(A free translation of the original in Portuguese)

ALL - América Latina Logística S.A. and its subsidiaries

Quarterly information in accordance with accounting practices adopted in Brazil and consolidated quarterly information prepared in accordance with International Financial Reporting Standards (IFRS) at September 30, 2014

Report on the review of quarterly information

To the Management, Board of Directors and Stockholders
ALL - América Latina Logística S.A.
Curitiba - PR

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of ALL - América Latina Logística S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2014, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the Technical Pronouncement CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 -Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of the review

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

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

(A free translation of the original in Portuguese)

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine month period ended September 30, 2014. These statements are the responsibility of the Company's management and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Curitiba, November 3, 2014

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

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

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

BALANCE SHEETS
PERIODS ENDED SEPTEMBER 30, 2014 AND DECEMBER 31, 2013
(In thousands of reais) (A free translation of the original in Portuguese)

		Parent company		Consolidated	
	Note	9/30/2014	12/31/2013	9/30/2014	12/31/2013
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	56,708	94,009	2,127,123	2,917,636
Trade receivables	5	13,770	39,757	481,476	423,185
Inventories		-	2,557	108,126	166,343
Intercompany loans receivable		-	-	1,314	769
Prepayment of lease agreements	6	-	-	6,186	6,186
Taxes and contributions recoverable	7	1,194	901	499,009	418,067
Income tax and social contribution recoverable	7	69,035	72,973	126,683	132,834
Derivative instruments	15	-	6,162	-	-
Dividends and interest on capital		389	81,209	5,880	-
Advances and other receivables		29,928	27,670	224,014	230,054
Prepaid expenses		695	5,223	8,940	13,251
Total current assets		171,719	330,461	3,588,751	4,308,325
NON-CURRENT ASSETS					
LONG-TERM RECEIVABLES					
Trade receivables	5	27,238	30,090	27,238	30,090
Long-term receivables from related parties	19	6,771	2,322	-	-
Prepayment of lease agreements	6	-	-	71,342	75,982
Derivative instruments	15	9,428	8,880	-	-
Taxes and contributions recoverable	7	-	-	500,200	416,841
Income tax and social contribution recoverable	7	-	-	21,411	44,308
Deferred income tax and social contribution	8	-	-	679,630	661,120
Refundable deposits and restricted amounts	18	5,128	5,244	346,200	330,166
Other receivables		34,090	39,201	98,036	103,372
Prepaid expenses		-	-	6,001	5,253
		82,655	85,737	1,750,058	1,667,132
Investments	10	8,859,564	8,395,524	1,894,196	1,925,334
Intangible assets	11	5,084	69	2,386,895	2,410,244
Property and equipment	12	3,852	55,587	9,416,766	8,570,681
		8,868,500	8,451,180	13,697,857	12,906,259
Total non-current assets		8,951,155	8,536,917	15,447,915	14,573,391
TOTAL ASSETS		9,122,874	8,867,378	19,036,666	18,881,716

The accompanying notes are an integral part of this quarterly information.

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

BALANCE SHEETS
PERIODS ENDED SEPTEMBER 30, 2014 AND DECEMBER 31, 2013
(In thousands of reais) (A free translation of the original in Portuguese)

		Parent company		Consolidated	
	Note	9/30/2014	12/31/2013	9/30/2014	12/31/2013
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade payables		50,524	81,720	943,770	721,113
Borrowing	13	77,838	83,865	1,062,085	893,322
Debentures	14	541,148	135,575	637,534	241,154
Derivative instruments	15	-	-	24,284	9,630
Payables to related parties	19	236,700	-	-	-
Taxes payable		5,106	6,735	27,519	27,054
Intercompany loans payable		-	-	7,861	2,541
Leases and concessions	17	-	-	18,424	17,878
Labor and social security obligations		115	502	88,407	111,752
Advances from customers		30,139	-	135,109	186,469
Leases	16	-	-	392,045	365,466
Taxes and social contributions payable in installments	23	-	-	48,730	25,382
Other payables		9,129	9,128	48,080	48,954
Deferred revenue	22	-	-	2,611	2,611
Advances on real estate credits	21	30,488	34,558	145,077	155,264
Dividends and interest on capital		5,251	8,331	5,618	12,564
Total current liabilities		986,438	360,414	3,587,154	2,821,154
NON-CURRENT LIABILITIES					
Borrowing	13	16,819	88,869	2,794,195	3,084,154
Debentures	14	1,515,558	1,945,797	2,214,541	2,722,485
Derivative instruments	15	-	-	12,512	21,563
Payables to related parties	19	35,533	35,021	-	-
Provision for contingencies	18	-	-	188,648	210,671
Leases and concessions	17	-	-	1,824,754	1,647,383
Provision for unrealized profits	20	9,828	10,386	-	-
Leases	16	-	-	1,358,518	1,313,080
Taxes and social security contributions payable in instal	23	-	-	59,045	146,323
Advances on real estate credits	21	33,376	43,356	235,218	280,681
Other liabilities		-	-	22,693	22,248
Provision for net capital deficiencies in subsidiary	10	70,251	40,555	-	-
Deferred revenue	22	1,991,237	1,991,237	2,011,741	2,013,699
Total non-current liabilities		3,672,602	4,155,221	10,721,865	11,462,287
Total liabilities		4,659,040	4,515,635	14,309,019	14,283,441
EQUITY	24				
Capital		3,448,283	3,448,283	3,448,283	3,448,283
Capital reserves		314,766	315,100	314,766	315,100
Revenue reserves		708,947	708,947	708,947	708,947
Retained earnings		139,001	-	139,001	-
Carrying value adjustments		(147,163)	(120,587)	(147,163)	(120,587)
		4,463,834	4,351,743	4,463,834	4,351,743
Non-controlling stockholders		-	-	263,813	246,532
Total equity		4,463,834	4,351,743	4,727,647	4,598,275
TOTAL LIABILITIES AND EQUITY		9,122,874	8,867,378	19,036,666	18,881,716

The accompanying notes are an integral part of this quarterly information.

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

STATEMENTS OF OPERATIONS FOR THE NINE-MONTH PERIODS
ENDED SEPTEMBER 30, 2014 AND 2013
(All amounts in thousands of reais, except earnings per share)

(A free translation of the original in Portuguese)

		Parent company				Consolidated			
		Period ended		Quarter ended		Period ended		Quarter ended	
	Note	9/30/2014	9/30/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Continuing operations									
Net services revenue	29	34,645	38,576	3,395	12,553	2,974,675	2,815,531	992,161	943,060
Cost of services		(41,562)	(43,532)	(14,348)	(15,018)	(1,712,390)	(1,561,841)	(597,769)	(522,938)
Gross profit (loss)		(6,917)	(4,956)	(10,953)	(2,465)	1,262,285	1,253,690	394,392	420,122
Results of investments									
Equity in the results of subsidiaries	10	422,503	494,737	147,282	174,315	3,961	3,608	1,459	(12,551)
Provision for net capital deficiencies in subsidiaries	10	(32,660)	(32,056)	(18,838)	(16,999)	-	-	-	-
Gain/loss on investments	10	(2)	(91,990)	(1)	3,936	(355)	(92,465)	677	3,999
		389,841	370,691	128,443	161,252	3,606	(88,857)	2,136	(8,552)
Other operating income (expenses)									
Sales		-	-	-	-	9,603	(10,961)	18,645	(1,425)
General and administrative		(38,212)	(22,209)	(8,479)	2,774	(182,972)	(149,467)	(68,853)	(54,961)
Other operating income (expenses), net	29	471	6,929	211	280	19,473	6,111	15,893	8,049
		(37,741)	(15,280)	(8,268)	3,054	(153,896)	(154,317)	(34,315)	(48,337)
Operating profit before finance result		345,183	350,455	109,222	161,841	1,111,995	1,010,516	362,213	363,233
Finance costs	26	(213,237)	(167,872)	(73,802)	(54,911)	(1,110,754)	(851,877)	(363,471)	(283,410)
Finance income	26	7,702	42,103	2,491	10,026	180,071	116,886	58,340	40,668
		(205,535)	(125,769)	(71,311)	(44,885)	(930,683)	(734,991)	(305,131)	(242,742)
Operating profit before taxes		139,648	224,686	37,911	116,956	181,312	275,525	57,082	120,491
Current income tax and social contribution	8	-	-	-	-	(91,475)	(50,738)	(33,359)	(10,142)
Deferred income tax and social contribution	8	-	-	-	-	67,175	16,784	21,655	4,067
		-	-	-	-	(24,300)	(33,954)	(11,704)	(6,075)
Profit from continuing operations		139,648	224,686	37,911	116,956	157,012	241,571	45,378	114,416
Discontinued operations									
Loss from discontinued operations	30	(837)	(180,691)	(333)	(32,539)	(920)	(187,901)	(367)	(24,694)
Profit for the period		138,811	43,995	37,578	84,417	156,092	53,670	45,011	89,722
Profit attributable to									
Owners of the company						138,811	43,995	37,578	84,417
Non-controlling interests						17,281	9,675	7,433	5,305
Earnings per share from continuing and discontinuing operations attributable to the owners of the Company during the year (expressed in R$ per share)									
Basic earnings (loss) per share									
Per common share - continuing operation	27					0.2045	0.3283	0.0555	0.1709
Per common share - discontinued operation	27					(0.0012)	(0.2640)	(0.0005)	(0.0475)
Diluted earnings (loss) per share									
Per common share - continuing operation	27					0.1988	0.3120	0.0540	0.1624
Per common share - discontinued operation	27					(0.0012)	(0.2509)	(0.0005)	(0.0452)

The accompanying notes are an integral part of this quarterly information.

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

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
PERIODS ENDED SEPTEMBER 30, 2014 AND 2013
(All amounts in thousands of reais)

(A free translation of the original in Portuguese)

	Parent company				Consolidated			
	Period ended		Quarter ended		Period ended		Quarter ended	
	9/30/2014	**9/30/2013**	**9/30/2014**	**9/30/2013**	**9/30/2014**	**9/30/2013**	**9/30/2014**	**9/30/2013**
Profit for the year	138,811	43,995	37,578	84,417	156,092	53,670	45,011	89,722
Items to be reclassified to profit (loss)								
Foreign exchange gains (losses) on investments abroad	5,885	(2,558)	1,499	(11,005)	5,885	(2,558)	1,499	(5,289)
Mark-to-market effects on hedge instruments	(48,895)	(25,209)	(116,384)	73,043	(48,895)	(25,209)	(116,384)	73,043
Tax effects on carrying value adjustments	16,624	(11,575)	39,570	(5,220)	16,624	(11,575)	39,570	(5,220)
Total comprehensive income (loss), net of taxes	**112,425**	**4,653**	**(37,737)**	**141,235**	**129,706**	**14,328**	**(30,304)**	**152,256**
Profit attributable to:								
Owners of the company	112,425	4,653	(37,737)	141,235	112,425	4,653	(37,737)	141,235
Non-controlling interests	-	-	-	-	17,281	9,675	7,433	11,021
	112,425	**4,653**	**(37,737)**	**141,235**	**129,706**	**14,328**	**(30,304)**	**152,256**

The accompanying notes are an integral part of this quarterly information.

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

STATEMENTS OF CHANGES IN EQUITY

PERIODS ENDED SEPTEMBER 20, 2014 AND 2013

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

	Paid up capital		Capital reserves				Revenue reserves					Carrying value adjustments					
	Subscribed	To be paid up	Treasury shares	Cost of debentures issued	Options granted	Results from transactions with non-controlling interests and goodwill	Legal reserve	Tax incentives	For investments	Retained earnings	Funds for capital increase	Cumulative translation adjustments	Deemed cost	Mark-to-market gains (losses) - hedge	Total	Non-controlling stockholders	Total equity
At December 31, 2012	**3,448,283**	**(14,342)**	**(51,108)**	**(19,439)**	**97,503**	**55,853**	**77,726**	**187,864**	**443,019**	**-**	**12,191**	**(13,900)**	**4,708**	**(24,610)**	**4,203,748**	**72,674**	**4,276,422**
Profit for the year	-	-	-	-	-	-	-	-	-	43,994	-	-	-	-	43,994	9,675	53,669
Foreign exchange gains (losses) on investments abroad	-	-	-	-	-	-	-	-	-	-	-	(2,558)	-	-	(2,558)	-	(2,558)
Mark-to-market gains (losses) - hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,209)	(25,209)	-	(25,209)
Tax effects of carrying value adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,575)	(11,575)	-	(11,575)
Adjustments in associates	-	-	-	-	-	-	-	-	-	-	-	252	(252)	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	43,994	-	(2,306)	(252)	(36,784)	4,652	9,675	14,327
Gains on transactions with non-controlling interests	-	-	-	-	-	226,371	-	-	-	-	-	-	-	-	226,371	162,827	389,198
Share base payment transactions																	
Reserve for options granted (note 23)	-	2,429	10,094	-	(678)	-	-	-	(10,094)	-	-	-	-	-	1,751	-	1,751
Options exercised	-	-	-	-	(1,634)	-	-	-	-	-	938	-	-	-	(696)	-	(696)
Recognition/realization of revenue resereve (note 23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of reserve for tax incentive (note 23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance on future capital increase	-	11,913	1,216	-	-	-	-	-	-	-	(13,129)	-	-	-	-	-	-
Total transactions with owners of the company	-	14,342	11,310	-	(2,312)	226,371	-	-	(10,094)	-	(12,191)	-	-	-	227,426	162,827	390,253
At September 30, 2013	**3,448,283**	**-**	**(39,798)**	**(19,439)**	**95,191**	**282,224**	**77,726**	**187,864**	**432,925**	**43,994**	**-**	**(16,206)**	**4,456**	**(61,394)**	**4,435,826**	**245,176**	**4,681,002**
At December 31, 2013	**3,448,283**	**-**	**(42,291)**	**(19,439)**	**94,854**	**281,976**	**78,377**	**187,864**	**442,706**	**-**	**-**	**(17,312)**	**4,211**	**(107,486)**	**4,351,743**	**246,532**	**4,598,275**
Profit for the year	-	-	-	-	-	-	-	-	-	138,811	-	-	-	-	138,811	17,280	156,091
Foreign exchange gains (losses) on investments abroad	-	-	-	-	-	-	-	-	-	-	-	5,885	-	-	5,885	-	5,885
Mark-to-market gains (losses) - hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,895)	(48,895)	-	(48,895)
Tax effects on carrying value adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	16,624	16,624	-	16,624
Adjustment in associates	-	-	-	-	-		-	-	-	190	-	-	(190)	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	139,001	-	5,885	(190)	(32,271)	112,425	17,280	129,705
Share-based payment transactions																	
Reserve for options granted (note 24)	-	-	(15,886)	-	15,552	-	-	-	-	-	-	-	-	-	(334)	-	(334)
Total transactions with owners of the company	-	-	(15,886)	-	15,552	-	-	-	-	-	-	-	-	-	(334)	-	(334)
At September 30, 2014	**3,448,283**	**-**	**(58,177)**	**(19,439)**	**110,406**	**281,976**	**78,377**	**187,864**	**442,706**	**139,001**	**-**	**(11,427)**	**4,021**	**(139,757)**	**4,463,834**	**263,812**	**4,727,646**

The accompanying notes are an integral part of this quarterly information.

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

STATEMENTS OF CASH FLOWS

PERIODS ENDED SEPTEMBER 30, 2014 AND 2013

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

	Parent company		Consolidated	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Operating activities				
Profit for the period	138,811	43,995	156,092	53,670
Expenses (income) not affecting cash and cash equivalents:				
Depreciation and amortization (note 29)	1,405	1,748	385,341	337,958
Equity in the results of investees and gains/losses on investments	(422,502)	(402,747)	(3,606)	88,856
Provision for net capital deficiency (note 10)	32,660	32,056	-	-
Goodwill amortization (note 29)	42,027	42,176	42,056	42,466
Deferred income tax and social contribution (note 8)	-		(67,175)	(16,784)
Provision for unrealized profits (note 20)	(558)	(558)	-	-
Realization of deferred revenue	-		(1,958)	(1,957)
Interest on foreign exchange variations on borrowing and debentures	46,599	13,490	202,264	61,735
Stock option granting	(131)	1,630	(527)	6,516
Exchange variation on operations discontinued in the period	-		-	(10,518)
Results from discontinued operations	837	180,691	920	187,901
	(160,852)	(87,519)	713,407	749,843
Changes in assets				
Trade receivables	58,978	(13,075)	(107,450)	(59,423)
Inventories	-	2,596	60,774	(101,300)
Taxes and contributions recoverable	3,586	19,064	(72,645)	(63,215)
Dividends and interest on capital	80,820	1,072	(5,203)	2,965
Cash and cash equivalents from discontinued operations (note 30)	-	-	(478)	(38,740)
Other assets	9,127	5,236	(28,109)	(7,719)
	152,511	14,893	(153,111)	(267,432)
Changes in liabilities				
Trade payables	(33,398)	42,720	238,511	(81,839)
Labor and social security obligations	(387)	(8,887)	(23,350)	12,230
Taxes payable	(1,630)	(5,380)	(65,793)	(19,687)
Income tax and social contribution paid	-	-	(7,320)	(8,780)
Lease and concessions payables	-	-	177,917	130,235
Other liabilities	-	-	(10,428)	(4,019)
	(35,415)	28,453	309,537	28,140
Net cash provided by (used in) operating activities	**(43,756)**	**(44,173)**	**869,833**	**510,551**
Investment activities				
Disposals (Purchases) of property and equipment, net (note 12)	48,535	(314)	(920,585)	(690,085)
Capex Related Inventory	-	-	(132,680)	(8,226)
Acquisition of investments	(114,087)	(630,974)	-	-
Net cash used in investment activities	(65,552)	(631,288)	(1,053,265)	(698,311)
Financing activities				
Financing				
New borrowing and financing	8,040	-	559,453	959,765
Repayment of borrowing and financing	(165,912)	(208,127)	(1,160,289)	(1,253,575)
Capital increase and funds for capital increase	-	-	-	(35,727)
Goodwill on issue of shares	-	-	-	226,371
Gains on non-controlling interests	-	-	2	162,828
Dividends and interest on capital	(3,080)	(55,956)	(6,946)	(59,117)
Receipt of debentures	-	225,067	194	-
Related parties	232,959	(3,441)	505	-
Net cash provided by (used in) financing activities	72,007	(42,457)	(607,081)	545
Decrease in cash and cash equivalents	**(37,301)**	**(717,918)**	**(790,513)**	**(187,215)**
Cash and cash equivalents at the beginning of the period	94,009	881,213	2,917,636	2,508,360
Cash and cash equivalents at the end of the period	56,708	163,295	2,127,123	2,321,145
Decrease in cash and cash equivalents	**(37,301)**	**(717,918)**	**(790,513)**	**(187,215)**

The accompanying notes are an integral part of this quarterly information.

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

STATEMENTS OF VALUE ADDED
PERIODS ENDED SEPTEMBER 30, 2014 AND 2013
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Revenue				
Sales of services	38,227	42,991	3,464,387	3,218,561
Other income	1,785	7,182	34,330	42,477
Provision for impairment of trade receivables	-	-	12,792	(6,232)
	40,012	**50,173**	**3,511,509**	**3,254,806**
Inputs acquired from third parties				
Cost of services	(507)	(896)	(720,726)	(614,610)
Materials, electricity, outsourced services and other	(30,475)	(14,411)	(434,335)	(323,212)
Impairment/Recovery of assets	(155)	1,669	(4,039)	19,797
Other	(1,314)	(255)	(14,857)	(12,868)
	(32,451)	**(13,893)**	**(1,173,957)**	**(930,893)**
Gross value added	**7,561**	**36,280**	**2,337,552**	**2,323,913**
Depreciation and amortization	(43,432)	(43,924)	(427,397)	(380,424)
Net value added generated by the entity	**(35,871)**	**(7,644)**	**1,910,155**	**1,943,489**
Value added received through transfer				
Equity in the results of investees	389,841	370,691	3,606	(88,856)
Discounted operations	(837)	(180,691)	(920)	(187,901)
Finance income	7,702	42,103	180,071	116,886
	396,706	**232,103**	**182,757**	**(159,871)**
Total value added to distribute	**360,835**	**224,459**	**2,092,912**	**1,783,618**
Distribution of value added				
Personnel				
Direct remuneration	2,769	3,972	221,596	247,998
Benefits	(128)	1,635	36,186	39,045
Government Severance Indemnity Fund for Employees (FGTS)	-	293	13,466	11,861
	2,641	**5,900**	**271,248**	**298,904**
Taxes and contributions				
Federal	4,128	5,349	248,550	307,646
State	-	-	63,426	79,309
Municipal	-	349	7,273	8,074
	4,128	**5,698**	**319,249**	**395,029**
Third party capital remuneration				
Interest	213,237	167,872	1,110,754	851,877
Rentals	2,018	994	235,569	184,138
	215,255	**168,866**	**1,346,323**	**1,036,015**
Remuneration of own capital				
Retained earnings	138,811	43,995	138,811	43,995
Interest of non-controlling stockholders in retained earnings	-	-	17,281	9,675
	138,811	**43,995**	**156,092**	**53,670**
Total value added distributed	**360,835**	**224,459**	**2,092,912**	**1,783,618**

The accompanying notes are an integral part of this quarterly information.

(All amounts in thousands of reais, unless otherwise stated)

1. General information

a) The Company

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

The Company's main activities are:

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

- the performance of transportation related activities, including logistics, intermodal transport, port operations, the transfer and storage of goods, and the exploration and management of bonded and general warehouses;

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

Since October 22, 2010, the Company's shares have been traded in the "New Market" segment of the São Paulo Stock Exchange (Bovespa).

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

The concession terms are as follows:

Company	End of concession period	Regions covered
ALL Malha Sul	February 2027	South of Brazil and State of São Paulo
ALL Malha Paulista	December 2028	State of São Paulo
ALL Malha Oeste	June 2026	Mid-West and State of São Paulo
ALL Malha Norte	May 2079	Mid-West and State of São Paulo
Portofer	June 2025	Porto de Santos (port in the State of São Paulo)
Terminal XXXIX	October 2025	Porto de Santos (SP)
TGG – Guarujá Retail Terminal	August 2027	Porto de Santos (SP)
Termag - Guarujá Maritime Terminal	August 2027	Porto de Santos (SP)

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

Boswells S.A. is a financial investment company established in Uruguay.

