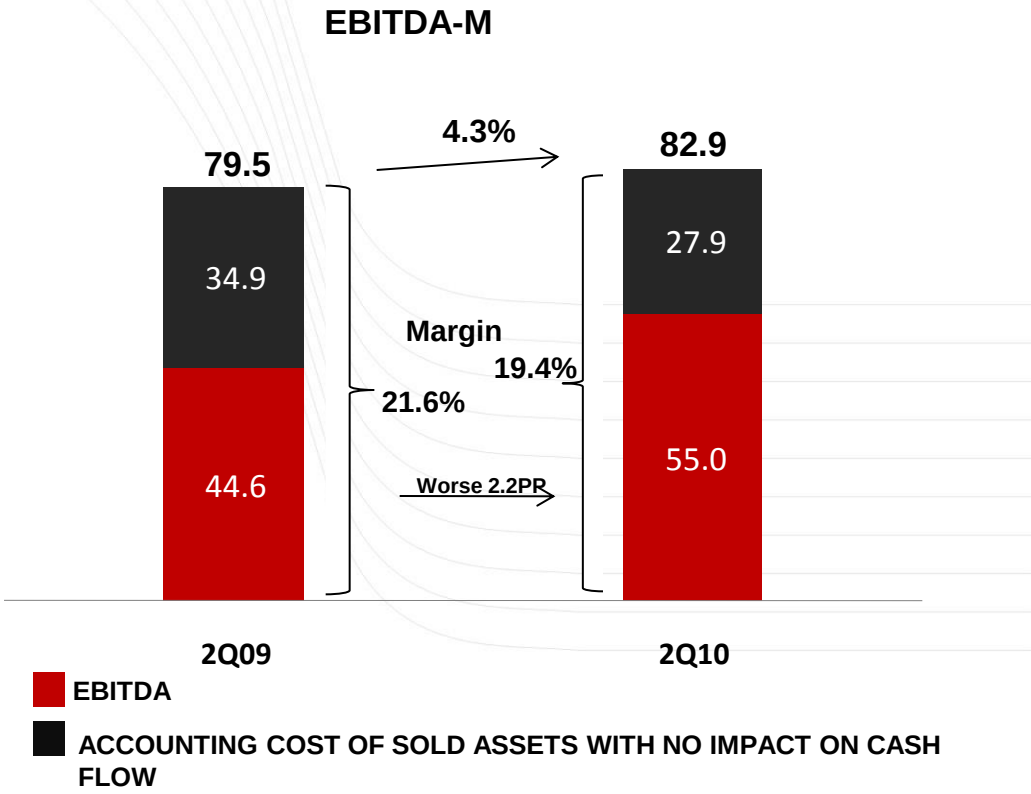
Asset Sales Cost



NOTE: As of 2010, expenses from property rentals, damages and losses, building maintenance, security services, among other items linked directly to the operations were reclassified to costs from administrative and commercial expenses.
The amount reached R$ 13.9 million in 2Q10 compared with R$ 10.6 million in 2Q09.

EBITDA and EBITDA-M (R$ MILLION)





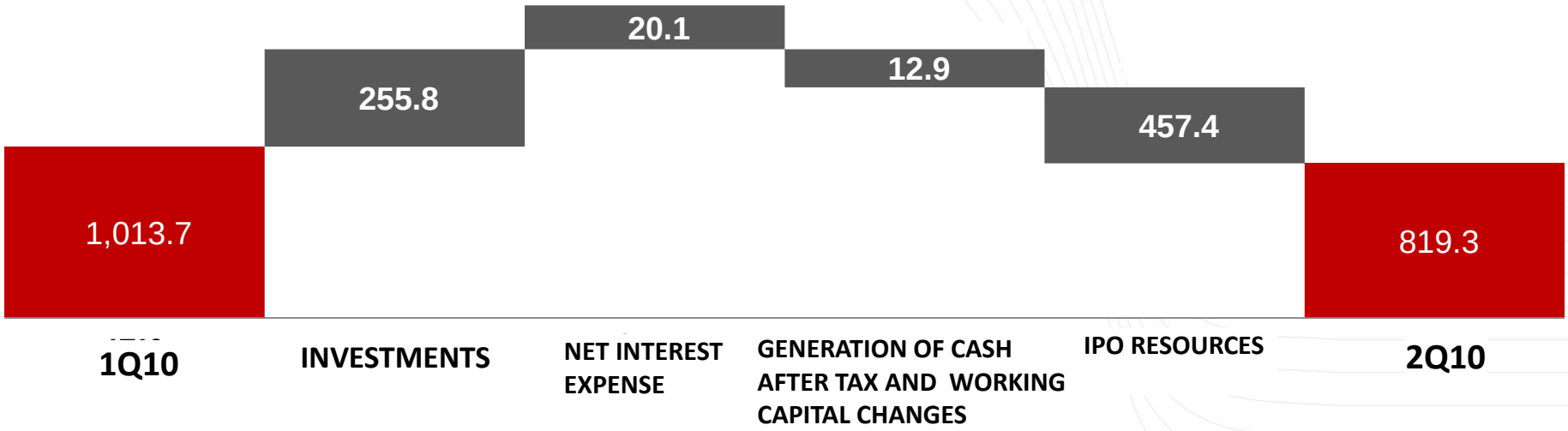
"The traditional EBITDA can distort the representation of this measure as a proxy for operational cash generation and as a measure of the operating performance of Julio Simões, since, at the end of the contract, the depreciated cost of the asset at the time of the sale is the accounting representation resulting from the retirement of the asset, and as such, is not considered a cash expense. "