Track Logística was organized on April 7, 2010, and its main business purposes are rendering general cargo logistics operating services; managing and operating ports, terminals, distribution centers, warehouse units, and bonded warehouses; and investing in other companies, among others. It has not started its activities yet.

Brado Holding was organized on July 9, 2010, and its main business purpose is holding interests in other entities, consortia or ventures, either locally or abroad. On April 1, 2011, Brado Holding acquired an 80% interest in Brado Logística e Participação S.A. The interest in Brado Logística increased to 62.22% on August 5, 2013 after the contribution made by the new investor FI-FGTS, as disclosed in Note 10.

Brado Logística e Participação S.A. was acquired in 2010, and this name was given to the company on November 24, 2010. On April 1, 2011, Brado Holding started holding a 100% interest in Standard Logística e Distribuição S.A. (currently named Brado Logística S.A.) through carrying out a merger of its shares. Its main business purpose is holding shares issued by Brado Logística S.A.

Brado Logística S.A. was formerly Standard Logística e Distribuição S.A. It was acquired on April 1, 2011, and is a wholly-owned subsidiary of Brado Logística e Participação S.A. Its main business purpose is providing general cargo logistics operating services; managing and operating terminals, distribution centers, ports, bonded warehouses; and holding direct and indirect interest in other companies.

Ritmo Logística S.A. was formed on July 1, 2011, through the combination of the highway operations of ALL Intermodal S.A. (which became the parent company of Ritmo Logística S.A.) and the highway business of Ouro Verde Transportes e Locação S.A. This operation was carried out through the contribution of the dedicated assets of ALL Intermodal S.A. and Ouro Verde Transportes e Locação S.A., and through the transfer of all employees of both companies to the new company, with the objective of establishing a strategic association in the highways segment.

Vetria Mineração S.A: As described in Note 10, Vetria Mineração S.A. was formed on December 3, 2012 by ALL - América Latina Logística S.A, together with other stockholders, in order to create an integrated mine-railroad-port system.

On March 5, 2009, the Company and its subsidiaries established a relationship with Rumo Logística Operadora Multimodal S.A. (Rumo) in order to improve sugar transport by rail from the State of São Paulo to the Port of Santos. This relationship, established to develop a partnership between the parties, foresees a number of investments, including the duplication of the Campinas-Santos stretch, the acquisition of wagons and locomotives and improvements in the structures of loading and unloading terminals.

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

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

i. The amount invested in rolling stock, owned by Rumo, refers to operational leases, in accordance with the rules defined by CPC 06, and the costs related to this leasing are accounted as operating costs under market conditions.

ii. The amount invested in railways, owned by the Federal Government and under the concession and control of ALL Malha Paulista S.A., refers to a fixed asset of the Company which is accounted for under Lease – Rent Incentive. This financing generates financial expenses and its consequent payment reduces its balance.

Therefore, the fees that remunerate Rumo's investments are divided in two, a part being considered as operational lease of rolling stock and a part as the lease payment.

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

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

The Merger of Shares was approved by stockholders at an Extraordinary General Stockholders Meeting of May 8, 2014. The effective Merger of Shares remains subject to the approval of the Brazilian Antitrust Authority

("CADE"), the Brazilian National Land Transportation Agency ("ANTT"), and any other public administration bodies whose authorizations may be required, as well as to any other conditions precedent established in the Proposal.

b) Operating restrictions and conditions of all of the concessions granted to ALL Malha Sul, ALL Malha Paulista and ALL Malha Oeste

The companies are subject to compliance with certain conditions set forth in the privatization public notices and in the concession agreements for the railroad networks.

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

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

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

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

2. Accounting policies

The significant accounting policies used in preparing this consolidated quarterly information are consistent with the practices adopted in preparing the financial statements for 2013, and consequently should be read together with the complete consolidated financial statements for the year ended December 31, 2013, stated in Note 2 to the referred financial statements. The financial statements for the year ended December 31, 2013 were disclosed on February 26, 2014.

On January 1, 2014, the Company changed the calculation basis of the social security contribution to the National Institute of Social Security (INSS), as established in Law 12546/2011 – Exoneration of the tax burden on payroll, amended in 2013 through Law 12844/2013, and started calculating the INSS amount payable at 1% of gross revenue and not on payroll. As a result of this change, the Company started to record the social security contribution prospectively as a deduction from gross revenue and no longer as a labor cost. This change caused an effect in net revenue of R$ 35,586 in the consolidated financial statements at September 30, 2014.

On June 18, 2014 was closed the period for contributions related to the Public Consultation no. 006/2014 conducted by the National Transportation Agency - ANTT whose purpose is regulating the resolution which sets annual depreciation rates for the assets of the concessionaires of public rail transport of cargo to be practiced. As this resolution have not been published, and in line with the guidelines described in CPC 27 - Fixed Assets, the Company continues with its evaluation criteria of assets and monitor potential impacts of that Resolution in its financial statements.

The issue of this quarterly information was authorized at the Board meeting held on October 13, 2014.

(All amounts in thousands of reais, unless otherwise stated)

3. Basis of consolidation

Consolidated quarterly information

a) Subsidiaries

The consolidated quarterly information comprises the quarterly information of ALL – América Latina Logística S.A. and its subsidiaries at September 30, 2014, as follows:

	Ownership interest %	
	9/30/2014	12/31/2013
Direct subsidiaries		
ALL - América Latina Logística Intermodal S.A. (ALL Intermodal)	100.00	100.00
ALL - América Latina Logística Malha Oeste S.A. (ALL Malha Oeste)	100.00	100.00
ALL - América Latina Logística Malha Paulista S.A. (ALL Malha Paulista)	100.00	100.00
ALL - América Latina Logística Malha Sul S.A. (ALL Malha Sul)	100.00	100.00
ALL - América Latina Logística Participações Ltda. (ALL Participações)	100.00	100.00
Boswells S.A.	100.00	100.00
Track Logística S.A.	100.00	100.00
Brado Holding S.A.	100.00	100.00
ALL - América Latina Logística Serviços Ltda. (ALL Serviços)	99.99	99.99
ALL - América Latina Logística Equipamentos Ltda. (ALL Equipamentos)	99.99	99.99
ALL - América Latina Logística Malha Norte S.A. (ALL Malha Norte)	99.24	99.24
ALL - América Latina Logística Argentina S.A. (ALL Argentina)	90.96	90.96
Paranagua S.A.	99.83	99.83
ALL - América Latina Logística Rail Management Ltda (ALL Rail Management)	50.01	50.01
Jointly-controlled subsidiary		
Vetria Mineração S.A	50.38	50.38
Indirect subsidiaries		
Investees of ALL Intermodal		
ALL - América Latina Logística Armazéns Gerais Ltda (ALL Armazéns Gerais)	100.00	100.00
Ritmo Logística S.A	65.00	65.00
Investee of ALL Armazéns Gerais		
PGT Grains Terminal S.A. (PGT)	100.00	100.00
Investee of ALL Malha Paulista		
Portofer Transporte Ferroviário Ltda. (Portofer)	50.00	50.00
Investees of ALL Malha Norte		
Terminal XXXIX de Santos S.A. (Terminal XXXIX)	50.00	50.00
Portofer Transporte Ferroviário Ltda. (Portofer)	50.00	50.00
Investees of ALL Argentina		
ALL - América Latina Logística Central S.A. (ALL Central)	73.55	73.55
ALL - América Latina Logística Mesopotámica S.A. (ALL Mesopotámica)	70.56	70.56
Investees of ALL Participações		
ALL - América Latina Logística Argentina S.A. (ALL Argentina)	9.04	9.04
ALL - América Latina Logística Serviços Ltda. (ex ALL Tecnologia)	0.01	0.01
ALL - América Latina Logística Equipamentos Ltda. (ALL Equipamentos)	0.01	0.01
Paranagua S.A.	0.17	0.17
Investee of Brado Holding		
Brado Logistica e Participações S.A.	62.22	62.22
Investee of Brado Logística Participações S.A		
Brado Logística S.A	100.00	100.00

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

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

Profit or loss for the period and each component of other comprehensive income (recorded directly in equity) are attributed to the Company's owners and non-controlling interests. Losses are attributed to non-controlling interests, even if they result in a negative balance.

b) Jointly-controlled subsidiaries

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

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

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

c) Associates

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

Based on the equity method, investments in associates are recorded in the balance sheet at cost, plus changes after the acquisition of the interest in the associate.

The statement of operations reflects a portion of the results of the associates' transactions. When a change is recorded directly in the associate's equity, the Company recognizes its portion of the variations, and discloses this in the statement of changes in equity, when applicable. Unrealized gains and losses arising from transactions between the Company and its associates are eliminated proportionally to the interest held in that associate.

The interests in associates are presented in the statement of operations as equity in the results of investees, representing the profit attributable to the stockholders of the associate.

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

When significant influence in an associate is lost, the Company assesses and records the investment at fair value. Any difference between the associate's carrying amount when significant influence is lost and the fair value of the remaining investment and the revenue from the disposal is recorded in the statement of operations.

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

d) Transactions with non-controlling interests

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

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

e) Business combinations

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

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

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

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

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

(All amounts in thousands of reais, unless otherwise stated)

4. Cash and cash equivalents

		Parent company		Consolidated	
		9/30/2014	12/31/2013	9/30/2014	12/31/2013
Cash and banks		2,104	3,261	6,958	17,540
Financial investments					
Post-fixed CDBs	(i)	36,430	70,263	1,448,970	1,725,101
Fixed CDBs	(ii)	-	-	155,138	143,470
Government bonds	(iii)	17,223	15,220	404,203	792,957
Funds	(iv)	951	5,265	111,854	238,568
		54,604	90,748	2,120,165	2,900,096
		56,708	94,009	2,127,123	2,917,636

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

(i) Investments in Bank Deposit Certificates (CDB) with rates linked to the Interbank Deposit Certificate (CDI) variation (average rate of 101% of CDI);

(ii) Investments in CDBs with average fixed rate of 11.02%;

(iii) Investments in government bonds (average rate equivalent to the Special System for Settlement and Custody-SELIC);

(iv) Investments in funds - mainly represent government bonds.

5. Trade receivables

	Parent company		Consolidated	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Trade receivables				
In Brazil	41,008	69,847	527,108	487,738
In Argentina	-	-	12,667	12,667
	41,008	69,847	539,775	500,405
(-) Provision for the impairment of trade receivables				
In Brazil	-	-	(19,235)	(35,304)
In Argentina	-	-	(11,826)	(11,826)
	-	-	(31,061)	(47,130)
	41,008	69,847	508,714	453,275
Current assets	13,770	39,757	481,476	423,185
Non-current assets	27,238	30,090	27,238	30,090

At September 30, 2014 and December 31, 2013, the balance of trade receivables, by maturity, was as follows:

Periods	Amount not yet due and with no impairment	Overdue balances					Provision for impairment of trade receivables	Total
		< 30 days	31 - 60 days	61 - 90 days	91 - 180 days	> 181 days		
9/30/2014	210,838	44,061	34,025	62,240	43,645	144,966	(31,061)	508,714
12/31/2013	210,076	99,757	61,481	22,459	59,502	47,130	(47,130)	453,275

Provision for impairment of trade receivables

(All amounts in thousands of reais, unless otherwise stated)

The provision was calculated based on a credit risk analysis, which considers historical losses, the individual client situation, and the situation of the economic group in which it operates, as well as credit past due for more than 180 days, except for related party receivables. The provision is considered sufficient to cover any losses on amounts receivable.

During the quarter ended September 30, 2014, reversals of the Provision for Impairment of Trade Receivables were made amounting to R$ 19,647 (R$ 16 in the quarter ended September 30, 2013), as a contra entry to sales expenses in the statement of operations.

6. Lease prepayments – consolidated

	9/30/2014		12/31/2013	
	Current assets	Long-term receivables	Current assets	Long-term receivables
Leases				
ALL Malha Oeste	166	1,753	166	1,877
ALL Malha Paulista	2,025	23,157	2,025	24,676
ALL Malha Sul	2,734	31,218	2,734	33,269
Right-of-way prepayments				
ALL Malha Sul	1,261	15,214	1,261	16,160
	6,186	71,342	6,186	75,982

The amount paid in cash is being amortized over the remaining lease term.

Prepaid right-of-way refers to amounts paid by ALL Malha Sul to ALL Malha Paulista as a consideration for the use of the rail segments from Presidente Epitácio to Rubião Júnior and from Pinhalzinho/Apiaí to Iperó (SP), in accordance with the agreement to operate these segments for 30 years, which is also the accounting amortization period.

The above lease agreements are recognized in the statement of operations on a straight-line basis over the agreement terms, and do not qualify as finance leases.

7. Taxes and contributions recoverable

	9/30/2014		12/31/2013	
	Current assets	Long-term receivables	Current assets	Long-term receivables
Parent company				
Income tax and social contribution recoverable - prep	69,035	-	72,973	-
Other	1,194	-	901	-
	70,229	-	73,874	-
Subsidiaries				
ICMS (i)	258,285	164,650	220,822	131,852
Value-added tax (IVA)	-	-	826	-
Income tax and social contribution recoverable - prep	57,648	21,411	59,861	44,308
Federal tax credits to be offset PIS/COFINS	198,007	174,163	160,822	171,134
IPI (ii)	32,014	119,929	32,015	87,118
Other	9,509	41,458	2,681	26,737
	555,463	521,611	477,027	461,149
Consolidated				
Taxes and contributions recoverable	499,009	500,200	418,067	416,841
Income tax and social contribution recoverable	126,683	21,411	132,834	44,308
	625,692	521,611	550,901	461,149

(i) ICMS credits related to the acquisition of inputs and diesel used in the rendering of transportation services.

(All amounts in thousands of reais, unless otherwise stated)

(ii) Tax credits arising from an ordinary lawsuit with a final decision, which are being used to offset federal debt.

8. Deferred income tax and social contribution

The reconciliation of income tax and social contribution at the nominal rates compared to the effective rates for the periods ended September 30, 2014 and 2013 is as follows:

	Parent company		Consolidated	
	9/30/2014	**9/30/2013**	**9/30/2014**	**9/30/2013**
Profit before taxation	139,648	224,686	181,312	275,525
Standard rate	34%	34%	34%	34%
Taxes at nominal rate	(47,480)	(76,393)	(61,646)	(93,679)
Tax adjustments for:				
Equity in the results of investees and provision for net capital deficien	132,547	160,437	1,346	4,351
Differences in rates for companies taxed under the deemed profit metho	-	-	1,479	2,675
Amortization of goodwill	(14,289)	(14,340)	(492)	(542)
Effect of recognized (unrecognized) tax loss	(68,434)	(68,660)	16,224	2,900
Recording of stock options granted	-	(554)	-	(2,216)
Effect of rate decrease - Superintendency for the Development of the Amazon (SUDAM) incentive	-	-	32,366	51,009
Other permanent differences	(2,344)	(490)	(13,577)	1,548
Effective tax income (expense)	-	-	(24,300)	(33,954)
Current taxes	-	-	(91,475)	(50,738)
Deferred taxes	-	-	67,175	16,784

Deferred tax credits on tax losses and temporary differences held by the Company, as well as the portion recorded in the balance sheet at September 30, 2014 and December 31, 2013, are as follows:

(All amounts in thousands of reais, unless otherwise stated)

	Consolidated	
	9/30/2014	**12/31/2013**
Tax losses	991,146	968,343
Amortization of goodwill	39,030	39,030
Provision for variable remuneration	3,682	16,772
Provision for tax credits	-	6,215
Provision for ICMS with difficult realization	9,817	5,032
Provision for tax issues	20,170	17,096
Provision for labor litigation	26,930	34,865
Provision for civil claims	13,021	15,338
Provision for impairment of trade receivables	11,488	16,548
Provision for unrealized profits	3,342	3,531
Unsettled hedge transactions	4,488	(578)
Provision	60,359	42,270
Accelerated depreciation of wagons	(9,189)	-
RTT - leases (i)	90,912	31,899
RTT-related adjustments (i)	72,244	76,151
Total tax credits	**1,337,440**	**1,272,512**
(-) Unrecorded credits	657,810	611,392
(=) Net credits recorded	**679,630**	**661,120**

Reconciliation of deferred tax assets

	9/30/2014	**31/12/2013**
Opening balance	661,120	581,493
Adjustments of balances of subsidiaries	-	761
Acquisitions of subsidiaries	(3,993)	(3,713)
Tax income/(expenses) recorded in the statement of income	67,175	98,827
Effect of deferred income tax on discontinued operations	-	(16,248)
Offset of deferred income tax - Law 1296	(44,672)	-
Closing balance	**679,630**	**661,120**

(i) Deferred credits on the Transitional Tax System (RTT) adjustments refer to lease operations, derecognition of deferred assets and adjustment to present value.

Deferred tax assets are expected to be realized as follows:

	Consolidated	
	9/30/2014	**12/31/2013**
2014	35,037	84,372
2015	81,529	61,780
2016	89,215	74,443
2017	90,717	76,663
2018	69,425	54,613
After 2018	313,707	309,249
Total	679,630	661,120

Income tax and social contribution losses generated in the parent company and its Brazilian subsidiaries may be carried forward indefinitely and will be offset against future taxable profit, in accordance with applicable tax legislation. These amounts are supported by a recoverability study approved by the Board of Directors on February 6, 2014.

(All amounts in thousands of reais, unless otherwise stated)

For ALL Intermodal, ALL Malha Oeste and ALL S.A., tax assets arising from losses have not been recognized, considering the history of tax losses recorded in past years.

The Company and its subsidiaries record deferred tax assets on income tax and social contribution losses when the conditions of CVM Instruction 349/01 are met. For this purpose, the Company considers the historical profitability and the expectation of future taxable profits for a period no longer than ten years. Annually, management conducts a technical feasibility study and submits it for the Board of Directors' approval, which presents the estimated taxable profits to serve as a basis for the tax assets recorded.

On May 14, 2014, Law 12973/14 was published, which converted Provisional Measure 627, that, among others issues, revokes the RTT. This Law will still be regulated, however, in the Company's assessment, the early adoption in 2014, or not, will not bring significant future impacts on the Company's consolidated financial statements.

9. Private debentures

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

On August 28, 2013, ALL Malha Norte, based on contractual predictability, requested from the debenture holder of the Series 1, ALL Holding, the prepayment of the respective series. ALL Holding agreed to the request, and therefore, the first series of the seventh issue of ALL Malha Norte was settled.

Debenture balances are recorded by the Company as follows:

Malha Norte							Long-term receivables	
Series		Date of issue	Amount	Final maturity	Annual remuneration	Effective rate	9/30/2014	12/31/2013
Private Debendures - Malha Oeste	(i)	4/30/2012	100,000	05/02/16	CDI + 1.70%	12.52%	127,315	106,259

(i) The balance of private debentures of ALL Malha Oeste is eliminated in the Consolidated.

10. Investments

a) Interest in subsidiaries and associates

		Changes							
	12/31/2013	Equity in the results of subsidiaries	Capital increase/decrease	Advance on future capital increase	Adjustments	Gain/loss on investment	Results from discontinued operations	Foreign exchange variations - equity	9/30/2014
Investment:									
ALL Malha Sul	942,216	(30,510)	-	110,000	1,754	-	-	-	1,023,460
ALL Intermodal	185,758	(3,903)	-	-	-	-	-	-	181,855
ALL Serviços	100	21,931	-	-	-	-	-	-	22,031
ALL Equipamentos	286	(1)	-	-	-	-	-	-	285
ALL Malha Paulista	894,380	156,681	-	-	(99)	-	-	-	1,050,962
ALL Malha Norte	1,791,767	264,608	-	-	(98)	-	-	-	2,056,277
Boswels	12,999	-	-	-	-	-	-	2,555	15,554
Rail Management	218	2,206	-	-	-	-	-	-	2,424
Brado Holding	334,457	22,058	-	-	-	-	-	-	356,515
Paranaguá S.A.	1,069	(3,719)	4,087	-	-	(2)	-	(569)	866
Vetria Mineração S.A	1,892,295	(6,850)	-	-	(34,067)	-	-	-	1,851,378
	6,055,545	**422,501**	**4,087**		**(32,510)**	**(2)**	**-**	**1,986**	**6,561,607**
Net capital deficiency:									
ALL Participações	(10,237)	(87)	-	-	-	-	-	2,011	(8,313)
ALL Argentina	(9,735)	-	-	-	-	-	(837)	1,888	(8,684)
ALL Malha Oeste	(20,583)	(32,571)	-	-	(100)	-	-	-	(53,254)
	(40,555)	**(32,658)**	**-**		**(100)**	**-**	**(837)**	**3,899**	**(70,251)**
	6,014,990	**389,843**	**4,087**	**110,000**	**(32,610)**	**(2)**	**(837)**	**5,885**	**6,491,356**

(All amounts in thousands of reais, unless otherwise stated)

						Parent company					
		Subsidiaries/associated		Equity in the results of subsidiaries		Investment value		Goodwill		Total investments	
		Equity	Result for the period	9/30/2014	9/30/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Direct subsidiaries											
ALL Malha Sul		1,023,460	(30,510)	(30,510)	(1,863)	1,023,460	942,216	-	-	1,023,460	942,216
ALL Intermodal		181,831	(3,903)	(3,903)	3,764	181,855	185,758	-	-	181,855	185,758
ALL Overseas	(i)	-	-	-	397	0	-	-	-	-	-
ALL Serviços		22,034	21,934	21,931	15,671	22,031	100	-	-	22,031	100
ALL Equipamentos		286	(1)	(1)	62	285	286	-	-	285	286
ALL Malha Paulista		1,050,963	156,681	156,681	178,172	1,050,962	894,380	278,156	292,411	1,329,118	1,186,791
ALL Malha Norte		2,072,024	266,635	264,610	290,854	2,056,277	1,791,767	1,928,758	1,950,992	3,985,035	3,742,759
Boswels		15,554	-	-	20	15,554	12,999	-	-	15,554	12,999
ALL Malha Oeste		-	-	-	-	0	-	91,041	96,576	91,041	96,576
Rail Management		4,846	4,410	2,206	305	2,424	218	-	-	2,424	218
Brado Holding		356,514	22,058	22,058	10,235	356,515	334,457	-	-	356,515	334,457
Paranaguá S.A.		868	(3,725)	(3,719)	(799)	866	1,069	-	-	866	1,069
Vétria Meneração S.A		3,674,828	(13,596)	(6,850)	(4,842)	1,851,378	1,892,295	-	-	1,851,378	1,892,295
				422,503	491,976	6,561,607	6,055,545	2,297,955	2,339,979	8,859,562	8,395,524

The Company records the goodwill paid for expected future profitability in the Investments subgroup, and as intangible assets in the consolidated balance sheet, as detailed in Note 11.

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

During 2013, the following changes in capital were approved:

ALL Malha Sul

At the Extraordinary General Meeting held on April 12, 2013, the stockholders approved the merger of Santa Fé Vagões S.A, under the terms of Article 227 of Law 6404/76, with the transfer of all the net assets of Santa Fé. As a result of the merger, the capital of ALL Malha Sul will increase by R$ 8,654, through the issue of 8,453,865,470 common shares and 12,861,664,303 preferred shares, all book-entry and with no par value, at unit price of R$ 0.000406 per share. Accordingly, the capital was increased from R$ 1,096,615 to R$ 1,105,269, represented by 1,143,554,920,029 shares, of which 453,540,660,481 are common shares and 690,014,259,549 are preferred shares.

At the Board of Directors' meeting held on August 14, 2013, the Board members approved a capital increase by private subscription of shares, in the amount of R$ 54,229, through the issue of 43,673,265,416 new common shares and 66,444,265,143 preferred shares at the price of R$ 0.00049246277 per share. Accordingly, capital was increased to R$ 1,159,498, represented by 1,253,672,450,588 shares, of which 497,213,925,897 are common shares and 756,458,524,694 are preferred shares.

At the Board of Directors' meeting held on August 14, 2013, the Board members approved a capital increase by private subscription of shares, in the amount of R$ 55,629, through the issue of 51,115,117,641 new common shares and 77,766,258,075 preferred shares at the price of R$ 0.00043162591 per share. Accordingly, capital was increased to R$ 1,215,127, represented by 1,382,553,826,304 shares, of which 548,329,043,538 are common shares and 834,224,782,766 are preferred shares.

At the Board of Directors' meeting held on August 14, 2013, the Board members approved a capital increase by private subscription of shares, in the amount of R$ 150,000, through the issue of 154,938,066,189 new common shares and 237,721,919,405 preferred shares at the price of R$ 0.00038396561 per share. Accordingly, capital was increased to R$ 1,365,127, represented by 1,773,213,811,898 shares, of which 703,267,109,727 are common shares and 1,069,946,702,171 are preferred shares.

At the Board of Directors' meeting held on September 2, 2013, the Board members approved a capital increase by private subscription of shares, in the amount of R$ 250,000, through the issue of 249,605,672,249 new common shares and 379,749,693,165 preferred shares at the price of R$ 0.000397233249 per share. Accordingly, capital was increased to R$ 1,615,127, represented by 2,402,568,177,312 shares, of which 952,872,781,976 are common shares and 1,449,695,395,336 are preferred shares.

At September 30, 2014, Malha Sul had recorded under equity the amount of R$ 110,000, received from its parent company ALL Holding, as advance for future capital increase. When recorded under equity, the advance for future capital increase refers to a commitment to convert a fixed number of 208,491,019,307 shares at a previously established price of R$ 0.00035972772 totaling R$ 75,000 and 96,522,364,861 shares at the price of R$ 0.00036261026 totaling R$ 35,000.

ALL Malha Paulista

At the Board of Directors' meeting held on April 29, 2013, the Board members approved a capital increase of this subsidiary by private subscription of shares, in the amount of R$ 220,000, through the issue of 779,153,583 new common shares and 1,440,747,917 new preferred shares at the price of R$ 0.099103 per share, pursuant to Article 170, paragraph 1, item II of Law 6404/76, based on the net book value per share. Accordingly, the capital was increased from R$ 1,488,237 to R$ 1,708,237, represented by 6,825,424,177 shares, of which 2,395,625,978 are common shares, and 4,429,798,199 are preferred shares, all of which are book-entry shares with no par value.

Paranagua S.A

On July 23, 2013, the Company and its subsidiary ALL Participações created Paranaguá S.A. headquartered in the city of Buenos Aires, Argentina. The company's corporate purpose is the management of businesses and services relation to the management of assets, debts, guarantees, capital and companies in general.

At the General Stockholders' Meeting held on January 8, 2014, the stockholders of Paranagua S.A. approved a capital increase in the amount of R$ 848, through the issue of 196,500 new common shares.

At the Extraordinary General Stockholders' Meeting held on March 24, 2014, the stockholders of Paranagua S.A. approved a capital increase in the amount of R$ 770, through the issue of 262,845 new common shares.

At the Extraordinary General Stockholders' Meeting held on July 2, 2014, the stockholders of Paranagua S.A approved a capital increase in the amount of R$ 659, through the issue of 242,352 new common shares.

At the Extraordinary General Stockholders' Meeting held on July 14, 2014, the stockholders of Paranagua S.A approved a capital increase in the amount of R$ 1,118, through the issue of 400,000 new common shares.

At the Extraordinary General Stockholders' Meeting held on September 23, 2014, the stockholders of Paranagua S.A approved a capital increase in the amount of R$ 692, through the issue of 243,310 new common shares.

Acquisition of the investment in Vetria Mineração S.A

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

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

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

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

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

The formation of Vetria was carried out through the following transactions:

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

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

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

(d) Finally, ALL exchanged 5% of its investment in Vetria to offset the R$ 80 million payable to Triunfo, as reported in (a) above. Accordingly ALL, Vetorial and Triunfo held investments of 50.38%, 33.83% and 15.79%, respectively, in Vetria at December 31, 2012 and 2013. ALL's interest of 50.38% in Vetria was established contractually in the Association Agreement, one of the documents supporting the formation of Vetria, and reflects the contribution of ALL to the venture, represented by the feasibility of the iron ore logistics system.

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

As a result of these events, ALL has recorded the interest received as an investment, equivalent to 50.38% of the capital of Vetria (R$ 1,997,183 at December 31, 2012), with a counter-entry to deferred income, which will be appropriated to profit or loss proportionately to the iron ore depletion, which is the main asset underlying the equity variations of Vetria. This appropriation will commence upon the completion of the investments necessary for the projected volume flow of more than 27 million metric tons of iron ore per year to be achieved.

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

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

The main conditions are:

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

Capital increase of Brado Participações e Logística S.A

(All amounts in thousands of reais, unless otherwise stated)

On August 5, 2013, the new partner Fund for the Guarantee Fund for Length of Service (FI - FGTS) made a capital contribution of R$ 400,000 into the subsidiary Brado Logística e Participações S.A. The new partner now owns 22.22222% and the interests of the former stockholders were diluted proportionately. Thus, the Company now owns 62.22222%, compared to the previous interest of 80%.

With the entry of a new partner, 2,857,143 new shares were issued at unit value of R$ 0.0099933, increasing the capital of Brado by R$ 28,552, with the remaining value contributed, R$ 371,448, being recorded as goodwill related to the issuance of shares.

The expenses incurred for the issuance of new shares in the amount of R$ 9,683 were recorded with the reduction of the goodwill balance described above.

The stockholders of FI-FGTS and the former stockholders will have the right to request the agreement's liquidity option, in which they can change the quantity of shares from Brado LP by a quantity of shares from ALL, considering the calculation of the exchange ratio of the economic value of Brado shares in face of the value of ALL shares, at the date the option is exercised.

Disposal of the interest in Araucária Rail Technology

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

Establishment of Paranaguá S.A

On July 23, 2013, the Company and its subsidiary ALL Participações, constituted Paranaguá S.A., with headquarters in Buenos Aires, Argentina. The main purpose of the company will be business management and services related to the management of assets, debt, guarantees, capital and companies in general.

b) Subsidiaries with net capital deficiency

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

		Subsidiaries		Parent company			
				Changes in the provision for capital deficiency for the period		Provision for capital deficiency	
		Net capital deficiency	Result for the period	9/30/2014	9/30/2013	9/30/2014	12/31/2013
Direct subsidiaries							
ALL Participações		(8,321)	(87)	(87)	(7,180)	8,321	10,237
ALL Argentina	(i)	(8,684)	(920)	-	-	8,684	9,735
ALL Malha Oeste		(53,246)	(32,573)	(32,573)	(24,876)	53,246	20,583
				(32,660)	(32,056)	70,251	40,555

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

(All amounts in thousands of reais, unless otherwise stated)

Investments in the consolidated balance sheet

Stated on the equity method of accounting	Investment carrying amount	
	9/30/2014	12/31/2013
Associates		
Rhall Terminais	3,487	3,251
TGG	15,426	12,876
Terminal XXXIX	18,731	15,836
Termag	5,174	1,076
Jointly-controlled subsidiaries		
Vetria Mineração S.A.	1,851,378	1,892,295
	1,894,196	1,925,334

11. Intangible assets – consolidated

		9/30/2014			12/31/2013	Average annual
		Cost	Accumulated amortization	Net	Net	amortization rates %
Goodwill on the acquisition of investments	(i)					
ALL Malha Oeste		125,277	(34,237)	91,040	96,576	5.10%
ALL Malha Paulista		350,904	(72,750)	278,154	292,411	4.76%
ALL Malha Norte		2,055,057	(126,296)	1,928,761	1,950,992	1.44%
Santa Fé		462	(462)	-	-	10.00%
		2,531,700	(233,745)	2,297,955	2,339,979	
Concession agreements	(ii)					
ALL Malha Oeste		3,118	(1,907)	1,211	1,288	3.33%
ALL Malha Paulista		12,252	(8,514)	3,738	3,935	3.33%
ALL Malha Sul		10,830	(6,372)	4,458	4,727	3.33%
		26,200	(16,793)	9,407	9,950	
Other		137,959	(58,426)	79,533	60,315	13.23%
		2,695,859	(308,964)	2,386,895	2,410,244	

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

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

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

	At 12/31/13			Changes up to 09/30/2014				At 09/30/2014		
	Gross cost	Accumulated amortization	Net	Additions	Changes that do not affect cash	Disposals	Amortization	Gross cost	Accumulated amortization	Net
Goodwill on the acquisition of investments	2,531,700	(191,721)	2,339,979	-	-	-	(42,024)	2,531,700	(233,745)	2,297,955
Concession agreements	26,200	(16,250)	9,950	-	-	-	(543)	26,200	(16,793)	9,407
Other	113,538	(53,223)	60,315	24,723	-	(302)	(5,203)	137,959	(58,426)	79,533
	2,671,438	**(261,194)**	**2,410,244**	**24,723**	**-**	**(302)**	**(47,770)**	**2,695,859**	**(308,964)**	**2,386,895**

Goodwill/concession rights impairment testing

Goodwill paid in business combinations was allocated to the Malha Norte Cash-Generating units (CGUs) for annual impairment testing purposes, as follows:

Malha Norte CGU

The recoverable value of Malha Norte CGU (consisting of the concessionaires Malha Norte, Malha Paulista and Malha Oeste) was determined in December 2013, by calculating the value-in-use from cash projections based on financial budgets approved by senior management for a five-year period and extended for the same period. The pre-tax discount rate applied to the cash flow projections is 9.8% p.a. and cash flow exceeding a ten-year period is estimated at a growth rate of 2.0%, which management considers to be adequate in terms of the growth projected for Brazil. As a result of this analysis, management identified no need to set up a provision for impairment for this CGU group, to which goodwill amounting to R$ 2,297,955 (R$ 2,339,982 at December 31, 2013) is allocated.

(All amounts in thousands of reais, unless otherwise stated)

12. Property and equipment – consolidated

	9/30/2014			12/31/2013	
	Cost	Accumulated depreciation	Net	Net	Average annual depreciation rates %
Leasehold improvements					
Locomotives	1,492,553	(354,578)	1,137,975	980,349	4.00%
Wagons	725,919	(178,436)	547,483	520,287	3.33%
Track	3,317,244	(765,488)	2,551,756	3,037,234	4.42%
Other	253,901	(149,996)	103,905	106,312	5.34%
	5,789,617	(1,448,498)	4,341,119	4,644,182	
Own property and equipment in use					
Locomotives	207,576	(81,677)	125,899	154,478	4.00%
Wagons	221,181	(40,849)	180,332	179,607	3.33%
Track	1,963,884	(199,157)	1,764,727	1,054,116	1.48%
Warehouses	141,971	-	141,971	9,291	
Land	44,454	-	44,454	41,876	
Buildings	132,327	(40,663)	91,664	68,641	5.20%
Furniture and fittings	16,884	(13,864)	3,020	3,393	10.00%
Road vehicles	84,921	(28,968)	55,953	61,085	14.54%
Data processing equipment	110,335	(94,639)	15,696	21,320	19.71%
Telecommunication and signaling equipment	88,170	(42,549)	45,621	32,090	9.70%
Equipment for track and railroad transportation maintenance	100,497	(79,997)	20,500	26,935	9.94%
Aircraft	12,622	(2,498)	10,124	11,050	10.00%
Machinery and equipment	42,410	(15,704)	26,706	45,273	10.00%
Other	306,558	(75,841)	230,717	106,438	10.00%
	3,473,790	(716,406)	2,757,384	1,815,593	
Leases					
Locomotives	713,239	(173,879)	539,360	529,308	9.80%
Wagons	1,288,238	(535,455)	752,783	743,278	10.21%
Civil works	17,300	(8,765)	8,535	9,714	9.09%
Equipment	17,286	(9,455)	7,831	9,127	10.00%
	2,036,063	(727,554)	1,308,509	1,291,427	
Construction in progress					
Locomotives	13,080	-	13,080	35,818	
Wagons	187	-	187	55	
Track	956,017	-	956,017	754,163	
Other	40,470	-	40,470	29,443	
	1,009,754	-	1,009,754	819,479	
	12,309,224	(2,892,458)	9,416,766	8,570,681	

Summary of changes in property and equipment:

	At 12/31/13			Changes in the period					At 9/30/2014		
Classes of property and equipment	**Gross cost**	**Accumulated depreciation**	**Net**	**Acquisitions**	**Changes that do not affect cash**	**Disposals**	**Transfers**	**Net depreciation**	**Accumulated cost**	**Accumulated depreciation**	**Net**
Locomotives	1,518,570	(383,743)	1,134,827	13,228	(42,879)	456	210,754	(52,512)	1,700,129	(436,255)	1,263,874
Wagons	920,828	(220,934)	699,894	54,882	(77,777)	(363)	49,530	1,649	947,100	(219,285)	727,815
Track	4,909,231	(817,881)	4,091,350	-	(6,424)	(5,072)	383,393	(146,764)	5,281,128	(964,645)	4,316,483
Leases	1,905,338	(613,911)	1,291,427	-	113,014	-	17,711	(113,643)	2,036,063	(727,554)	1,308,509
Construction in progress	818,418	-	818,418	871,790	178,194	(30,990)	(827,658)	-	1,009,754	-	1,009,754
Capex Related Inventory	9,291	-	9,291	132,680	-	-	-	-	141,971	-	141,971
Other	1,021,174	(495,700)	525,474	17,997	(11,019)	(1,343)	166,270	(49,019)	1,193,079	(544,719)	648,360
TOTAL	**11,102,850**	**(2,532,169)**	**8,570,681**	**1,090,577**	**153,109**	**(37,312)**	**-**	**(360,289)**	**12,309,224**	**(2,892,458)**	**9,416,766**

During the period ended September 30, 2014, R$ 123,926 (R$ 218,502 at September 30, 2013) was capitalized as construction in progress, related to financial charges generated by loans used to finance this construction.

The Company's main ongoing project is the duplication of the Campinas-Santos stretch of the railway, in which R$ 108,556 (R$ 165,252 at September 30, 2013) was accounted for in the period.

(All amounts in thousands of reais, unless otherwise stated)

Finance leases and construction in progress

The carrying amount of property and equipment held under finance lease agreements at September 30, 2014 was R$ 1,308,509 (R$ 1,291,427 at December 31, 2013). As detailed in Note 16.1, finance lease agreements are classified as property and equipment and depreciated consistently with the criteria applicable to other property and equipment items.

13. Borrowings

	Annual charges	Effective rate	Maturity	9/30/2014	12/31/2013
Parent company					
In local currency					
Commercial banks	107.5% of the CDI	11.48%	July 2015	68,112	138,929
Investments BNDES	TJLP+1.8%	6.8%	Quarterly/monthly up to June 2017	26,545	33,805
Total parent company				**94,657**	**172,734**
Current portion				77,838	83,865
Long-term portion				16,819	88,869
Subsidiaries					
In local currency					
ALL Malha Sul				**1,364,438**	**1,462,859**
	CDI + 1.25%	12.02%	September 2015	228,504	220,843
	CDI + 1.23%	12.00%	October 2014	157,899	145,000
BNDES (Investments)	TJLP + 1.4%	6.40%	Quarterly up to July 2022	789,673	774,835
	TJLP + 2.5%	7.50%	Quarterly/monthly up to June 2017	118,584	150,925
	TJLP + 1.8%	6.80%	Quarterly/monthly up to June 2017	58,353	74,267
BNDES (FINAME)	TJLP + 3.75%	8.75%	January 2017	465	614
NCC	105.9% of the CDI	11.30%	July 2015	10,960	22,413
NCE	108,00% of the CDI	11.30%	June 2014	-	73,962
Ritmo				**35,349**	**36,301**
Commercial banks	CDI + 2.30%	10.04%	Monthly up to November 2017	-	302
BNDES (FINAME)	2.50% Fixed rate BRL	2.50%	Monthly up to March 2017	35,349	35,999

(All amounts in thousands of reais, unless otherwise stated)

Continued

	Annual charges	Effective rate	Maturity	9/30/2014	12/31/2013
ALL Malha Paulista				**509,059**	**482,639**
Investments BNDES	TJLP + 1.4% p.a.	6.40%	Quarterly/monthly up to June 2022	456,681	417,507
	TJLP + 2.5%	7.50%	Quarterly/monthly up to October 2017	52,378	65,132
ALL Malha Norte				**1,501,238**	**1,542,237**
Investments BNDES	TJLP + 1.5%	6.50%	Quarterly/monthly up to September 2016	53,925	135,269
	TJLP + 3%	8.00%	Quarterly/monthly up to January 2016	41,951	65,548
	TJLP + 2.71%	7.71%	Quarterly/monthly June 2029	901	521,516
	TJLP +1,4%	6.40%	Quarterly/monthly June 2022	695,680	165,306
BNDES (FINAME)	Fixed rate 2.50%	2.50%	Quarterly/monthly January 2023	127,778	87,999
NCE	URTJLP + 5.95%	10.95%	July 2015	113,313	104,726
	109% of the CDI	11.65%	September 2018	313,130	304,046
	112% of the CDI	11.99%	October 2018	154,560	150,873
FINIMP	3.10% Fixed rate USD	3.10%	March 2014	-	6,954
ALL Malha Oeste				**90,639**	**97,877**
Investments BNDES	TJLP + 1.4%	6.40%	Quarterly/monthly up to June 2022	90,639	97,877
Brado				**260,900**	**182,829**
Commercial banks (terminal)	260.1% of the CDI	20.98%	Up to June 2016	8,288	10,441
BNDES (FINAME)	TJLP + 1.5%	3.70%	Up to July 2023	199,093	113,942
NCE	8.66%	8.66%	Up to October 2014	7,167	6,000
Finem and BNDES automatic	TJLP + 3.85%	9.85%	Up to July 2022	46,352	52,446
In foreign currency (with exchange variation pegged to US$, with Swap for CDI)					
Total consolidated				**3,856,280**	**3,977,476**
Current portion				1,062,085	893,322
Long-term portion				2,794,195	3,084,154

Breakdown of long-term liabilities by maturity year:

	9/30/2014	12/31/2013
2015	106,254	692,780
2016	530,796	431,027
2017	504,677	510,232
2018	569,770	345,557
As from 2019	1,082,698	1,104,558
Total	**2,794,195**	**3,084,154**

(All amounts in thousands of reais, unless otherwise stated)

Abbreviations:

BNDES - National Bank for Economic and Social Development
CDI - Interbank Deposit Certificate
FINAME - Government Agency for Machinery and Equipment Financing
TJLP - Long-term Interest Rate
CCB - Bank Credit Note
NCE - Export Credit Note
NCC - Commercial Credit Note
CG - Working capital
IGP-M - General Market Price Index
FINIMP - Import Financing
IPCA - Amplified Consumer Price Index

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

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

Effective rates were calculated on an annual basis with reference to the average CDI rate of 10.46% for the year, TJLP of 5% for the year and IPCA of 6.52%.

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

When the Company obtains borrowing in a foreign currency, swap transactions are also contracted to hedge against Real vs. US Dollar currency risks.

Some agreements include covenants imposing financial limits on the Company. These limits are computed on a quarterly basis at the quarterly information issue date, using the consolidated results, and are currently being met.