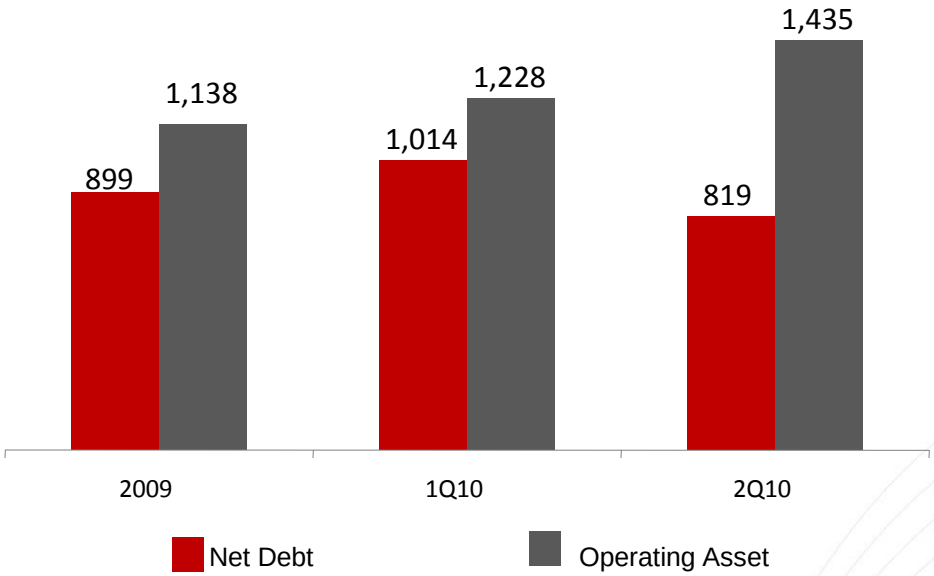
"We will make an adjustment to the traditional EBITDA changing it to the EBITDA-M*, where we will not consider the depreciated cost of the asset sold, in order to prevent that a possible change in the accounting assessment of the depreciation distorts this measure. "

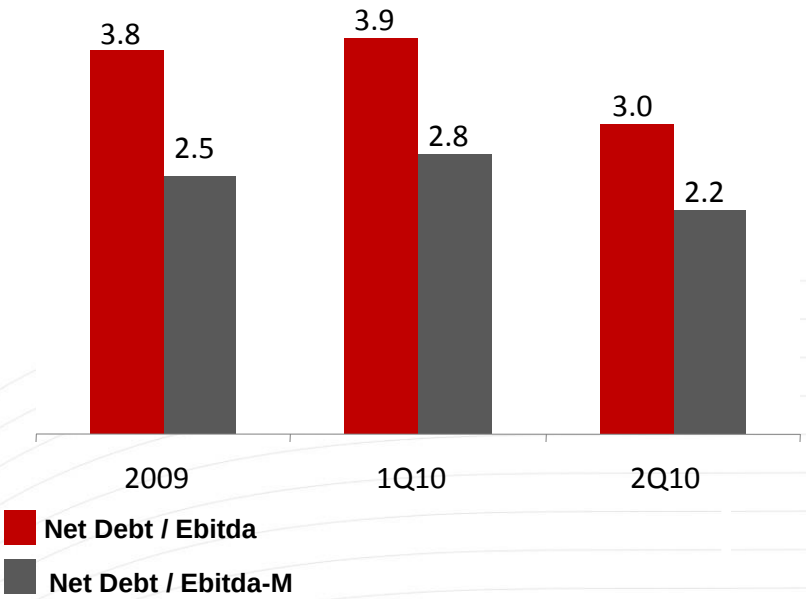
*EBITDA-M (EBITDA – Modified or EBITDA – Modified)" . Source: Stern Stewart & Co VALUE ADVISORS

See full material at our website or in the release of the 2Q10 earnings report.