The covenant regarding the net debt to adjusted EBITDA ratio is calculated based on consolidated costly net indebtedness (borrowings and debentures, less cash and cash equivalents), divided by consolidated adjusted EBITDA accumulated for the past four quarters. The following amounts represent the covenant upper limits for the period:

Year	**2012**	**2013**	**2014**	**2015**	**2016**
Consolidated net debt/consolidated adjusted EBITDA	3.00	2.50	2.50	2.50	2.50

The covenant regarding the ratio of adjusted EBITDA to finance income/costs is calculated based on the consolidated adjusted EBITDA accumulated for the past four quarters, divided by the consolidated finance income/costs. For finance income/cost computation purposes, this covenant only considers interest on debentures, borrowing and hedging transactions. The following amounts represent the covenant lower limits for the period:

Year	**2012**	**2013**	**2014**	**2015**	**2016**
Consolidated adjusted EBITDA/Finance result	2.00	2.00	2.00	2.00	2.00

Loan agreement covenants and penalties:

(All amounts in thousands of reais, unless otherwise stated)

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

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

	3T13	4T13	1T14	2T14	3T14
Net debt / Adjusted EBITDA	2.24	2.17	2.48	2.39	2.45
Consolidated adjusted EBITDA / Finance result	3.43	3.58	3.42	3.39	3.35

14. Debentures - consolidated

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

						9/30/2014		12/31/2013	
Series	**Date**	**Amount**	**Final maturity**	**Annual remuneration**	**Effective rate**	**Current liabilities**	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
Parent company									
5th issue	09/01/05	200,000	09/01/14	CDI + 2,40%	13.11%	-	-	11,685	-
6th issue	07/01/06	700,000	07/01/14	CDI + 2,40%	13.11%	-	-	60,238	-
8th issue - 2nd	04/15/11	270,840	04/16/18	IPCA + 8,4%	12.28%	11,889	320,922	11,492	537,254
8th issue - 1st	04/15/11	539,160	04/15/16	CDI + 1,65%	15.44%	298,654	268,707	18,084	305,186
9th issue - 1st	08/22/11	145,769	07/15/16	CDI + 1,65%	12.28%	73,474	70,113	6,272	142,111
9th issue - 2nd	08/22/11	219,150	07/15/16	CDI + 1,65%	12.28%	113,686	108,001	9,494	214,198
10th issue	10/01/12	750,000	10/02/17	CDI + 1,30%	11.90%	43,445	747,815	18,310	747,048
						541,148	1,515,558	135,575	1,945,797
Direct subsidiaries									
ALL Malha Sul									
3rd issue	09/08/08	166,666	07/31/18	108% CDI	11.34%	2,621	165,071	6,175	164,649
						2,621	165,071	6,175	164,649
ALL Malha Norte									
1st issue (BNDES)	07/01/97	100,000	06/30/16	TJLP + 1,5%	6.50%	60,755	2,490	66,295	62,245
6th issue	09/08/08	166,666	07/31/18	108% of the CDI	11.34%	2,621	165,071	3,288	163,593
8th issue	10/18/12	160,000	10/19/20	10,10% Fixed BRL	10.10%	7,006	159,757	3,036	159,721
Debentures - premium (BNDES)	07/01/97	100,000	06/30/16		10.89%	20,762	41,523	20,610	61,831
						91,144	368,841	93,229	447,390
ALL Malha Paulista									
1st issue	09/10/08	166,666	07/31/18	108% of the CDI	11.34%	2,621	165,071	6,175	164,649
						2,621	165,071	6,175	164,649
Consolidated						637,534	2,214,541	241,154	2,722,485

Rescheduling, covenants and guarantee clauses:

There is no re-pricing scheduled for any of the issues.

The covenants for the issues include the financial limits detailed in Note 13 "Borrowing" and relate to the Company's consolidated profit or loss. Failure to comply with any of these limits may automatically trigger early maturity.

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

The subsidiary ALL Malha Norte has with BNDES Participações S.A., a stockholder of ALL, debentures convertible into shares, bearing market interest and amounting to R$ 125,530 at September 30, 2014, which mature through June 2016.

(All amounts in thousands of reais, unless otherwise stated)

At June 30, 2013, the Company, through a Notice to Debenture Holders, promoted deals for the optional acquisition of debentures of the fifth and sixth issues, which was valid up to August 30. The Company bought back the remaining 6,883 debentures from the fifth and sixth issues in the market, with all waivers obtained from the debenture holders, the maturity of the debt will remain unchanged.

In addition to these emissions, waivers of the debentures of the FI - FGTS (eighth and ninth issues) were obtained.

15. Derivative instruments

The derivative instruments of the Company and its subsidiaries are as follows:

	Annual charges	Maturity	9/30/2014	12/31/2013
Parent company				
In local currency				
Swap transactions	100% CDI	March 2018	9,428	10,545
	8,96% Fixed	January 2014	-	4,497
Total parent company			**9,428**	**15,042**
Current asset portion			-	6,162
Long-term receivable portion			9,428	8,880
Subsidiaries				
In local currency				
ALL Malha Sul			**-**	**3,174**
Currency forward contract		February 2014	-	3,174
ALL Malha Norte			**-**	**1,146**
Currency forward contract		February 2014	-	1,146
Swaps				
			(46,224)	**(50,555)**
ALL Malha Sul			**(22,200)**	**(23,457)**
Swap transactions			(22,200)	(23,457)
ALL Malha Paulista			**(745)**	**-**
Swap transactions			(745)	-
ALL Malha Norte			**(23,279)**	**(27,098)**
Swap transactions			(23,279)	(27,098)
Total consolidated			**(36,796)**	**(31,193)**
Current liabilities			(24,284)	(9,630)
Long-term portion			(12,512)	(21,563)

(All amounts in thousands of reais, unless otherwise stated)

16. Lease agreements – consolidated

16.1 Finance leases

The Company and its subsidiaries have lease agreements, particularly for wagons and locomotives, which, in management's opinion, qualify as finance leases.

The Company and its subsidiaries include in their property and equipment those rights related to the assets used in their business activities, or exercised for that purpose. These include rights arising from transactions transferring benefits, risks and control over these asset items to the Company, irrespective of the ownership thereof.

Financial charges incurred for the period were recorded as finance costs. There were no direct initial costs to be capitalized, nor were there any contingent payments and sub-leases related to the corresponding agreements.

Lease agreement obligations are as follows:

	9/30/2014		12/31/2013	
Assets	**Current liabilities**	**Non-current liabilities**	**Current liabilities**	**Non-current liabilities**
ALL Malha Sul				
Wagon	65,601	101,488	66,166	138,387
ALL Malha Norte				
Rolling stock	60,077	594,033	62,388	660,971
ALL Malha Paulista				
Rolling stock/Permanent railroad-Rent incentive	265,330	659,691	236,026	509,178
Brado Logística				
Wagons/IT Equipment	1,037	3,307	886	4,544
	392,045	1,358,519	365,466	1,313,080

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

	Total future payments - years		
Assets	**Up to 1**	**From 1 to 5**	**Over 5**
ALL Malha Sul			
Wagons	65,601	101,487	-
ALL Malha Norte			
Rolling stock	60,077	559,827	34,206
ALL Malha Paulista			
Rolling stock	265,331	659,690	-
Brado Logística			
Wagons/ IT Equipment	1,037	3,307	-
	392,046	1,324,311	34,206

(All amounts in thousands of reais, unless otherwise stated)

Lease agreements have various maturities, the last of which is in June 2022. Amounts are subject to annual adjustments based on the IGP-M, plus the TJLP or CDI. In order to state payments at their present value, an average CDI rate of 8.03% is used.

The rent incentive refers to the funding of the duplication of the railway by ALL Malha Paulista. The capitalization is established by the internal return rate of the outstanding balance under liabilities, until the maturity of the Concession Agreement in December 2028. At September 30, 2014, the outstanding balance was R$ 334,539 (R$ 221,360 at December 31, 2013).

The financial expenses related above, while the construction is in progress, are capitalized under property and equipment.

16.2 Operating leases

		Total future minimum payments		
Assets		**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**
Vehicle	(i)	956	-	-
Software	(ii)	520	-	-
Property	(iii)	524	-	-
Locomotives	(iv)	84,319	307,836	262,340
Wagons	(iv)	48,356	226,160	140,880
Terminals	(v)	19,540	97,701	141,667
		154,215	631,697	544,887

The payments of installments of the operating leases (rental) are recognized as expenses on a straight-line basis over the life of the respective agreement. These agreements relate to leased vehicles, software and property. The Company and its subsidiaries have no sub-lease or contingent payment arrangements in connection with the agreements.

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

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

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

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

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

17. Leases and concessions – consolidated

The Company and its subsidiaries record their liabilities related to lease and concession agreements on a straight-line basis, in accordance with the effective terms of these liabilities. Non-current amounts refer to amounts which have not been paid due to discussions about agreement conditions and/or portions allocated during their grace period.

The balance of concessions payable is equivalent to the updated grant amount, net of payments made up to the balance sheet date.

(All amounts in thousands of reais, unless otherwise stated)

	9/30/2014		12/31/2013	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Leases				
ALL Malha Sul	14,863	27,475	14,197	29,510
ALL Malha Paulista	-	965,274	-	867,159
ALL Malha Oeste	-	736,625	-	660,994
Concessions				
ALL Malha Sul	3,561	21,580	3,681	21,029
ALL Malha Paulista	-	24,731	-	23,831
ALL Malha Oeste	-	49,069	-	44,860
	18,424	1,824,754	17,878	1,647,383

Initial lease and Concession Agreement conditions are as follows:

	Lease and concession agreements						
	Term in years	Agreement value	Amount paid in cash	Balance	Quarterly installments	Payment beginning	Restatement index
Leases							
ALL Malha Oeste	30	56,440	4,969	51,471	112	1/15/1998	IGP-DI + interest 12% p.a.
ALL Malha Paulista	30	230,160	52,793	177,367	112	12/15/2000	IGP-DI + interest 12% p.a.
ALL Malha Sul	30	202,112	82,032	120,080	112	1/15/1999	IGP-DI + interest 12% p.a.
Concessions							
ALL Malha Oeste	30	3,118	409	2,709	112	1/15/1998	IGP-DI + interest 12% p.a.
ALL Malha Paulista	30	12,252	2,917	9,335	112	12/15/2000	IGP-DI + interest 12% p.a.
ALL Malha Sul	30	10,830	4,510	6,320	112	1/15/1999	IGP-DI + interest 12% p.a.

ALL Malha Sul - Lease installments of the subsidiary ALL Malha Sul are allocated on a straight-line basis to liabilities and profit or loss, over the life of the corresponding agreements, plus General Price Index – Internal Availability (IGP-DI) variations and interest at agreed-upon rates. Installments for the grace period (1997 to 1999) are being paid, with corresponding monetary restatements, over the remaining Concession Agreement term.

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

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

Considering that ALL Malha Norte needs the ALL Malha Paulista lines to continue its transportation business, starting in Mato Grosso and Mato Grosso do Sul States and ending in Santos (SP), ALL Malha Norte executed with ALL Malha Paulista, on January 10, 2006, a Private Instrument of Guarantee, whereby it made a judicial deposit in favor of ALL Malha Paulista amounting to R$ 114,132 at September 30, 2014 and 113,740 at December 31, 2013.

In order to comply with the investment agreements with stockholders, entered into on May 5, 2005, ALL Malha Paulista's operations in the Bauru-Mairinque segment were transferred to ALL Malha Oeste from October 1, 2005, based on a Memorandum of Understanding dated September 23, 2005.

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

(All amounts in thousands of reais, unless otherwise stated)

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

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

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

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

18. Refundable deposits, restricted amounts and provisions for contingencies

			Contingencies			
	Judicial		**Probable**		**Possible**	
	9/30/2014	**12/31/2013**	**9/30/2014**	**12/31/2013**	**9/30/2014**	**12/31/2013**
Labor						
In Brazil	203,470	190,204	79,278	103,052	367,119	353,807
Civil, regulatory and environmental						
In Brazil	130,696	129,173	38,394	45,230	539,719	596,426
In Argentina	-	-	8,216	8,807	-	-
Tax						
In Brazil	12,034	10,789	62,760	53,582	1,837,224	1,748,983
	346,200	330,166	188,648	210,671	2,744,062	2,699,216

	12/31/2013	**Additions**	**Payments**	**Reversals**	**9/30/2014**
Labor	103,052	45,502	(68,262)	(1,014)	79,278
Civil, regulatory and environmental	54,037	10,047	(17,474)	-	46,610
Tax	53,582	9,178	-	-	62,760
Total	210,671	64,727	(85,736)	(1,014)	188,648

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

a) Labor

The subsidiaries are parties to several labor claims, and at September 30, 2014 recorded a consolidated provision amounting to R$ 79,278 (R$ 103,052 at December 31, 2013), to cover claims for which an unfavorable outcome was considered probable. The decrease in the provision amount in comparison to the prior period is principally due to settlement agreements entered into by the Company.

Of all proceedings pending judgment, key claims refer to overtime, the recognition of non-stop work shifts, standby hours, salary differences, differences in FGTS, 40% fines arising from understated inflation, risk premiums, health hazard allowances, allowances for relocation, differences in variable compensation, and others.

b) Civil, regulatory and environmental

Civil

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

On October 10, 2013, the Company, together with its subsidiaries, adopted appropriate measures regarding Rumo in order to terminate the established obligation described in Note 1. Until the decision of the competent authority is issued, the ALL Group will continue to provide the rail service in favor of Rumo, according to the terms properly established by the ANTT and complying with the restrictions on the rail and port systems. At present the claim is suspended at the arbitration chamber due to the approval of the Proposal for merger of ALL shares by Rumo. As mentioned in Note 1, the Proposal remains subjected to the approval of Administrative Council of Economic Defense (“CADE”) and other regulatory agencies.

Management, based on the opinion of its legal advisors, evaluated the circumstances regarding the various civil claims, and recorded sufficient and appropriate provision for the probable risk of losses representing, at the balance sheet date, its best estimate of the disbursements that might be required to settle these lawsuits.

Regulatory

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

In July 2000, ALL Malha Paulista filed a Declaratory Action with the 20th Rio de Janeiro Court of Justice challenging the economic and financial imbalance of the lease and concession agreements, due to the high levels of disbursement incurred by the Company for the payment of labor claims and related expenses, which should be the responsibility of the RFFSA.

ALL Malha Paulista requested an expert inspection to determine the new appropriate value of the lease and concession installments, as well as a suspension of the payment of installments due and falling due up to the effective date of the expert inspection to determine the proper amount. In July 2005, the injunction was granted. In September 2005, this injunction was reversed by the Rio de Janeiro Federal Regional Court. The proceeding is still pending judgment and is awaiting the final conclusion and presentation of the expert report. Management deposited the amounts related to the lease installments with the court until September 2007, when legal authorization to substitute bank surety letters for judicial deposits was obtained. Based on the opinion of its lawyers, the Company considers the likelihood of favorable outcome in this matter as possible.

ALL Malha Oeste is making a claim for the reestablishment of the economic and financial balance lost due to the cancelation of the transportation contracts existing at the time of privatization. The claim is in progress at the 16th Rio de Janeiro Federal Court of Justice. The amount related to ALL Malha Oeste's overdue amounts was guaranteed through the acquisition of government bonds (Financial Treasury Bills - LFT), which were recorded in non-current assets. In March 2008, the Company obtained authorization to substitute bank surety letters for this guarantee and in May 2008 this deposit was redeemed. Based on the opinion of its lawyers, the Company considers the likelihood of favorable outcome in this matter as possible.

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

Environmental

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

c) Tax

Key tax-related discussions involve "Export ICMS" (ICMS on the transportation of goods to be exported), the differential of ICMS on interstate transportation, Social Integration Program (PIS)/Social Contribution on Revenues (COFINS) on mutual traffic operations, and Corporate Income Tax (IRPJ)/Social Contribution on Net Income (CSLL) on financial transactions carried out in Austria and Spain, in addition to IRPJ/CSLL differences arising from the acquisition of Brasil Ferrovias and partial granting of the installment request pursuant to MP 470/2009.

No provision was made for tax claims for which the likelihood of an unfavorable outcome has been deemed possible or remote. For those considered probable, a provision was made amounting to R$ 58,489 (R$ 53,582 at December 31, 2013).

Export ICMS - The State Finance Departments issued tax assessments against ALL Malha Sul, the current value of which amounts to approximately R$ 83,088, due to the non-payment of ICMS related to railroad transportation services for goods for export, and the use of ICMS credits supposedly not authorized by legislation. These proceedings were concluded on the administrative level as partially favorable when the judicial discussion through Tax Foreclosure started. ALL filed stay of tax proceedings that preceded the offer of a surety letter to serve as a guarantee for the court, which awaits court judgment. The risk of loss of this lawsuit is considered possible.

ALL Malha Oeste was served a tax notice relating to the same matter, currently amounting to approximately R$ 35,975. All tax assessments are being challenged at the judicial level with surety letters to serve as guarantees for the courts. It is worth noting that the Higher Court of Justice has already established that ICMS tax should not be levied on the transportation of goods to be exported, in light of the provisions in Article 155 of the Brazilian Federal Constitution, and in Article 3, item II, of Law 87/1996. The risk of loss on this lawsuit is considered by the Company's legal counsel as possible.

In June 2011, the State of Mato Grosso issued a tax assessment against ALL Malha Norte, originally amounting to R$ 120,687, referring to the transportation of goods to be exported, for the 2006 period. ALL Malha Norte challenged the claim, since it understands that these operations are not subject to ICMS on the transportation of goods for export, as set forth in Article 155 of the Brazilian Federal Constitution. In August 2011, ALL Malha Norte was informed of the first-level administrative decision, reducing the assessment to R$ 70,940. In the administrative appeal ALL Malha Norte obtained a partially favorable decision, which reduced the debt to R$ 31,531. Since the administrative proceedings were closed, the company filed a judicial order to proceed with the discussion of the amount under litigation. The risk of loss of this lawsuit is considered possible.

ICMS – on property and equipment credits - In April 2005, ALL Malha Sul was awarded a favorable decision at the Rio Grande do Sul State Court of Justice (TJ/RS) regarding a tax notice served by the Rio Grande do Sul State Department contesting the use of ICMS tax credits on the acquisition of assets and equipment intended for property and equipment renovation and refurbishment. Based on this decision, the State of Rio Grande do Sul filed an Extraordinary Appeal with the Federal Supreme Court (STF), which stated it to be favorable in relation to the credits, and only determined the return of the claim so that the Court of Justice of the State of Rio Grande do Sul voices an opinion on the rate differential. In relation to the determination of the STF concerning the return of the judicial instruments to TJ/RS, ALL filed an appeal, which awaits judgment. The tax assessments discussed in court amount to approximately R$ 21,924, of which ALL has already paid R$ 11,192 to the Rio Grande do Sul State public treasury, and has suspended payment of the remaining R$ 8,825 as a result of the aforementioned favorable decision of TJ/RS, which has already been confirmed by the Higher Courts. In addition, Supplementary Law 87/96 authorized the full use of tax credits arising from the acquisition of fixed asset items. For this lawsuit, the likelihood of loss is considered possible.

PIS/COFINS – Mutual traffic – ALL Malha Paulista was served a tax assessment for the non-payment of PIS and COFINS regarding revenue from mutual traffic and right-of-way, and is challenging the restated amount of R$ 85,468, for the period 1999 to 2006 (cumulative PIS and COFINS). The company understands that the likelihood of an unfavorable outcome is remote, since the amounts challenged have already been paid upon shipment by the concessionaires in charge of transportation. Decisions awarded to date have already reduced the assessments by approximately R$ 43,000.

IRPJ/CSL, PIS and COFINS - ALL Malha Sul was served a tax assessment amounting to R$ 620,383 (currently R$ 830,553) for the exclusion from the tax base of taxes from expenses with interest on investments made in Austria and Spain, and finance costs considered non-deductible. The tax authorities have also issued PIS and COFINS tax notices on swap transactions taken out for borrowing in foreign currency. The company understands that the likelihood of an unfavorable outcome is possible, since the investments were made in countries with which Brazil has an agreement determining the non-taxation of such operations, and PIS and COFINS taxation on hedging transactions was ruled out by Decree 5442/2005. In March 2011, ALL Malha Sul became aware of the first-level administrative decision (Federal Revenue Regional Office), which reduced the tax assessment to R$ 466,701 (current amount). ALL Malha Sul filed a voluntary appeal with the Administrative Board of Federal Tax Appeals (CARF). In July 2013 CARF overturned the lower court decision and ordered a new judgment. In September, 2013 the DRJ issued a new decision, reducing the assessment amount to R$ 372,431 (current amount). A new CARF judgment is awaited.

Municipal Real Estate Tax (IPTU) - ALL Malha Sul and ALL Malha Paulista have approximately R$ 6,894 relating to IPTU taxation of Federal Government-owned properties, which, due to the concessions granted, are held for the purpose of providing railroad transportation services. However, the Federal Constitution sets forth that no taxes are levied on Federal Government-owned properties and the companies have already been awarded several favorable decisions. For this lawsuit, the likelihood of loss is considered possible.

Service Tax (ISS) – Portofer was served 14 tax assessments currently amounting to approximately R$ 7,670. These were issued by the Santos City tax authorities, which disregarded the legal form of Portofer (a special purpose entity intended to apportion expenses among concessionaires), and served a tax notice to the company as though it were a local service provider. The company considers the likelihood of an unfavorable outcome to be remote, since the matter has already been awarded a favorable decision by the São Paulo Court of Justice, in similar cases in Guarujá, determining that the tax assessments should be annulled, since Portofer is a non-profit entity, and only apportions expenses.

IRPJ/CSLL – In November 2010, ALL Intermodal was served a tax assessment by the Brazilian Federal Revenue Secretariat originally amounting to R$ 69,019 regarding IRPJ and CSLL. These amounts relate to the disallowance of expenses of variable installments of property, equipment, machinery and vehicle lease agreements entered into by ALL Intermodal. These expenses were considered non-deductible and were disallowed by the Brazilian Internal Revenue Service. The company considers the risk of this tax assessment to be possible, since the asset lease agreements were necessary, usual and normal to ALL Intermodal's activities.

ALL Intermodal filed a Voluntary Appeal with CARF. In July 2013 CARF overturned the lower court decision and ordered a new judgment. In September, 2013 the DRJ issued a new decision, reducing the assessment amount to R$ 41,962 (current amount). A new CARF judgment is awaited.

Social security contributions – In June 2011, ALL Malha Paulista was served a tax assessment originally amounting to R$ 38,646 (currently R$ 42,083), regarding the non-payment of social security contributions on labor indemnification. The company filed an administrative challenge, since it alleges that there is a legal provision supporting non-payment of these amounts, given their nature and ad hoc payment. The São Paulo Federal Tax Appeals Division (DRF) issued a decision maintaining the tax assessment in full. The company filed a voluntary appeal against this decision, which in November 2012 obtained a partially favorable decision reducing the debt to approximately R$ 700. The company filed a special appeal with the High Court to discuss the amount under litigation. For this lawsuit, the likelihood of loss is considered possible.

IRPJ/CSLL – ALL S.A– A tax assessment was served by the Brazilian Federal Revenue Secretariat in the amount of R$ 327,186 (currently R$ 405,753), referring to the following alleged violations: disallowance of goodwill from operations based on future profitability, disallowance of finance costs and capital gains from the disposal of interest in companies of the same economic group, in view of partial recognition of the goodwill amount. ALL S.A filed an appeal in September 2011. A decision by the DRF partially upheld the appeal filed by the company, reducing the tax assessment amount to R$ 272,271. The Company filed a Voluntary Appeal with CARF to partially change this decision that maintained part of the tax debt. For this lawsuit, the likelihood of loss is considered possible.

Social security contributions – Stock Options – A tax assessment was served by the Brazilian Federal Revenue Secretariat at an updated amount of R$ 45,299 referring to the alleged social security contributions on the Company's Stock Option Plans, considered compensation by the Federal Revenue Service. The Company presented a defense claiming that the Stock Option Plans are merely of a commercial nature. The DRF issued a decision maintaining the tax debt in full. The company filed a Voluntary Appeal with CARF which, in May 2013, issued a partially favorable decision. The company is awaiting the publication of the decision by CARF to ascertain the amount reduced by the assessment. For this lawsuit, the likelihood of loss is considered possible.

ALL Malha Norte was served a tax notice relating to the same matter in the amount of R$ 8,112. The company presented a defense claiming that the Stock Option Plans are merely of a commercial nature. A judgment by the DRF of Curitiba is being awaited.

Withholding Income Tax (IRRF) – ALL Malha Paulista requested the offsetting of credits from the negative balance of income tax for 2009, with a computation period from January 1, 2008 to December 31, 2008. The Brazilian Federal Revenue Service, after judging the offsetting carried out, decided to partially approve the claim and disallow a portion of the tax credit because it understands that "the corresponding revenue was not considered for taxation purposes". The debt arising from the disallowance currently totals R$ 56,976. The Brazilian Federal Revenue Service understands that the Company does not have the right to offset the IRRF on income arising from swap transactions. The Company filed an objection against the decision, alleging that the income tax withheld on any financial investment, including hedge operations, may be offset against the income tax due upon the calculation of taxable income, according to Article 76 of Law 8981/1995. Consequently, the Company is claiming the totality of the credit rights from the negative balance of IRPJ indicated in the Payment Receipts and/or Requests for Offset, which is the subject matter of the proceeding. The company is now awaiting a decision regarding the objection filed. For this lawsuit, the likelihood of loss is considered possible.

Payment in installments of MP 470 – ALL Malha Sul and ALL Intermodal had their requests for installment payment under MP 470, of October 13, 2009, partially granted by the Brazilian Federal Revenue because the tax authority understands that the companies did not have sufficient balance of income tax and social contribution losses to offset the debts included in this installment payment. The partial granting of the installment payment requests originated in the administrative proceedings of ALL Malha Sul and ALL Intermodal, the current amounts of which are R$ 94,384 and R$ 10,566 respectively. Both administrative proceedings are closed. Regarding ALL Malha Sul, the company obtained an injunction in court to suspend the payment of the debit. As for ALL

(All amounts in thousands of reais, unless otherwise stated)

Intermodal, a tax enforcement was proposed by the Brazilian Federal Revenue Service and properly secured by a letter of guarantee, in addition to the presentation of stay of execution. For these lawsuits, the likelihood of loss is considered possible.

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

19. Related party transactions

Entities considered related parties are reported in Note 3.

	Parent company											
	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Revenue		Expenses/Costs	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Subsidiaries												
ALL Argentina	-	-	2,376	2,322	3,674	-	4,462	4,462	-	-	-	-
ALL Equipamentos	-	-	-	-	-	-	270	270	-	-	-	-
ALL Malha Oeste	-	-	-	-	-	-	-	-	-	-	-	-
ALL Malha Norte	2,000	274	1	-	46,089	50,085	-	-	22,538	-	-	-
ALL Malha Paulista	-	8,685	-	-	236,700	20,613	13,000	13,000	22,476	22,524	-	-
ALL Malha Sul	-	-	4,394	-	-	-	-	4,440	-	-	-	-
ALL Participações	-	-	-	-	-	-	11	11	-	-	-	-
ALL Serviços	-	-	-	-	68	73	4,952	-	-	-	364	215
Boswells	-	-	-	-	-	-	12,761	12,761	-	-	-	-
Associates												
PGT	-	-	-	-	-	-	77	77	-	-	-	-
	2,000	8,959	6,771	2,322	286,531	70,771	35,533	35,021	45,014	22,524	364	215

Related party transaction terms and conditions

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

The Company and its related parties carry out operating and financial transactions, arising from the leasing of terminals, rolling stock (locomotives and wagons), machinery and equipment, warehouses, freight pallets, as well as funds required to maintain the Company's operations.

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

There is no insurance coverage for related party transactions.

For the period ended September 30, 2014, there was no contingency with respect to related party receivables. This assessment is made every financial year, by examining related parties' financial positions and the market in which each party operates. The Company did not record a provision for impairment of trade receivables on existing balances.

Subsidiary ALL Malha Norte has with BNDES Participações S.A., a stockholder of ALL, debentures convertible into shares, bearing market interest and amounting to R$ 127,315 at September 30, 2014, which mature through June 2016. These debentures were detailed in Note 14 as first issue and Debentures – BNDES.

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

(All amounts in thousands of reais, unless otherwise stated)

	Guaranteed entities				
	ALL S.A.	ALL Malha Sul	ALL Malha Paulista	ALL Malha Norte	Total
Guarantor					
ALL S.A. (parent company)					
Debentures	-	169,851	169,851	336,905	676,607
BNDES	-	118,584	53,531	-	172,115
CCB	-	398,056	-	-	398,056
Other	-	-	-	-	-
	-	686,491	223,382	336,905	1,246,778
ALL Malha Sul					
Debentures	2,065,737	-	-	-	2,065,737
ALL Malha Norte					
Debentures	2,065,737	-	-	-	2,065,737
ALL Malha Paulista					
Debentures	2,065,737	-	-	-	2,065,737
ALL Malha Oeste					
Debentures	2,065,737	-	-	-	2,065,737
ALL Intermodal					
CCB	-	229,089	-	-	229,089

The Company has adopted the corporate governance practices recommended and/or required by the applicable legislation, including those established in the Differentiated Corporate Governance Practices Regulations - New Market, published by BM&FBOVESPA.

Decisions regarding all of the Company's transactions are submitted to the Board of Directors, the Executive Board or the Audit Committee, according to the attributes described in the bylaws. Accordingly, all transactions, especially those with related parties, were submitted to the relevant decision-making bodies of the Company, according to the rules in force. Moreover, in conformity with Law 6404/76 and subsequent amendments, any member of the Company's Board of Directors who has a conflict of interest with the Company cannot vote in any meeting of the Board or participate in any transaction or business involving these interests.

20. Provision for unrealized profits

At December 31, 2001, the Company sold to its subsidiary ALL Malha Sul the right to use the rail segments from Presidente Epitácio to Rubião Junior and Pinhalzinho/Apiaí to Iperó, for the market value of R$ 22,387. This amount was supported by an appraisal report prepared by an independent appraising company at the same date. At December 31, 2001, the Company set up a provision for unrealized profit amounting to R$ 19,312 for this transaction, recorded in long-term liabilities. Up to September 30, 2014, the amount of R$ 9,828 (R$ 8,926 up to December 31, 2013) was realized. Realization of profit is recognized on a straight-line basis over the period of the right of use.

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

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

(All amounts in thousands of reais, unless otherwise stated)

		9/30/2014		12/31/2013	
		Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities
ALL S.A. (parent company)	(i)	43,540	82,754	47,609	101,164
ALL Malha Norte	(ii)	101,537	152,464	107,655	179,517
		145,077	235,218	155,264	280,681

The balance is composed of two CRI operations:

(i) CRI I: On February 29, 2008, the Company entered into an agreement with CIBRASEC assigning credits arising from the leasing of the Terminal Intermodal de Tatuí. CIBRASEC, in turn, issued CRIs which are remunerated at the rate of 12.38% p.a., hedged at 100% of the CDI rate, from the issue date to the maturity date of each CRI. The effective terms and maturities are fixed, and the first CRI matured in March 2009 and the last one matures in 2018. The financial charges of this transaction are allocated on a monthly basis to the statement of operations.

(ii) CRI II: On November 28, 2008, ALL Malha Norte executed with CIBRASEC an agreement assigning credits arising from the leasing of the Terminal de Alto Araguaia (Mato Grosso). CIBRASEC, in turn, issued CRIs which are remunerated based on CDI + 2.6% p.a., from the issue date to the maturity date of each CRI. The effective terms and maturities are fixed, and the first CRI matured in November 2009 and the last one matures in 2018. The financial charges of this transaction are allocated on a monthly basis to the statement of operations.

22. Deferred revenue – consolidated

		9/30/2014		12/31/2013	
		Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities
Parent company					
Vetria Mineração S.A	(iv)	-	1,991,237	-	1,991,237
Subsidiaries					
ALL Intermodal	(i)	34	345	34	371
ALL Malha Norte	(ii)	1,527	7,105	1,528	8,251
ALL Malha Paulista	(iii)	858	10,996	858	11,638
ALL Malha Sul	(iii)	192	2,058	191	2,202
		2,611	2,011,741	2,611	2,013,699

(i) This refers to deferred revenue arising from capital contributions in the form of free leases of land (up to 2025) made by ALL Intermodal to Rhall Terminais Ltda., allocated over the remaining Concession Agreement period on a straight-line basis.

(ii) This arises from revenue earned from the sale of 28 locomotives, and subsequent lease-back agreements with Banco Itaú, which expire through 2018.

(iii) This arises from agreements entered into with communications companies, whose purpose was to assign the right-of-way of the track for fiber optic cables to be installed while the Cargo Railroad Transportation Utility Service Concession Agreement remains in effect (through 2028), and is allocated to the statement of operations on a straight-line basis over the remaining concession period.

(iv) Investment in Vetria, with a counter-entry within deferred revenue in non-current liabilities, which will be appropriated to profit (loss) in accordance with the depletion and sale of the ore at the beginning of the operation.

(All amounts in thousands of reais, unless otherwise stated)

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

	9/30/2014		12/31/12	
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities
Law11.941/09 (i)	46,338	58,146	23,952	146,323
Education allowance	343	-	343	-
ISS	-	-	211	-
National Institute of Social Security - INSS	1,941	-	401	-
ICMS / IVA	108	899	475	-
	48,730	59,045	25,382	146,323

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

The Company has been paying the installments promptly.

24. Equity

a) Share capital

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

	9/30/2014	12/31/2013
Common	687,664,312	687,664,312

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

b) Treasury shares

During the period ended September 30, 2014, 17,924 shares (1,236,539 at December 31, 2013) were used to settle options exercised in the period. The 2013 transfers were recorded at the R$ 9.15 weighted average cost of treasury shares.

During the period ended September 30, 2014 the Company recorded 1,332,000 shares at the average price of R$ 12.07, for the registrations of shares that are the subject to the purchase of shares option terminated in the period. At September 30, 2014, the Company held 5,669,147 common shares in treasury (4,355,071 at December 31, 2013), at an average cost of R$ 9.83 (R$ 9.15 at December 31, 2013).

c) Distribution of dividends and interest on capital

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

d) Revenue reserves

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

A reserve for investments is set up based on the bylaws and supported by the Company's investment plan represented by uses and sources approved by the Board of Directors and pursuant to Article 194 of Law 6404/76 and subsequent amendments, which determines that this reserve shall not exceed the Company's subscribed capital. An amount not less than 25% and not exceeding 75% of the profit for the year, adjusted under Article 202 of Law 6404/76, is transferred to this reserve with a view to financing the expansion of the Company and its subsidiaries' activities, including through the subscription of capital increases or the development of new ventures.

e) Tax incentives – SUDAM

On September 26, 2007, ALL - Malha Norte filed with SUDAM a claim for the right to reduce the IRPJ (corporate income tax) and non-refundable surcharges computed on its operating profit (as defined), since it is located in the area which comprises the Legal Amazon, and the transportation sector is considered a priority for regional development, according to Item I, Article 2, Decree 4212 of April 26, 2002.

The benefit was granted by the SRF through the Executive Declaratory Act 504, of November 28, 2008, after SUDAM issued a certificate of income tax reduction 135/2008, whereby ALL Malha Norte was granted a 75% reduction in IRPJ and non-refundable surcharges on its operating profits for a ten-year period, from 2008 and expiring in 2017.

On May 30, 2014, the Internal Revenue Service of Brazil, based on Constitutive Report of SUDAM Nb. 193/2013, issued the Declaratory Act 95/2014, recognizing the tax benefit reduction of IRPJ and non-refundable tax payable on net profit from operation for a period of ten years, counting the beginning of the term in 2014 and finishing in 2023. The deadline extension was granted based on the development project situated in the area of "Amazônia Legal" (Legal Amazon).

The legal grounds for benefit recognition was created by MP 2199-14, Article 1 of August 24, 2001 and with the wording set forth in Law 11196 of November 21, 2005. The effect of the 75% reduction in IRPJ and non-refundable surcharges calculated up to September 30, 2014 on profits from operations was R$ 32,366 (R$ 50,621 at September 30, 2013), recorded as a reduction in the IRPJ and CSLL expenses for the subsidiary ALL Malha Norte, according to CPC 07 issued by the CPC and approved by CVM Resolution 555, of November 12, 2008.

The tax incentives are intended to increase and maintain investment in the Legal Amazon region, by fostering the development of that region through increased employment, income and production levels, contributing to an increase in the collection of local, state and federal taxes.

Should the beneficiary company fail to comply with the objectives and provisions of the program, which may be characterized as a misuse of funds, the SUDAM decision-making board will cancel the approved incentives, and the beneficiary company will have to pay to the relevant bank any amounts received, restated at the same index used for federal taxes, at the receipt date, plus a 10% fine and monthly interest on arrears of 1%, less, in the case of investments in debentures, installments already amortized (Law 8167/91, Article 12, paragraph 1, items I and II, the latter including the wording set forth in MP 1740-31, of May 6, 1999).

The Company has met all incentive-related conditions.

25. Share-based payment

Expenses recorded for employee services during the periods, arising from share-based payment transactions to be settled by delivery of equity instruments, amounted to R$ 3,640 at September 30, 2014 (R$ 16,075 at September 30, 2013).

Stock option plan:

(All amounts in thousands of reais, unless otherwise stated)

At the Extraordinary General Meeting of April 1, 1999, the stockholders approved the Company's Stock Option Plan (the Plan), for its management, employees and service providers (the Beneficiaries). The Plan establishes general parameters among which are the following:

The Board of Directors, at its sole discretion, assigned the administration of the Plan to a Stock Options Management Committee (the Committee), which consists of all Board members and was created exclusively for this purpose. Plan managers are responsible for periodically implementing Stock Option Plans, and establishing, among eligible individuals, those to whom options will be granted and specific applicable rules, considering general Plan rules (the Program).

The volume of stock options is subject to an annual limit of 1.5% of the Company's capital for the granting of options, and up to 5% of the Company's capital stock for the total options granted.

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

Under "Agreement A", a beneficiary must pay 10% of the share amount, upon execution of the agreement, as a condition for joining the Stock Option Plan, to acquire the right to make yearly contributions for the acquisition of 18% of total shares, so that, by the end of the fifth year, the beneficiary will have made contributions for the acquisition of 100% of the shares. The contribution amount (option price) is adjusted by the IGP-M variations.
Agreement B is different from Agreement A, particularly in the following aspect:

(i) the acquisition of the right to make contributions for share acquisitions changes from 10% on the grant date and 18% in subsequent years, as in Agreement A, to 10% on the grant date, 5% in the first year, 10% in the second, 15% in the third, 25% in the fourth and 35% in the fifth and last year. In the event that a beneficiary of Agreement B is dismissed from the Company without cause, the Committee may, at its discretion, change the acquisition schedule of the right to make contributions for share acquisitions to 18% per year, under the schedule of Agreement A.

The exercise price is defined by the Committee based on the stock market price. Options granted expire ten years from the vesting date.

The Plan does not provide for the settlement of the options in cash, nor is there a history of this practice by the Company. As a result, the fair value of the options is estimated on the grant date by means of the Black & Scholes option pricing model, considering the applicable terms and conditions under which the options were granted.

The following table shows the number (No.) and weighted average exercise price in Reais (MPPE) of stock options and the corresponding changes for the period:

	2014		**2013**	
	No.	MPPE	No.	MPPE
Opening balance	6,729,773	13.92	11,597,787	12.63
New grants	-	-	-	-
Lost	(1,579,558)	15.41	(4,749,128)	12.31
Exercised	(11,724)	10.86	(118,886)	9.76
Closing balance	**5,138,491**	13.81	**6,729,773**	13.92
Vested	3,406,601		4,700,419	
Not vested	1,731,890		2,029,354	

(All amounts in thousands of reais, unless otherwise stated)

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

On February 6, 2012, the Committee approved the 2012 Program, which also differs from the general rule since the beneficiary must contribute 10% of the share amount upon execution of the agreement as a condition of being entitled to the right to purchase shares, and therefore being entitled to make gradual contributions: 5% in the first year, 15% in the second year, 20% in the third year, 25% in the fourth year and 25% in the fifth and last year. Another difference of this Program in relation to the previous ones is that beneficiaries are subject to a lock-in period of two years from each option exercise date.

If the issue of new shares is necessary, the Company records the contributions in its books, based on the individual controls of each beneficiary, as an advance on future capital increases, within equity. Upon approval at a General Meeting, this amount is recorded as capital. For the specific case of contributions of approximately 30% for option acquisitions, the Company records a capital increase from the second base date, in compliance with Law 6404/76 and subsequent amendments.

The weighted average of the remaining stock option contractual term was 4.73 years at September 30, 2014. The minimum and maximum option exercise prices at September 30, 2014 were R$ 18.36 and R$ 10.79 respectively.

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

	2012
Expected volatility (%)	36.4%
Risk-free interest rate (%)	6% + IGPM
Expected option life (years)	6
Weighted average share price (R$)	11
Pricing model used	Black & Scholes

Expected option life is based on historical data and does not necessarily indicate a pattern of exercise that will actually occur. Expected volatility reflects the assumption that the five-year volatility history prior to the grant date indicates a future trend, which may not reflect the actual results.

Restricted Share Option Program

In the meeting held on September 1, 2010, the Committee approved the Restricted Share Option program. This program involved granting options, equivalent to 3,000,000 shares, to a certain group of employees and managers of the Company, on a non-transferable basis, whose exercise was cumulatively subject to: (i) maintaining their employment relationship with the Company through December 31, 2012, (ii) meeting their individual operating goals, and (iii) the Company succeeding in meeting its EBITDA goals.

During the vesting period, 1,056,250 options were lost, and, at December 31, 2012, 57.50% of the subtotal remaining (1,943,750 options) were delivered to the beneficiaries according to the Program rules. The exercise price was R$ 0.01 per share. As the exercise price is close to zero, the fair value of each option is equivalent to the market value of the share on the program grant date (R$ 16.50).

In a meeting held on October 23, 2012, the Committee approved the possibility of the outstanding unexercised options based on the EBITDA target for 2012 being restored and exercised by employees and administrators conditioning cumulatively: (i) to maintain their working relationships with the Company until December 31, 2014, (ii) to achieve individual and operational targets, and (iii) the Company achieving its EBITDA targets for 2014. During 2013, 401,000 options were lost. Accordingly, the remaining number of options to be delivered at December 31, 2014 is 427,000, if the conditional factors are met.