Net Debt and Net Debt/EBITDA

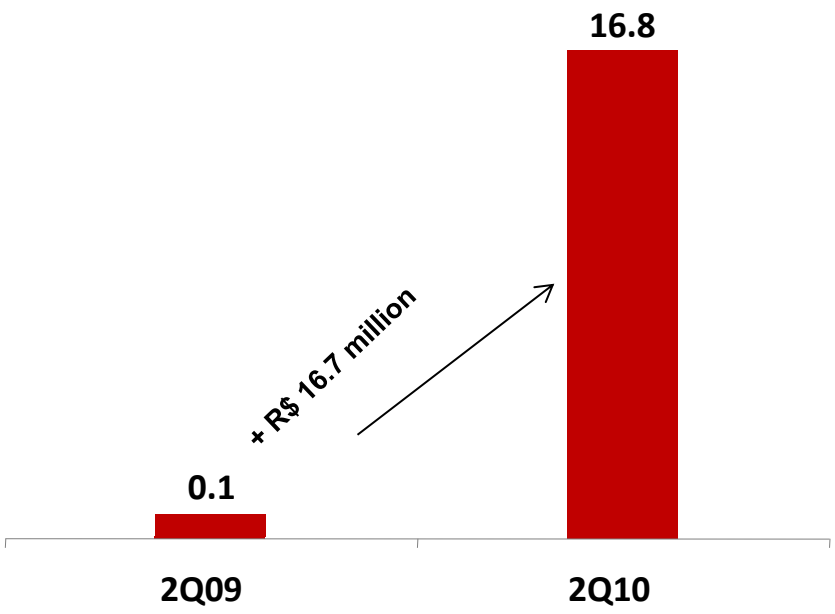




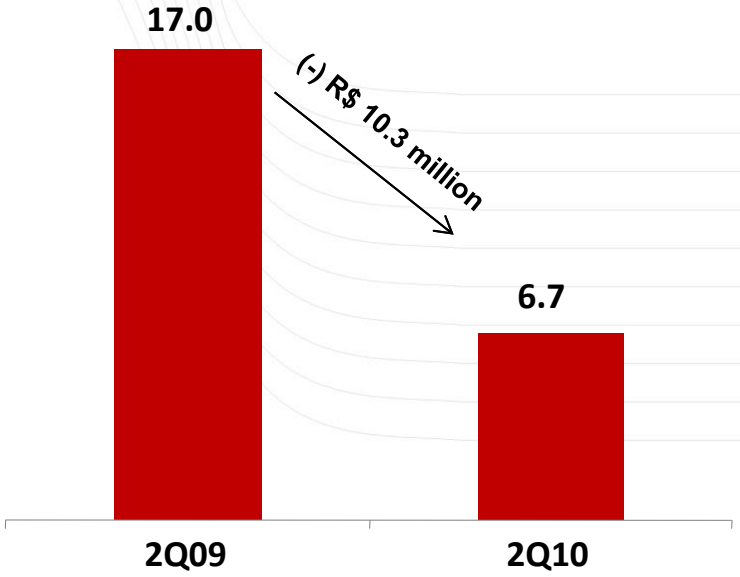


Profit (R$ million)

Profit Before Income Tax/Social Contribution



Net Profit



✓ **Due to the nonrecurring Recognition of deferred tax credits during the previous period, mainly from acquired companies.**

Gross Investment (R$ MILLION)

GROSS INVESTMENT IN 1st HALF			
INVESTMENT BY EQUIPMENT TYPE	**1Q10**	**2Q10**	**1H10**
Trucks	65.7	123.0	**188.7**
Machine and Equipment	26.7	64.3	**91.0**
Light Vehicles	39.5	57.3	**96.8**
Buses	-	2.4	**2.4**
Others	3.0	8.9	**11.9**
TOTAL INVESTMENT	**134.9**	**255.9**	**390.8**

INVESTMENT BY BUSINESS LINE	**1Q10**	**2Q10**	**1H10**
Services Dedicated to Supply Chain	**67.9**	**100.6**	**168.5**
Fleet Management and Outsourcing	**61.6**	**148.9**	**210.5**
Others	**5.4**	**6.4**	**11.8**
TOTAL INVESTMENT	**134.9**	**255.9**	**390.8**

INVESTMENT BY NATURE	**Share**	**1H10**
Renewal	**7.6%**	**29.7**
Expansion – New Businesses	**92.4%**	**361.1**
TOTAL INVESTMENT	**100.0%**	**390.8**

Final Considerations

Some of the statements contained herein constitute additional information that has not been audited or reviewed by the auditors and is based on Management's current opinion and prognoses. Consequently, there may be material differences between said statements and the Company's actual future results, performance and events. Actual results, performance and events may differ substantially from those expressed or implied by said statements as a result of various factors, including the general and economic situation in Brazil and other countries; interest, inflation and exchange rates; changes in laws and regulations; and general competitive factors (at global, regional or national level). Consequently, Management accepts no responsibility for the conformity or accuracy of the additional information in this report that has not been audited or reviewed by the auditors. Said information should be examined and interpreted in an independent manner by shareholders and market agents who should carry out their own analyses and reach their own conclusions regarding the results disclosed herein.

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