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

26. Finance income and costs

	Parent company				Consolidated			
	Period ended		Quarter ended		Period ended		Quarter ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Interest on indebtedness/debentures/sureties	(202,493)	(153,172)	(63,898)	(53,242)	(585,994)	(504,534)	(197,547)	(166,855)
Fines/Fiscal interest/Suppliers/Wagons	(1,442)	(12,717)	(400)	(1,470)	(249,623)	(143,041)	(82,702)	(43,062)
Interests on leases and concessions	-	-	-	-	(237,489)	(186,579)	(81,265)	(68,280)
Customers/adjustments to present value/other	(9,302)	(1,983)	(9,504)	(199)	(37,648)	(17,723)	(1,957)	(5,213)
Total finance expenses	(213,237)	(167,872)	(73,802)	(54,911)	(1,110,754)	(851,877)	(363,471)	(283,410)
Income from financial investments	7,702	27,903	2,491	6,293	179,846	115,809	58,275	40,474
Remuneration of debentures	-	14,200	-	3,733	-	-	-	-
Adjustment to present value/other	-	-	-	-	225	1,077	65	194
Total finance income	7,702	42,103	2,491	10,026	180,071	116,886	58,340	40,668
Finance result, net	(205,535)	(125,769)	(71,311)	(44,885)	(930,683)	(734,991)	(305,131)	(242,742)

27. Earnings per share

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

Continuing operations

	Consolidated			
	Period ended		Quarter ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Basic earnings per share				
Numerator				
Profit for the year attributed to the Company's stockholders	139,648	224,686	37,911	116,956
Denominator (in thousands of shares)				
Weighted average number of common shares	682,869	684,482	682,869	684,482
Basic earnings:				
Per common share	0.2045	0.3283	0.0555	0.1709
Diluted earnings per share				
Numerator				
Profit for the year attributed to the Company's stockholders	139,648	224,686	37,911	116,956
Denominator (in thousands of shares)				
Weighted average number of common shares	682,869	684,482	682,869	684,482
Dilution effect				
Stock options	5,565	7,833	5,565	7,833
Debentures convertible into shares	13,890	27,780	13,890	27,780
Weighted average number of common shares adjusted by the dilution effect	702,324	720,095	702,324	720,095
Diluted earnings:				
Per common share	0.1988	0.3120	0.0540	0.1624

Discontinued operations

	Consolidated			
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Basic loss per share				
Numerator				
Loss attributed to the Company's stockholders	(837)	(180,691)	(333)	(32,539)
Denominator (in thousands of shares)				
Weighted average number of common shares	682,869	684,482	682,869	684,482
Basic loss:				
Per common share	(0.0012)	(0.2640)	(0.0005)	(0.0475)
Diluted earnings per share				
Numerator				
Loss atributed to the Company's stockholders	(837)	(180,691)	(333)	(32,539)
Denominator (in thousands of shares)				
Weighted average number of common shares	682,869	684,482	682,869	684,482
Dilution effect				
Stock options	5,565	7,833	5,565	7,833
Debentures convertible into shares	13,890	27,780	13,890	27,780
Weighted average number of common shares adjusted by the dilution effect	702,324	720,095	702,324	720,095
Diluted loss:				
Per common share	(0.0012)	(0.2509)	(0.0005)	(0.0452)

28. Segment reporting

(All amounts in thousands of reais, unless otherwise stated)

Information per business segment, for the periods ended September 30, 2014 and 2013 is as follows:

Results by business segment

Description	Agricultural Commodities (i)		Manufactured Products (ii)		Brado		Ritmo/Rodoviário		Total	
	09/30/2014	09/30/2013	09/30/2014	09/30/2013	09/30/2014	09/30/2013	09/30/2014	09/30/2013	09/30/2014	09/30/2013
Net revenue	2,086,863	1,934,130	507,783	479,764	214,853	204,527	165,176	197,110	2,974,675	2,815,531
Cost of services	(1,035,334)	(881,231)	(359,479)	(340,050)	(161,197)	(161,262)	(156,380)	(179,298)	(1,712,390)	(1,561,841)
Gross profit	1,051,529	1,052,899	148,304	139,714	53,656	43,264	8,796	17,813	1,262,285	1,253,690
Operating profit	941,851	862,172	136,745	112,049	31,371	22,912	2,028	13,383	1,111,995	1,010,516

The Company is organized into business units based on the major markets in which it operates. The Company's operations are divided into four business units. In Brazil, the two railroad business units are:

(i) Agricultural commodities - comprising transportation of products such as soybeans, soy meal, fertilizers, sugar, corn, wheat, and rice, among others.

(ii) Manufactured products (railroad and intermodal transportation) - this refers to the transportation of steel products, wood, paper, pulp, food, containers, fuels, vegetable oil, products for civil construction, among others.

Segment performance is assessed based on the operating margin, which, in the table above, differs from that presented in the consolidated quarterly information. This performance is assessed by commercial officers and subsequently submitted to the directors and Board members.

The Company's borrowings and investments (including finance income and costs) and taxes on income are managed at a consolidated level, and are not allocated to operating segments.

29. Other operating information

29.1. Other operating income/expenses

Outras Receitas Operacionais

	Controladora				Consolidado			
	Período findo em		Trimestre findo em		Período findo em		Trimestre findo em	
	30/09/14	30/09/13	30/09/14	30/09/13	30/09/14	30/09/13	30/09/14	30/09/13
Crédito REFIS	-	-	-	-	18,223	-	18,223	-
Venda de inservíveis	-	-	-	-	-	6,493	-	7,755
Venda de imobilizado	174	6,624	-	100	12,597	5,367	782	2,456
Outras	1,611	558	231	186	3,510	1,543	19	494
Total	**1,785**	**7,182**	**231**	**286**	**34,330**	**13,403**	**19,024**	**10,705**

Outras Despesas Operacionais

	Controladora				Consolidado			
	Período findo em		Trimestre findo em		Período findo em		Trimestre findo em	
	30/09/14	30/09/13	30/09/14	30/09/13	30/09/14	30/09/13	30/09/14	30/09/13
Taxas	188	247	20	6	3,011	5,955	1,055	2,052
Combustíveis não consumidos na operação	-	6	-	-	1,430	1,283	612	550
Doações dedutíveis	-	-	-	-	-	54	(20)	54
Baixa de bens do imobilizado	-	-	-	-	-	-	-	-
Baixa inservíveis	-	-	-	-	7,231	-	671	-
Outras	1,126	-	-	-	3,185	-	813	-
Total	**1,314**	**253**	**20**	**6**	**14,857**	**7,292**	**3,131**	**2,656**
	471	**6,929**	**211**	**280**	**19,473**	**6,111**	**15,893**	**8,049**

(All amounts in thousands of reais, unless otherwise stated)

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

	Parent company				Consolidated			
	Period ended		Quarter ended		Period ended		Quarter ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Fuel	12,264	-	12,257	-	524,315	435,998	202,477	155,714
Outsourced services	27,820	9,169	5,107	1,750	336,191	307,156	100,539	108,721
Depreciation and amortization	43,432	43,924	14,085	14,627	427,397	346,160	149,720	96,693

29.3. Net revenue

	Parent company				Consolidated			
	Period ended		Quarter ended		Period ended		Quarter ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Gross revenue	38,227	42,991	3,755	13,857	3,464,387	3,218,561	1,197,330	1,091,250
(-) Deductions (tax, discounts and cancellations)	(3,582)	(4,415)	(360)	(1,304)	(489,712)	(403,030)	(205,169)	(148,190)
Net revenue	**34,645**	**38,576**	**3,395**	**12,553**	**2,974,675**	**2,815,531**	**992,161**	**943,060**

30. Discontinued operations

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

The results from discontinued operations at September 30, 2014 and 2013 are summarized as follows:

Results from discontinued operations

	Period ended		Quarter ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
Net revenue	-	90,462	-	(2,687)
Cost of services	-	(109,716)	-	(1,319)
Gross profit (loss)	-	(19,254)	-	(4,006)
Results from ownership interests	-	(484)	-	(484)
Selling, general and administrative expenses	(858)	(162,962)	(264)	(20,927)
Financial income and costs	(18)	(9,973)	(94)	(2,164)
Loss before taxation	(876)	(192,673)	(358)	(27,581)
Current income tax and social contribution	(44)	(135)	(9)	2,887
Deferred income tax and social contribution	-	(17)	-	-
Non-controlling interests	-	4,924	-	-
Loss from discontinued operations	(920)	(187,901)	(367)	(24,694)

(All amounts in thousands of reais, unless otherwise stated)

Cash flow from discontinued operations

	9/30/2014	9/30/2013
Operating cash flow	(84)	(65,608)
Cash flow from investment activities	-	(10,377)
Cash flow from financing activities	-	37,245
Total cash flow	(84)	(38,740)

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

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

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

There were no asset and liability disposal groups classified as held for sale at September 30, 2014.

On August 26, 2013, ALL Argentina filed for bankruptcy. The parent company will provide the resources to fulfill all the obligations on this agreement, which is still in progress.

In 2014, a proposal was presented by the Company for payment of debit balances. The proposal has already been approved by most creditors of ALL Argentina with 50% discount of the receivable balance and term of 03 years to settle the balance.

31. Insurance – consolidated

At September 30, 2014, the insurance cover established by the Company's management to cover losses and civil liability is summarized as follows:

Line	Insurance by event	Amount insured		Effectiveness
Operating railroad risks	Assets - material damage and loss of profit	R$	60,000	09/15/2013 to 09/15/2015
Civil liability - railroad operations	Operations, pollution, employer's liability, vehicles (contingencies) and port activities	R$	10,000	04/30/2013 to 04/30/2015
Railroad cargo insurance	Civil liability of railroad cargo carrier (RCTF-C); railroad risk (RF) - per shipment	R$	2,200	06/30/2013 to 07/31/2015

The scope of work of the Company´s independent auditors did not include a review of the adequacy of the insurance coverage. The adequacy was assessed and evaluated by management.

32. Financial instruments

At September 30, 2014, the Company and its subsidiaries had the following financial instruments:

(All amounts in thousands of reais, unless otherwise stated)

	Carrying amount		Fair value	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Financial assets				
Cash and cash equivalents	2,127,123	2,917,636	2,127,123	2,917,636
Trade receivables	481,476	423,185	481,476	423,185
Intercompany loans receivable	1,314	769	1,314	769
Advances and other receivables	224,014	230,054	224,014	230,054
Refundable deposits and restricted amounts	346,200	330,166	346,200	330,166
Total	**3,180,127**	**3,901,810**	**3,180,127**	**3,901,810**

	Carrying amount		Fair value	
Financial liabilities	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Debentures	2,852,075	2,963,639	2,896,079	2,963,639
Derivative instruments	36,796	31,193	36,796	31,193
Intercompany loans payable	7,861	2,541	7,861	2,541
Advances from customers	135,109	186,469	135,109	186,469
Finance leases	1,750,563	1,678,546	1,750,563	1,678,546
Borrowing	3,856,280	3,977,476	3,532,844	3,977,476
Advances on real estate credits	380,295	435,945	380,295	435,945
Trade payables	943,771	721,113	943,771	721,113
Total	**9,962,750**	**9,996,922**	**9,683,318**	**9,996,922**

The fair value of financial assets and liabilities represents the amount for which the instrument could be exchanged between willing parties in an arm's length transaction, rather than in a forced sale or liquidation. The following methods and assumptions were used in the fair value estimates:

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

- The fair values of securities held for trading and debentures are based on the prices quoted at the date of the quarterly information. The fair values of instruments not held for trading, bank loans and other financial debts, finance lease agreements, as well as other non-current financial liabilities, are equivalent to their carrying amounts, which correspond to the settlement value.

- The fair value of financial assets available-for-sale is obtained through market prices quoted in active markets, if any.

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

On April 1, 2013, Vetria formalized the documents for the hedge accounting, due to the balance of royalties payable in U.S. Dollars to the former stockholders of Vetorial Mineração, as part of the payment for the purchase of the company, which is made as the mine is depleted. Since the future revenue of Vetria will be denominated in U.S. Dollars, as well as the royalties, the operation has a natural hedge. The Company uses no derivative financial instruments for speculative purposes.

Key risk factors for the Company and its subsidiaries in relation to financial instruments are as follows:

(All amounts in thousands of reais, unless otherwise stated)

a) Credit risk

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

b) Interest rate risk

The Company has certain liabilities subject to floating interest rates, which generate exposure to floating market interest rate risk.

In order to avoid the effects of interest rate fluctuations on the results of the Company, floating to fixed rate swap agreements were made, so as to set fixed interest rates for a portion of the liabilities previously indexed to the CDI. The third issue of debentures of ALL - América Latina Logística Malha Sul S.A., CCB maturing in 2014, the ninth issue of debentures of ALL - América Latina Logística S.A., the eighth issue of debentures of ALL - América Latina Logística Malha Norte and the eighth issue of debentures of ALL - América Latina Logística S.A. are now at fixed interest rates. These swaps ensure that the interest rate effect on the Company's profit or loss is mitigated. These instruments are recorded as hedges.

An interest rate risk sensitivity analysis is presented below, showing the estimated effects of changes in scenarios on the profit or loss for the following 12 months, for swaps and corresponding hedged items. Management considered the CDI projection for 2014 as the probable scenario, according to the bank projections available from the Focus Bulletin of the Brazilian Central Bank.

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

Interest rate appreciation risk

Transaction	Risk	Notional Value	Fair Value at 9/30/2014	Probable scenario	(Gain)/loss +25%	(Gain)/loss +50%
FINANCIAL ASSETS AND LIABILITIES						
CCB	CDI	90,489	22,200	19,526	23,922	28,318
Asset position swap - Counterparty Santander	Fixed rate	(90,489)	(22,200)	(19,518)	(23,912)	(28,306)
8th issue debentures - Malha Norte	CDI	161,397	24,008	16,872	16,872	16,872
Asset position swap - Counterparty Santander	Fixed rate	(161,397)	(24,008)	(17,697)	(17,697)	(17,697)
Taxes in installments	CDI	-	(168,090)	(18,490)	(23,112)	(27,735)
References						
Average CDI (p.a.)				11.00%	13.75%	16.50%

The probable scenario relates to the following 12 months, based on bank macroeconomic projections.

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

(All amounts in thousands of reais, unless otherwise stated)

c) Currency risk

This arises from the possibility of incurring losses due to fluctuations in foreign exchange rates, increasing liabilities related to trade payables or supply agreements in foreign currencies, as well as fluctuations reducing the value in Reais of investments or other asset balances.

The Company uses derivative instruments solely to mitigate the effects of foreign exchange losses in Reais through forward purchases of foreign currency. Therefore, the Company takes out "Dollar-Real" swaps at the same amounts and with the same maturities as those items being hedged. The Company regularly monitors its currency risk exposure so as to ensure that the profit or loss on hedge transactions annuls the currency effect on its cash flows.

Below is the currency risk sensitivity analysis, showing the estimated effects of changes in profit or loss scenarios for the following 12 months. Management considered the foreign exchange rates projected for 2014 as the probable scenario, in line with macroeconomic projections:

Transaction	Risk	Notional amount (US$ thousand)	Fair value at 9/30/2014	Probable scenario	Gain/(loss) +25%	Gain/(loss) +50%
FINANCIAL ASSETS AND LIABILITIES						
Foreign currency appreciation risk – Effect on investments:						
Financial investments	US$	2	5	0	2	3
Net effect on financial investments		**2**	**5**	**0**	**2**	**3**
Foreign currency appreciation risk – Effect on payables / imports:						
Long-term trade payables	US$		745	(5,132)	(44,908)	(84,684)
Asset position swaps by counterparty:						
Counterparty Morgan Stanley	US$	27,314	(745)	5,141	44,982	84,823
Counterparty Bradesco	US$	-	-	-	-	-
Net effect on payables / imports:		**27,314**	**-**	**9**	**74**	**139**
References						
US$/R$				2.40	3.00	3.60

The probable scenario relates to the following 12 months, based on bank macroeconomic projections.

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

d) Net debt finance costs deterioration risk

This risk arises from the possibility of the Company incurring losses due to changes in interest rates and other indexes on its borrowings which increase its finance costs, or on its investments, which reduce its finance income. In the parent company, this risk has an impact on net debt indexed to the CDI (total debt indexed to the CDI, and investments indexed to the CDI). In order to partially hedge this exposure, management decided to take out swaps, as mentioned in item "b" of the interest rate risk table. The Company continues to monitor these indexes so as to assess any need to contract derivatives and mitigate the risk of changes in these rates.

Below is the finance costs deterioration sensitivity analysis, showing the estimated effects of changes in profit or loss scenarios for the following 12 months, considering the rates projected for 2014 as being a probable scenario. As alternative scenarios, an increase in rates was simulated, considering that the Company has a net debt position:

(All amounts in thousands of reais, unless otherwise stated)

Debt financial charge deterioration risk

Transaction	Risk	Probable scenario	Gain/(loss) +25%	Gain/(loss) +50%
FINANCIAL ASSETS AND LIABILITIES				
CASH				
Investments indexed to the CDI	CDI	167,300	209,124	250,949
Fixed income investments	Fixed rate	17,145	17,145	17,145
BORROWING				
Financing indexed to the Long-Term Interest Rate (TJLP)	TJLP	187,780	221,441	255,101
Financing indexed to the CDI	CDI	94,722	117,687	140,652
Financing fixed rate / floating rate through swap, as in item b	Fixed rate/Floating	24,225	24,227	24,229
Debentures indexed to the CDI	CDI	477,768	542,042	606,316
IPCA	IPCA	50,870	56,578	62,286
Advances on real estate receivables indexed to the CDI	CDI	51,340	62,174	73,008
References				
Average CDI (p.a.)		11.00%	13.75%	16.50%
TJLP		5.00%	6.25%	7.50%
IPCA		6.31%	7.89%	9.47%

The probable scenario relates to the following 12 months, based on bank macroeconomic projections..

e) CVM Instruction 475

The consolidated position of derivative financial instruments is as follows:

(All amounts in thousands of reais, unless otherwise stated)

Fair value of transactions with derivative financial instruments by maturity

DESCRIPTION	REFERENCE VALUE (NOTIONAL)		FAIR VALUE		ACCUMULATED EFFECT (CURRENT PERIOD)	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	AMOUNT RECEIVABLE /RECEIVED	AMOUNT PAYABLE/PAID
SWAPS CONTRACTS:						
NET POSITION						
FOREIGN CURRENCY RISK	US$	US$	R$	R$	R$	R$
[1] MATURITY US$ x %CDI:						
1Q14	26	-	(744)	-	-	(744)
[1] MATURITY EUR x %CDI:	EUR	EUR	R$	R$	R$	R$
1Q14"	332	1	-	-	-	-
3Q14"	3	-	-	-	-	-
INTEREST RATE RISK	R$	R$	R$	R$	R$	R$
[2] FIXED/FLOATING RATES - MATURITY:						
1Q14'	-	898	-	4	-	-
2Q14'	3	3	-	1	-	-
4Q14'	90	75	(22)	(21)		(22)
1Q18'	150	150	9	11	9	-
3Q18'	167	167	-	(3)	-	-
4Q20'	160	160	(24)	(28)	-	24
TOTAL	**931**	**1,454**	**(781)**	**(36)**	**9**	**(742)**

[1] The swap transactions of the US$ x %CDI and EUR x %CDI tables above are carried out at an average liability position cost of 110% of the CDI and an asset position cost of foreign exchange variations, plus an average spread of 1%.

The fair value of derivatives is recorded as current and non-current borrowings, in liabilities, against: i) profit or loss, should the derivatives have no hedging documentation, and ii) carrying value adjustments (equity), should derivatives have hedging documentation. All derivatives are used as hedges.

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

The fair values of derivatives were estimated based on foreign exchange rate curves and current BM&F interest rates at September 30, 2014, for future value projections, as well as DI future rates of BM&F to bring this cash flow to its present value. There are no margin deposits or guarantees of any type or amount for any of these derivatives.

The effect on the Company's profit or loss at September 30, 2014 of the hedging of derivative financial instruments is a credit balance of R$ 5,494 (at September 30, 2013 a debit balance of R$ 31,231). Gains and losses from swaps related to the hedge structure recorded in equity amount to a credit balance of R$ 462 at September 30, 2014 (a credit balance of R$ 879 at December 31, 2013).

f) Fair value estimation

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

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

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

(All amounts in thousands of reais, unless otherwise stated)

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

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

At September 30, 2014 and December 31, 2013, the financial assets and liabilities measured or disclosed at fair value were classified at Level 2 of the fair value hierarchy, as they were determined using information derived by the market for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

g) Credit quality of financial assets

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

	9/30/2014	12/31/2013
Trade receivables		
Counterparts without external credit rating		
Group 1	-	24,379
Group 2	519,268	462,600
Group 3	20,507	13,426
	539,775	500,405

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

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

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

33. Private pension plan

The direct subsidiary ALL Malha Oeste sponsors a Benefit Plan with a Multi-sponsored Entity, HSBC Fundo de Pensão. This plan has predominant characteristics of the defined contribution type during the reserve accumulation period. The only defined benefit element, in the accumulation period, is equivalent to six months' salary, at the most, paid in the event of death, disability or retirement, calculated according to the formulas and conditions established in the plan's regulations.

Contributions are made, on average, in the proportion of 67% for the sponsor and 33% for active plan participants. Contributions related to minimum benefits are fully made by the sponsor, as defined in an actuarial technical note, and are re-measured on an annual basis through actuarial assessments.

The plan is assessed on an annual basis by an independent actuary. The last actuarial assessment of the plan was made for December 31, 2013. The base date used in the assessment was October 2013.

	9/30/2014	12/31/12
Participants	32	39
Plan assets	3,998	10,329
Actuarial liabilities	3,735	2,892
Sponsor's contribution (% payroll)	0.79%	0.89%
Participation payroll	594	792

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

The plan has financial coverage of actuarial liabilities and a surplus of R$ 30 at December 31, 2013. This reserve relates to the remaining balances of the sponsor's contributions, arising from participants leaving the plan who partially redeemed their benefits, and who are no longer eligible for any plan benefits. .

* * *

ALL RAIL OPERATIONS

brado

RITMO

VETRIA

ALL REPORTS 3Q14 AND 9M14 RESULTS

Curitiba, Brazil, November 4th, 2014 – América Latina Logística S.A. – ALL (BM&FBovespa: ALLL3; OTCQX: ALLAY), the Latin America's largest independent logistics services company, announces its results for the third quarter and first nine months of 2014 (3Q14 and 9M14). The Company offers a full range of logistics services, including rail and trucking transportation, distribution, warehousing, customized container transportation combined with fractioned distribution and intermodal door-to-door transportation. ALL comprises four main businesses: (i) ALL Rail Operations, (ii) Brado Logística, (iii) Ritmo Logística and (iv) Vetria Mineração.

On June 5th 2013, the Argentine Government rescinded the concessions of ALL in the country, in which the Company used to hold economic rights. As an effect of the rescission, results coming from Argentina´s operations are now presented as "Results of Discontinued Operations". Therefore, discussions about ALL Rail Operations refer to Brazilian operations only, unless otherwise stated.

Conference Calls:

English
November 5th, 2014
Wednesday
8:30 a.m. US ET

Portuguese
November 5th, 2014
Wednesday
7:00 a.m. US ET

Meeting with Analysts and Investors:

November 7th, 2014
Friday
5:30 a.m. US ET

Blue Tree Towers
Av. Brigadeiro Faria Lima, 3989
Vila Olímpia
São Paulo - SP

OPERATIONAL AND FINANCIAL HIGHLIGHTS

- ✓ **Consolidated EBITDA increased 0.9% in 3Q14 when compared to 3Q13, reaching R$508.0 million,** as a result of a 0.6% growth in Rail Operations EBITDA, an increase of 23.5% in Brado Logística EBITDA, and a 28.6% decrease in Ritmo Logística EBITDA. In 9M14, Consolidated EBITDA grew 3.5% against 9M13, from R$1,480.6 million to R$1,532.1 million.

- ✓ **Rail Operations volumes increased 4.4% in 3Q14 against 3Q13, in spite of a very tough demand scenario.** Market conditions, especially in the agricultural segment, were impacted by a very good scenario of corn production in United States, which reduced materially international corn prices and Brazilian grains exports. With a double-digit decrease in grain exports in Brazil in 3Q14, transportation demand and spot market yields dropped throughout our rail network during the period.

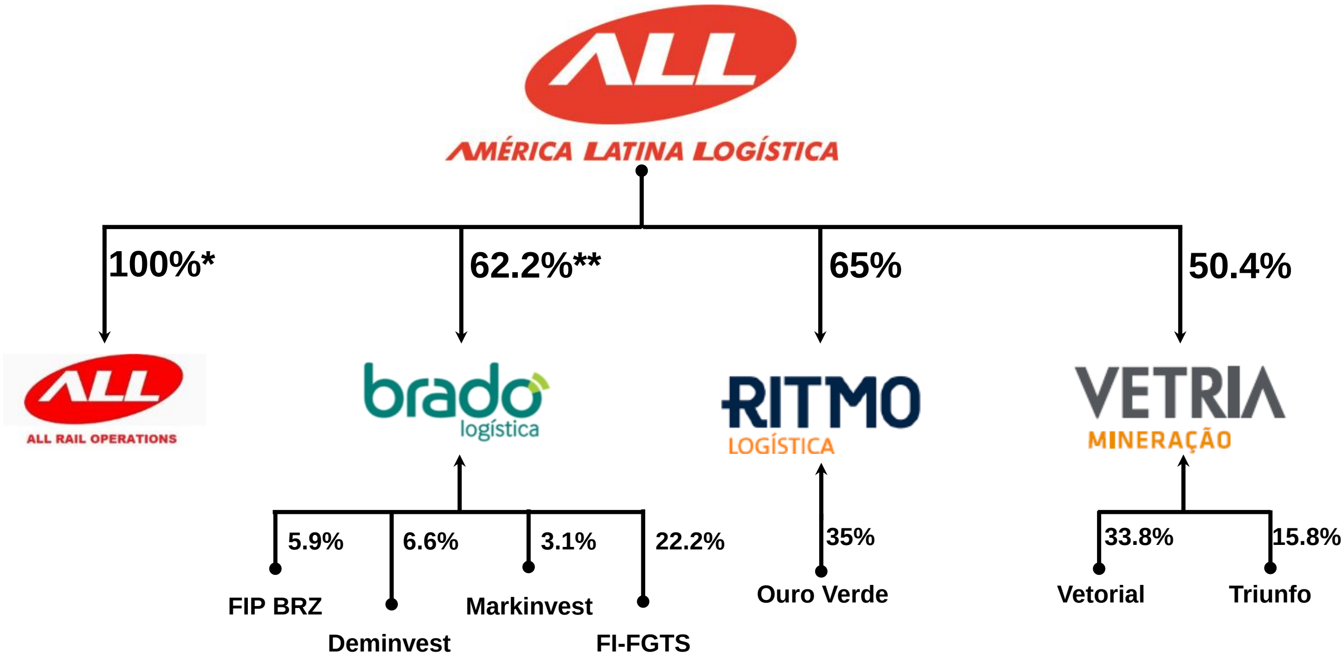
- ✓ **Rail Operations average yield, measured in R$/´000RTK, grew 3.1% in 3Q14 year-over-year,** supported by the tariffs set in our take-or-pay agreements in a scenario of depressed levels at spot market freight prices. Spot market freight prices declined approximately 25% in Wide Gauge (from Mato Grosso to Santos) and more than 13% in some origins in Paraná corridor, which are the two most important agricultural corridors that we operate, when compared to 3Q13.

- ✓ **Brado Logística presented another positive quarter,** with an EBITDA increase of 23.5% in 3Q14 against 3Q13, reaching R$19.4 million, and a volume growth of 24.5% in this period. Brado´s growth was mainly driven by Wide Gauge and Paraná corridors, which locomotives and railcars were added and where the major part of Brado's investments is concentrated.

- ✓ **Ritmo Logística had a tough quarter.** Volumes decreased 32.1%, pushed by both (i) Dedicated Solutions Unit, mainly due to discontinuation of low profitability operations in this segment, and (ii) Intermodal Unit, especially driven by the shortage in agricultural commodities transportation demand, shrinking margins due to the drop in spot market freight prices in the 3Q14.

- ✓ **For 4Q14, it is still difficult to anticipate agricultural commodity demand conditions.** With depressed international agricultural commodity prices, export volumes will depend on traders and producers commercial decisions and might be positively impacted by (i) volumes related to the last Brazilian Government PEPRO (Subsidy Equalizer Paid to Producer) auctions and (ii) the pressure to open storage capacity to accommodate the 2015 Brazilian harvest season. For industrial volumes, we expect a more regular scenario of ethanol exports, and the positive contributions of Brado and Eldorado volumes.

ALL's Business Structure



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ALL Rail operations is composed of 4 rail concessions in Brazil, totaling 13 thousand km of rail tracks, through which the Company transports agricultural commodities and industrial products. The rail network serves an area that accounts for approximately 80% of Brazil´s GDP, where four of the most active ports in Brazil are located, through which approximately 80% of all the country's grain exports are shipped annually.

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Brado Logística is a partnership between ALL, Standard Logística and FI-FGTS, which is developing the intermodal logistic of containers, focusing on rail transportation, storage, operation of terminals and other logistics services. Brado provides the service level required by the retail market and intends to change the container logistics in Brazil, consolidating the cargo in intermodal terminals and shipping it by railroad, in a very cost effective model.

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Ritmo Logística is a trucking based logistic company created by the merger of ALL Highway Services Business Unit and Ouro Verde highway operations. The company provides a variety of logistics solutions for several industrial segments in Brazil and Argentina, through its Dedicated Operations unit. Furthermore, Ritmo is well positioned to develop the Intermodal Highway Services, providing logistics for an unconsolidated market of more than 40 million tons that has its origin or destination in ALL's railway, with a low-capital-intensive model through the use of third party and outsourced fleet.

Vetria Mineração is a company created through a partnership between ALL, Triunfo and Vetorial Mineração which aims to develop an integrated solution for the extraction, logistics and commercialization of iron ore from the Urucum Massif, located in the region of Corumbá-MS. Vetria will have an integrated system with its own mine in Corumbá, railway logistics through a long-term operational agreement with ALL and a private port terminal in Santos. Vetria still depends on resolute conditions to start its operations.

** Only on ALL Malha Norte, ALL holds 99.2% stake.*

Table 1 - Financial Highlights (R$ million)	3Q14	3Q13	% Change	9M14	9M13	% Change
ALL Rail Operations						
Net Sales	860.9	800.1	7.6%	2,594.6	2,413.9	7.5%
EBITDA	483.2	480.4	0.6%	1,469.4	1,423.0	3.3%
EBITDA Margin (1)	*56.1%*	*60.0%*	*-3.9%*	*56.6%*	*59.0%*	*-2.3%*
Net Income *	28.4	76.3	-62.8%	117.4	29.8	294.2%
Brado						
Net Sales	74.5	70.9	5.1%	214.9	204.5	5.0%
EBITDA	19.4	15.7	23.5%	49.5	37.1	33.4%
EBITDA Margin (1)	*26.1%*	*22.2%*	*3.9%*	*23.0%*	*18.1%*	*4.9%*
Net Income*	9.3	6.8	35.6%	22.1	10.2	115.5%
Ritmo						
Net Sales	56.7	72.1	-21.3%	165.2	197.1	-16.2%
EBITDA	5.3	7.4	-28.6%	13.3	20.5	-35.3%
EBITDA Margin (1)	*9.3%*	*10.3%*	*-1.0%*	*8.0%*	*10.4%*	*-2.4%*
Net Income*	(0.1)	1.3	na	(0.6)	4.0	na
ALL Consolidated						
Net Sales	992.2	943.1	5.2%	2,974.7	2,815.5	5.7%
EBITDA	508.0	503.6	0.9%	1,532.1	1,480.6	3.5%
EBITDA Margin (1)	*51.2%*	*53.4%*	*-2.2%*	*51.5%*	*52.6%*	*-1.1%*
Net Income*	37.6	84.4	-55.5%	138.8	44.0	215.4%
EPS (R$/ Share) **	0.05	0.12	-55.5%	0.20	0.06	215.4%
Consolidated Balance Sheet Indicators						
Total Assets	19,036.7	18,131.5	5.0%	19,036.7	18,131.5	5.0%
Shareholders Equity	4,727.6	4,681.0	1.0%	4,727.6	4,681.0	1.0%
EBITDA (Trailing 12 months)	1,881.7	1,823.2	3.2%	1,881.7	1,823.2	3.2%
Net Debt	4,618.0	4,074.4	13.3%	4,618.0	4,074.4	13.3%
Net Debt / EBITDA (Trailing 12 months)	2.45	2.23	9.8%	2.45	2.23	9.8%
Net Debt/ Equity	1.0	0.9	12.2%	1.0	0.9	12.2%

(1) For EBITDA margin change means percentage points

** Refers to ALL's stake, after minorities*

***Earnings per share calculation based on number of existing shares as of September 30th of 2013 and 2014*

Comments from Alexandre Santoro, CEO

We are announcing 9M14 results presenting a 5.7% growth in Consolidated Net Revenues, reaching R$2,974.7 million and an increase of 3.5% in Consolidated EBITDA, to R$1,532.1million, due to positive contributions of (i) 3.3% of Rail Operations and (ii) 33.4% of Brado Logística, partially offset by Ritmo Logística figures. Consolidated Net Income improved from R$44.0 million in 9M13 – which was impacted in 2Q13 by the negative accounting effect of the discontinuation of our operation in Argentina – to a profit of R$138.8 million in the first nine months of 2014.

In 3Q14, ALL Rail Operations volumes increased 4.4% as compared to 3Q13, from 12,003 million RTK to 12,526 million RTK. Despite a better operational environment at Port of Santos than we faced in 3Q13 – as the two accidents that occurred in June of 2013 at our two most important rail terminals reduced the unloading capacity during the quarter – we faced a very tough demand scenario in 3Q14, which affected both transported volumes and yields throughout our rail network. Rail Operations EBITDA increased 0.6% in 3Q14 year-over-year, from R$480.4 million to R$483.2 million.

Agricultural commodities market conditions were impacted by a very good scenario of corn production in United States, which reduced materially international corn prices and Brazilian grain exports. With a solid supply of corn between the main producers and exporters of this commodity – United States and Brazil –, the competition environment increased in the quarter, shrinking transportation demand and spot freight prices. According to MDIC (Ministry of Development, Industry, and Foreign Trade) corn exports decreased 20.7% in Brazil and 18.5% at ports we serve.

In this market scenario, spot freight prices plunged abruptly, in approximately 25% in Wide Gauge corridor (from Mato Grosso to Santos) and more than 13% in some origins in Paraná corridor – which are the two main agricultural corridors that we operate –, when compared to 3Q13. However, since most of our volumes are take-or-pay contracts, we did not observe that drop in our consolidated rail yield.

In spite of a double-digit reduction in grain exports in Brazil, ALL agricultural commodities volumes grew 5.2% in 3Q14, mainly driven by (i) market share gains in corn transportation, (ii) Government export incentive (PEPRO auctions), (iii) an increase of soybean meal volumes, as there were high inventory levels of soy to be crushed from 1H14 and (iv) a full quarter contribution of Rondonópolis terminal, which started operations in August of 2013, increasing our average of transport distance.

Industrial products volumes increased 1.8% in 3Q14 compared to 3Q13. The high corn crop in United States also impacted Brazilian exports of ethanol – as its production in United States comes from corn – as the high global supply of this product leaded to a more competitive scenario. According to MDIC (Ministry of Development, Industry, and Foreign Trade), ethanol exports decreased 74.6% in Brazil year-over-year, impacting a small portion of our fuel products volumes. This drop was partially offset by another quarter of good performance of wood products and Brado´s volumes, which continue to present positive results in the quarter.

Brado Logística presented a positive quarter, continuing its operational ramp-up during 3Q14. Volumes increased 24.5% in the quarter year-over-year, reaching 20.7 thousand containers handled in the period. The double-digit volume growth was reached by positive contributions of 50.3% in Paraná corridor and 44.8% in Wide Gauge corridor, as the company added rail cars and locomotives in 2013 and where major part of its investments for 2014 is concentrated. Brado´s EBITDA grew 23.5% in 3Q14 against 3Q13, reaching R$19.4 million.

Ritmo Logística did not present a good performance in 3Q14, as volumes decreased 32.1% against 3Q13 and EBITDA dropped 28.6%, to R$5.3 million. Both Dedicated Solutions Unit and Intermodal Unit decreased their volumes in the quarter, mainly due to the discontinuation of low profitability operations and by the operational redesign of an important client logistics in 4Q13, which incorporated its road operation. EBITDA was impacted by the drop of volumes and by the loss of operational leverage over its fixed costs.

Rail operations capex will get over our original guidance of R$800 million for 2014, and should amount between R$900 million and R$950 million in the year, reflecting extraordinary investments in addition to our recurrent organic capex. The amount does not include the investments on the duplication of our rail track from Campinas to Port of Santos, which is part of the agreement set with Rumo in 2009.

For 4Q14, it is still difficult to anticipate agricultural commodities demand conditions. With depressed international agricultural commodities prices, export volumes will depend on traders and producers commercial decisions and might be positively impacted by (i) volumes related to the last Brazilian Government PEPRO auctions and (ii) the pressure to open storage capacity to accommodate the 2015 Brazilian harvest season. For industrial volumes, we expect a more regular scenario of ethanol exports, and the positive contributions of Brado and Eldorado volumes.

On April 15th and May 8th, our Board of Directors and ALL shareholders approved, respectively, the proposal sent by Rumo Logística aiming to combine our operations with theirs, through the merger of ALL´s shares into Rumo. The merger is still subject to approvals of Brazilian Antitrust Authority (“CADE”), National Land Transportation Agency (“ANTT”), and fulfillment of other precedent conditions. If all conditions were achieved, ALL shareholders will own 63.5% of “The new company” shares after the completion of the merger.

DISCUSSION ON ALL CONSOLIDATED RESULTS

In 3Q14, ALL Consolidated Net Revenues grew 5.2% against 3Q13, reaching R$992.2 million. This growth was composed by positive contributions of (i) 7.6% in Rail Operations, as a result of a volume and yield increase in the quarter and (ii) 5.1% in Brado Logística, which increased materially its number of containers handled in the period, being partially offset by a drop of 21.3% in Ritmo Logística figures, mainly due to a volume decreased in 3Q14 against 3Q13. In 9M14, Consolidated Net Revenues increased 5.7% when compared to 9M13, reaching R$2,974.7 million.

Table 2 - ALL Consolidated Financial Highlights (R$ million)	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Net Sales	992.2	943.1	5.2%	2,974.7	2,815.5	5.7%
EBITDA	508.0	503.6	0.9%	1,532.1	1,480.6	3.5%
EBITDA Margin	51.2%	53.4%	-2.2%	51.5%	52.6%	-1.1%
Net Income **	37.6	84.4	-55.5%	138.8	44.0	215.4%
EPS (R$/ Share)	0.05	0.12	-55.5%	0.20	0.06	215.4%

** For EBITDA Margin indicates percentage points gained / lost*
*** Refers to ALL's stake, after minorities*

Consolidated EBITDA reached R$508.0 million in 3Q14, due to contributions of R$483.2 million of Rail Operations, R$19.4 million of Brado Logística and R$5.3 million of Ritmo Logística. In the first nine months of 2014, Consolidated EBITDA increased 3.5% against 9M13, reaching R$1,532.1 million. The accumulated growth in Consolidated EBITDA reflects increases in Rail Operations and Brado Logística figures, partially offset by a decrease in Ritmo Logística results. Consolidated Net Income was R$37.6 million in 3Q14 and reached R$138.8 million in 9M14.

Table 3 - EBITDA (R$ million)	3Q14	3Q13	Change	% Change	9M14	9M13	Change	% Change
ALL Consolidated	508.0	503.6	4.4	0.9%	1,532.1	1,480.6	51.5	3.5%
ALL Rail Operations	483.2	480.4	2.8	0.6%	1,469.4	1,423.0	46.3	3.3%
Brado Logística	19.4	15.7	3.7	23.5%	49.5	37.1	12.4	33.4%
Ritmo Logística	5.3	7.4	(2.1)	-28.6%	13.3	20.5	(7.2)	-35.3%

Consolidated EBITDA margin decreased 2.2 percentage points in 3Q14 compared to 3Q13, as margins in ALL Rail Operations and Ritmo Logística decreased 3.9% and 1.0% respectively, and was partially compensated by a 3.9% rise in Brado Logística margin. In 9M14, Consolidated EBITDA went down 1.1percentage points year-over-year.

Table 4 - EBITDA Margin %	3Q14	3Q13	Change *	9M14	9M13	Change *
ALL Consolidated	51.2%	53.4%	-2.2%	51.5%	52.6%	-1.1%
ALL Rail Operations	56.1%	60.0%	-3.9%	56.6%	59.0%	-2.3%
Brado Logística	26.1%	22.2%	3.9%	23.0%	18.1%	4.9%
Ritmo Logística	9.3%	10.3%	-1.0%	8.0%	10.4%	-2.4%

**Indicates percentage points gained / lost*

ALL Rail Operations

ALL Rail Operations volumes increased 4.4% in 3Q14, reaching 12,526 million RTK. The growth was achieved in a very tough market condition, as United States presented a very good scenario of corn production, impacting significantly the exports of this commodity in the country. With a solid supply of corn between the main producers and exporters of this commodity – United States and Brazil –, the competition environment increased in the quarter, shrinking transportation demand and spot freight prices.

In spite of the tough demand scenario, ALL agricultural commodities volumes grew 5.2% in 3Q14, mainly driven by (i) market share gains in corn transportation, (ii) Government export incentive (PEPRO auctions), (iii) an increase of soybean meal volumes, as there were high inventory levels of soy to be crushed from 1H14 and (iv) a full quarter contribution of Rondonópolis terminal, which started operations in August of 2013, increasing our average of transport distance.

Industrial products volumes increased 1.8% in 3Q14 compared to 3Q13. The high corn crop in United States also impacted Brazilian exports of ethanol – as its production in United States comes from corn – as the high global supply of this product leaded to a more competitive scenario. Ethanol exports decreased in Brazil year-over-year, impacting a small portion of our fuel products volumes. This drop was partially offset by another quarter of good performance of wood products and Brado.

Rail Operations EBITDA in 3Q14 increased 0.6% year-over-year, as a result of a volume increase, a yield growth below current inflation (due to the drop of spot market freight prices) and a worse mix of transported cargo. In 9M14, EBITDA increased 3.3% against 9M13, reaching R$1,469.4 million.

Table 5 - ALL Rail Operations	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Volume (million RTK)	12,526	12,003	4.4%	33,936	33,192	2.2%
Net Revenues	860.9	800.1	7.6%	2,594.6	2,413.9	7.5%
Net Yield (R$/'000 RTK)	68.7	66.7	3.1%	76.5	72.7	5.1%
EBITDA	483.2	480.4	0.6%	1,469.4	1,423.0	3.3%
EBITDA Margin	56.1%	60.0%	-3.9%	56.6%	59.0%	-2.3%

** For EBITDA Margin indicates percentage points gained / lost*

Brado Logística

Brado Logística volumes grew 24.5% in 3Q14, from 16.6 thousand containers in 3Q13 to 20.7 thousand containers, pushed by Wide Gauge and Paraná corridors, and partially offset by Mercosur and Rio Grande corridors.

Brado´s EBITDA increased 23.5% in 3Q14 year-over-year, reaching R$19.4 million. This result was achieved as Brado (i) increased the number of containers handled and (ii) improved the average of transported distance, with the operations at Rondonópolis terminal. In 9M14, EBITDA increased 33.4%, reaching R$49.5 million.

Table 6 - Brado Logística	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Volume (Thousand Containers)	20.7	16.6	24.5%	55.6	47.5	17.0%
Net Revenues	74.5	70.9	5.1%	214.9	204.5	5.0%
Net Yield (Thousand R$/Container)	3.6	4.3	-15.6%	3.9	4.3	-10.2%
EBITDA	19.4	15.7	23.5%	49.5	37.1	33.4%
EBITDA Margin	26.1%	22.2%	3.9%	23.0%	18.1%	4.9%

** For EBITDA Margin indicates percentage points gained / lost*

Ritmo Logística

Ritmo Logística volumes decreased 32.1% in 3Q14, from 21.7 million driven kilometers in 3Q13 to 14.8 million driven kilometers. Volumes were affected by (i) a 23.9% drop in the Dedicated Solutions segment, mainly driven by the discontinuation of low profitability operations and (ii) a 45.3% decrease in Intermodal Business volumes, driven by depressed demand and prices in spot freight market and by the discontinuation of an important operation – as the client redesigned its logistics and incorporated its road operation in 4Q13.

Ritmo´s EBITDA decreased 28.6% in 3Q14, to R$5.3 million. This drop was an effect of the volume decrease and the company´s worse performance in leverage over fixed costs, leading to a margin decrease year-over-year. In 9M14, Ritmo´s EBITDA contributed positively with R$13.3 million to ALL Consolidated number.

Table 7 - Ritmo Logística	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Volume (million Driven KM)	14.8	21.7	-32.1%	43.2	60.2	-28.2%
Net Revenues	56.7	72.1	-21.3%	165.2	197.1	-16.2%
Net Yield (R$/Driven KM)	3.8	3.3	15.9%	3.8	3.3	16.8%
EBITDA	5.3	7.4	-28.6%	13.3	20.5	-35.3%
EBITDA Margin	9.3%	10.3%	-1.0%	8.0%	10.4%	-2.4%

** For EBITDA Margin indicates percentage points gained / lost*

ALL CONSOLIDATED RESULTS

Table 8 - ALL Consolidated Results (R$ million)	3Q14	3Q13	% Change	9M14	9M13	% Change
Net Revenues	**992.2**	**943.1**	**5.2%**	**2,974.7**	**2,815.5**	**5.7%**
ALL Rail Operations	860.9	800.1	7.6%	2,594.6	2,413.9	7.5%
Brado Logística	74.5	70.9	5.1%	214.9	204.5	5.0%
Ritmo Logística	56.7	72.1	-21.3%	165.2	197.1	-16.2%
EBITDA	**508.0**	**503.6**	**0.9%**	**1,532.1**	**1,480.6**	**3.5%**
ALL Rail Operations	483.2	480.4	0.6%	1,469.4	1,423.0	3.3%
Brado Logística	19.4	15.7	23.5%	49.5	37.1	33.4%
Ritmo Logística	5.3	7.4	-28.6%	13.3	20.5	-35.3%
EBITDA Margin	**51.2%**	**53.4%**	**-2.2%**	**51.5%**	**52.6%**	**-1.1%**
ALL Rail Operations	56.1%	60.0%	-3.9%	56.6%	59.0%	-2.3%
Brado Logística	26.1%	22.2%	3.9%	23.0%	18.1%	4.9%
Ritmo Logística	9.3%	10.3%	-1.0%	8.0%	10.4%	-2.4%
Net Income	**37.6**	**84.4**	**-55.5%**	**138.8**	**44.0**	**215.4%**
ALL Rail Operations *	28.4	76.3	-62.8%	117.4	29.8	294.2%
Brado Logística *	9.3	6.8	35.6%	22.1	10.2	115.5%
Ritmo Logística *	(0.1)	1.3	na	(0.6)	4.0	na
Earnings per Share (R$/share)	**0.05**	**0.12**	**-55.5%**	**0.20**	**0.06**	**215.4%**

** Refers to ALL's stake, after minorities*

Table 9 - ALL Cash Flow (R$ million)	9M14	9M13	% Change
Operating Activities	**869.8**	**473.3**	**83.8%**
ALL Rail Operations	813.8	418.6	94.4%
Brado Logística	39.0	37.0	5.6%
Ritmo Logística	17.0	17.8	-4.5%
Investing Activities	**(1,053.3)**	**(698.3)**	**50.8%**
ALL Rail Operations Capex	(810.1)	(560.8)	44.5%
ALL Rail Operations Capex Related Inventory	(132.7)	(8.2)	1509.0%
Brado Logística	(104.3)	(122.1)	-14.6%
Ritmo Logística	(6.2)	(7.2)	-13.8%
Financing Activities	**(607.1)**	**37.8**	**na**
ALL Rail Operations	(677.3)	(417.6)	62.2%
Brado Logística	73.0	451.1	-83.8%
Ritmo Logística	(2.8)	4.3	na
Change in Cash	**(790.5)**	**(187.2)**	**322.3%**
ALL Rail Operations	(806.3)	(568.1)	41.9%
Brado Logística	7.7	366.0	-97.9%
Ritmo Logística	8.0	14.9	-46.1%
Closing Balance in Cash	**2,127.1**	**2,321.2**	**-8.4%**
ALL Rail Operations	1,701.3	1,931.4	-11.9%
Brado Logística	388.4	370.8	4.7%
Ritmo Logística	37.4	19.0	97.2%

Table 10 - ALL Consolidated Balance Sheet Indicators (R$ million)	3Q14	3Q13	% Change
Total Assets	**19,036.7**	**18,131.5**	**5.0%**
ALL Rail Operations	17,970.8	17,235.3	4.3%
Brado Logística	924.9	764.7	21.0%
Ritmo Logística	140.9	131.4	7.2%
Shareholders Equity	**4,727.6**	**4,681.0**	**1.0%**
ALL Rail Operations	4,064.7	4,062.7	0.0%
Brado Logística	569.4	522.3	9.0%
Ritmo Logística	93.6	96.0	-2.5%
EBITDA (Trailing 12 months)	**1,881.7**	**1,823.2**	**3.2%**
ALL Rail Operations	1,796.4	1,747.3	2.8%
Brado Logística	67.4	47.1	43.2%
Ritmo Logística	17.8	28.8	-38.1%
Net Debt	**4,618.0**	**4,074.4**	**13.3%**
ALL Rail Operations	4,747.7	4,301.2	10.4%
Brado Logística	(127.5)	(229.5)	-44.4%
Ritmo Logística	(2.1)	2.6	na
Net Debt / EBITDA (Trailing 12 months)	**2.45**	**2.23**	**9.8%**
ALL Rail Operations	2.64	2.46	7.4%
Brado Logística	(1.89)	(4.87)	-61.2%
Ritmo Logística	(0.12)	0.09	na
Net Debt / Shareholders Equity	**1.0**	**0.9**	**12.2%**
ALL Rail Operations	1.2	1.1	10.3%
Brado Logística	(0.2)	(0.4)	-49.0%
Ritmo Logística	(0.0)	0.0	na

ALL RAIL OPERATIONS – BUSINESS DESCRIPTION

ALL Rail operations is composed by 4 rail concessions in Brazil, totaling about 13 thousand km of rail tracks, 1 thousand locomotives and 28 thousand rail cars, through which the Company transports agricultural commodities and industrial products. The rail network serves an area that accounts for approximately 80% of Brazil´s GDP, where four of the most active ports in Brazil are located, through which approximately 80% of Brazil's grain exports are shipped annually. Results are divided in two business units: Agricultural Commodities and Industrial Products.

The Agricultural Commodities business unit consists in three main flows of transportation: (i) Export flows, which ship soybean, soybean meal, corn, sugar and wheat, from the countryside terminals to the ports of Santos, Paranaguá, Rio Grande and São Francisco do Sul, (ii) Import flows, transporting mainly fertilizers and wheat from the ports to the countryside and (iii) for internal market distribution, through which agricultural commodities are transported to attend production demands among different regions in Brazil.

In Industrial Products, there are two different segments: Intermodal Products and Pure Rail Products. Intermodal Products comprises products which were not historically transported by railroad in Brazil because of the level of service needed in those operations, which was much higher than railroad offered in the past. As we improved our operational indicators along the years, we started to be able to capture those volumes, usually in a partnership model with our clients, where the needed investment is shared between both. The growth dynamic in this unit is based in the company's capacity of adding new projects or by further expansions of existing projects. The unit is composed by steel products, wood products, food products and containers.

In Pure Rail Products we have a different situation, as even before the privatization those volumes were highly transported by rail. The unit consists in construction, vegetal oil and fuel products transportation, which today are shipped almost exclusively by rail in our area of operation. The high market share we have in this segment leave us subject to market's performance, and we expect that growth in this unit should be aligned to Brazilian GPD in the long term.

Regarding ALL Rail Operation strategy, the company expects to grow its organic business volumes year-over-year. The growth is mainly sustained by market share gains and productivity improvements, as Capex level should remain stable, around R$800 million per year, decreasing as a percentage of revenues through the years. Except for 2014, capex should amount between R$900 million and R$950 million in the year, reflecting extraordinary investments in addition to our recurrent organic capex. Moreover, in 2012 we concluded the construction of our new rail network from Alto Araguaia to Rondonópolis, and it started to operate in 3Q13.

ALL Rail Operations Technical Sheet			
Rail Network *('000 Km)*	*13,000*	***Locomotives***	*1,000*
Employees	*8,993*	***Railcars***	*28,000*
Business Units	*Agricultural Commodities* *Industrial Products*		
Ports	*Santos (SP)* *Paranaguá (PR)*	*Rio Grande (RS)* *São Francisco (SC)*	
Concessions	*ALL Malha Norte (MS/MT) – 2079* *ALL Malha Oeste (MS) – 2026*	*ALL Malha Sul (SP/PR/SC/RS) – 2027* *ALL Malha Paulista (SP) – 2028*	

DISCUSSION ON ALL RAIL OPERATIONS RESULTS

Table 11 - ALL Rail Operations (R$ million)	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Volume (million RTK)	12,526	12,003	4.4%	33,936	33,192	2.2%
Net Revenues	860.9	800.1	7.6%	2,594.6	2,413.9	7.5%
Net Yield (R$/'000 RTK)	68.7	66.7	3.1%	76.5	72.7	5.1%
EBITDA	483.2	480.4	0.6%	1,469.4	1,423.0	3.3%
EBITDA Margin	56.1%	60.0%	-3.9%	56.6%	59.0%	-2.3%

** For EBITDA Margin indicates percentage points gained / lost*

We started 3Q14 with a better operational situation at the Port of Santos when compared to 3Q13 – when two accidents at the main grain terminals in June 2013 impacted our rail unloading capacity at the port for some months. In spite of that, we faced a very tough demand scenario in 3Q14, impacting our transported volumes and yields throughout our rail network.

Market conditions, especially in the agricultural segment, were impacted by a very good scenario of corn production in United States, which reduced materially international prices of this commodity and Brazilian grain exports. In spite of a double-digit reduction in grain exports in Brazil, ALL agricultural commodities volumes grew 5.2% in 3Q14, mainly driven by (i) market share gains in corn transportation, (ii) the Government export incentive (PEPRO actions) –, which encouraged the flow from part of the commodity crop, (iii) an increase of soybean meal volumes, as there were high inventory levels of soy to be crushed from 1H14 and (iv) a full quarter contribution of Rondonópolis terminal, which started operations in August of 2013, increasing our average of transport distance.

Industrial products volumes increased 1.8% in 3Q14 compared to 3Q13. The high corn crop in United States also impacted Brazilian exports of ethanol, influencing a small portion of our fuel products volumes. This impact was partially offset by another quarter of good performance of wood products and Brado´s volumes, which continue to present positive results in the quarter.

Net revenues grew 7.6% in 3Q14 compared to 3Q13, reaching R$860.9 million, mainly due to a 4.4% volume increase and 3.1% net yield growth in 3Q14 against 3Q13 – which increased below inflation. During the harvest season, the freight price is usually pushed up by the increase in transportation demand in all stages of agricultural logistic chain, as it happened in 3Q13. As demand dropped abruptly, the usual pressure on spot freight prices did not happen, leading to a decrease in spot market freight prices. Net revenues in 9M14 increased 7.5% year-over-year, to R$2,594.6 million.

Rail Operations EBITDA increased 0.6% in 3Q14 year-over-year, as a result of (i) the volume growth, (ii) an yield growth below current inflation (due to the drop of spot market freight prices), and (iii) the mix of transported cargo, of both agricultural and industrial cargo. In 9M14, Rail Operations EBITDA increased 3.3% year-over-year, reaching R$1,469.1 million.

GTK increased 9.9% year-over-year, as volumes increased in the quarter. Diesel Consumption improved in 3Q14, due to operational gains we had in the period.

Table 12 - Brazilian Operational Figures	3Q14	3Q13	Change	9M14	9M13	Change
GTK (billion)	21.2	19.3	9.9%	57.9	55.7	3.9%
Diesel Consumption (Litters/ '000 GTK)	5.1	5.3	-4.5%	5.2	5.3	-1.1%

Since August of 2013, we ramped-up operations in our terminal in Rondonópolis, which is operating regularly since 4Q13 and is able to load around 1 million tons per month. The project consists in a 260 km rail extension from Alto Araguaia (MT) to Rondonópolis (MT), and the construction of an Intermodal terminal in Rondonópolis. The new rail track goes further into the Brazilian agricultural frontier and is part of Brazil´s main agricultural corridor - from the State of Mato Grosso to Port of Santos. With the extension of our rail line, a major part of this volume is being loaded in Rondonópolis, increasing transported distance and RTK.

Agricultural Commodities

Along the quarter, agricultural commodities market conditions were impacted by a very good scenario of corn production in United States, which reduced materially international corn prices and Brazilian grain exports. With a solid supply of corn between the main producers and exporters of this commodity – United States and Brazil –, the competition environment increased in the quarter, shrinking transportation demand and spot freight prices. According to MDIC (Ministry of Development, Industry, and Foreign Trade) corn exports decreased 20.7% in Brazil and 18.5% at ports we serve.

In this market scenario, spot freight prices plunged abruptly, in approximately 25% in Wide Gauge corridor (from Mato Grosso to Santos) and more than 13% in some origins in Paraná corridor – which are the two main agricultural corridors that we operate –, when compared to 3Q13. However, since most of our volumes are take-or-pay contracts, we did not observe that drop in our rail consolidated yield.

In spite of a double-digit reduction in grain exports in Brazil, ALL agricultural commodities volumes grew 5.2% in 3Q14, mainly driven by (i) market share gains in corn transportation, (ii) Government export incentive (PEPRO actions), (iii) an increase of soybean meal volumes, as there were high inventory levels of soy to be crushed from 1H14 and (iv) a full quarter contribution of Rondonópolis terminal, which started operations in August of 2013, increasing our average of transport distance.

Table 13 - Agricultural Commodities Products (million RTK)	3Q14	3Q13	Change	9M14	9M13	Change
Soybean	1,084.9	1,319.7	-17.8%	11,038.5	10,200.9	8.2%
Soybean Meal	1,395.7	823.4	69.5%	3,875.6	2,789.7	38.9%
Fertilizers	401.8	428.5	-6.2%	1,007.3	1,307.4	-23.0%
Sugar	1,817.6	1,759.7	3.3%	4,168.9	3,749.7	11.2%
Corn	4,781.9	4,764.0	0.4%	5,421.2	7,049.6	-23.1%
Wheat	69.7	0.0	na	145.9	204.1	-28.5%
Rice	71.5	55.6	28.6%	179.8	203.9	-11.8%
Total	**9,623.0**	**9,150.8**	**5.2%**	**25,837.2**	**25,505.3**	**1.3%**

Agricultural commodities net revenues increased 7.9% in 3Q14, pushed by 2.6% increase in average yield.

EBITDA increased 1.9% in 3Q14, reaching R$397.0 million, driven by volume and yield growth. EBITDA Margin decreased 3.4 percentage points, mainly due to our mix of agricultural transported volumes.

Table 14 - Agricultural Commodities (R$ million)	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Volume (million RTK)	9,623	9,151	5.2%	25,837	25,505	1.3%
Net Revenues	678.9	629.1	7.9%	2,080.8	1,934.1	7.6%
Net Yield (R$/'000 RTK)	70.6	68.8	2.6%	80.5	75.8	6.2%
EBITDA	397.0	389.4	1.9%	1,223.3	1,181.2	3.6%
EBITDA Margin	58.5%	61.9%	-3.4%	58.8%	61.1%	-2.3%

** For EBITDA Margin indicates percentage points gained / lost*

Industrial Products

Industrial volumes increased 1.8% in 3Q14 against 3Q13, reaching 2,903 million RTK in the period. The growth was pushed by Intermodal Industrial Products, being partially offset by Pure Rail Products, which decreased volumes year-over-year. In the first nine months of 2014, industrial volumes increased 5.4% against the same period of 2013.

In Intermodal flows, volumes increased 9.5% in 3Q14 against 3Q13. This rise was supported by a 14.3% growth of woods products volumes and a 21.1% augment in containers transported volumes.

Table 15 - Intermodal Industrial Products (million RTK)	3Q14	3Q13	Change	9M14	9M13	Change
Steel and Mining Products	254.0	280.2	-9.3%	726.1	916.4	-20.8%
Wood Products	514.2	449.8	14.3%	1,427.1	1,015.0	40.6%
Food Products	9.8	19.7	-50.0%	31.7	66.1	-52.0%
Containers	568.8	469.5	21.1%	1,577.8	1,297.1	21.6%
Others	22.6	31.9	-29.1%	90.0	109.8	-18.0%
Total	**1,369.5**	**1,251.2**	**9.5%**	**3,852.8**	**3,404.4**	**13.2%**

The high corn crop in United States also impacted Brazilian exports of ethanol – as its production in United States comes from corn – as the high global supply of this product leaded to a more competitive scenario. According to MDIC (Ministry of Development, Industry, and Foreign Trade), ethanol exports decreased 74.6% in Brazil year-over-year, impacting a small portion of our fuel products volumes. Pure Rail volumes decreased 4.2% in 3Q14 against 3Q13.

Table 16 - Pure Rail Industrial Products (million RTK)	3Q14	3Q13	Change	9M14	9M13	Change
Fuel Products	1,299.0	1,351.8	-3.9%	3,528.4	3,591.5	-1.8%
Vegetal Oil	6.5	6.1	7.1%	17.2	19.1	-9.7%
Construction	227.7	243.3	-6.4%	700.8	672.0	4.3%
Total	**1,533.3**	**1,601.1**	**-4.2%**	**4,246.4**	**4,282.6**	**-0.8%**

EBITDA decreased 5.2% in 3Q14, to R$86.2 million. EBITDA Margin decreased 5.8 percentage points, mainly due to our mix of industrial transported volumes.

Table 17 - Industrial Products (R$ million)	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Volume (million RTK)	2,903	2,852	1.8%	8,099	7,687	5.4%
Net Revenues	182.0	170.9	6.5%	513.8	479.8	7.1%
Net Yield (R$/'000 RTK)	62.7	59.9	4.6%	63.4	62.4	1.6%
EBITDA	86.2	90.9	-5.2%	246.1	241.8	1.8%
EBITDA Margin	47.4%	53.2%	-5.8%	47.9%	50.4%	-2.5%

** For EBITDA Margin indicates percentage points gained / lost*

ALL RAIL OPERATIONS RESULTS

Table 18 - ALL Rail Operations (R$ million)	3Q14	3Q13	Change	9M14	9M13	Change
Net Revenues	**860.9**	**800.1**	**7.6%**	**2,594.6**	**2,413.9**	**7.5%**
COGS	**(489.4)**	**(401.4)**	**21.9%**	**(1,394.8)**	**(1,221.3)**	**14.2%**
Fuel	(172.9)	(152.7)	13.2%	(474.4)	(427.1)	11.1%
Outsourced and contracted fleet	(11.7)	(10.4)	12.4%	(45.1)	(36.3)	24.2%
Labor	(56.5)	(53.7)	5.2%	(178.6)	(180.9)	-1.3%
Maintenance	(22.4)	(19.1)	17.0%	(83.0)	(67.9)	22.2%
Depreciation and Amortization	(136.7)	(123.4)	10.8%	(392.3)	(358.2)	9.5%
Rolling stock rental	(41.6)	(30.5)	36.4%	(133.5)	(69.2)	93.0%
Other Costs	(47.6)	(11.6)	310.8%	(87.9)	(81.6)	7.7%
Operating income (expenses)	**(25.9)**	**(41.7)**	**-37.9%**	**(124.8)**	**(128.7)**	**-3.0%**
Equity Earnings (Loss)	**2.1**	**(8.6)**	**na**	**3.6**	**(88.9)**	**na**
Operating Profit	**347.8**	**348.5**	**-0.2%**	**1,078.6**	**975.0**	**10.6%**
Net Financial Expenses	(311.7)	(242.2)	28.7%	(947.4)	(726.2)	30.5%
IR/Minorities/Others	(7.3)	(4.5)	63.3%	(12.8)	(30.4)	-57.7%
Net Income from continued operations	**28.8**	**101.8**	**-71.7%**	**118.3**	**218.5**	**-45.9%**
Net Income from discontinued operations	(0.4)	(25.5)	-98.6%	(0.9)	(188.7)	-99.5%
Net Income	**28.4**	**76.3**	**-62.8%**	**117.4**	**29.8**	**294.2%**

Net Revenues from Services

Net revenues in ALL Rail Operations increased 7.6% in 3Q14, from R$800.1 million in 3Q13 to R$860.9 million. The growth was driven by the volume increase of 4.4% in the quarter and the yield augment in the quarter of 3.1% against 3Q13.

Cost of Sales

ALL Rail Operations costs of sales increased 21.9% in 3Q14, from R$401.4 million in 3Q13 to R$489.4 million. The growth was mainly pushed by the augment of (i) 36.4% in rolling stock rental, (ii) 10.8% in depreciation and amortization, due to investment increase since 3Q13 and (iii) 310.8% in other costs.

Operating Income (expenses)

ALL Rail Operations operating expenses improved from negative R$41.7 million in 3Q13 to negative R$25.9 million in 3Q14.

Equity Earnings (Loss)

Equity earnings improved from negative R$8.6 million in 3Q13 to R$2.1 million.

Financial Result

ALL Rail Operations net financial expenses grew 28.7%, to negative R$311.7 million in 3Q14. This growth was mainly driven by CDI (Interbank Deposit Certificate rate) augment, increase in average debt balance when compared to 3Q13 and by the increase in inflation since last year.

Net Income from continued operations

ALL Rail Operations net income from continued operations decreased 71.7% in 3Q14, reaching R$28.8 million. The result was impacted mainly by the increase in financial result in the quarter.

Net Income from discontinued operations

The net income from discontinued operations includes accumulated losses/profits in Argentine operation, and was negative R$0.4 million in 3Q14.

CAPEX

Brazil´s Rail Operations investments reached R$260.1 million in 3Q14. Rail operations capex will get over our original guidance of R$800 million for 2014, and should amount between R$900 million and R$950 million in the year, reflecting extraordinary investments in addition to our recurrent organic capex. The amount does not include the investments on the duplication of our rail track from Campinas to Port of Santos, which is part of the agreement set with Rumo in 2009.

Table 19 - Investments (R$ million)	3Q14	3Q13	Change	9M14	9M13	Change
Maintenance	98.6	89.9	9.7%	415.2	297.1	39.8%
Expansion	161.5	82.8	95.1%	394.9	263.7	49.7%
Total	**260.1**	**172.7**	**50.6%**	**810.1**	**560.8**	**44.5%**

Cash Flow

Table 20 - ALL Rail Op. Cash Flow (R$ million)	9M14	9M13	Change
Net Income (in cash basis)	**644.9**	**809.6**	**(164.7)**
Net Income *	117.7	313.6	(195.9)
Depreciation and amortization	396.1	448.0	(51.9)
Stock Options	(0.5)	6.5	(7.0)
Interest Expenses (IS-CASH)	198.8	58.3	140.5
Deferred Taxes	(67.2)	(16.8)	(50.4)
Working Capital	**168.1**	**(229.6)**	**397.7**
Clients	(106.0)	(25.8)	(80.2)
Inventory	60.8	(101.0)	161.8
Suppliers	238.3	(109.6)	348.0
Labor	(25.0)	6.8	(31.8)
Other Accounts Variation	**0.8**	**(161.4)**	**162.3**
Operating Activities	**813.8**	**418.6**	**395.3**
Capex	(810.1)	(560.8)	(249.3)
Capex Related Inventory	(132.7)	(8.2)	(124.4)
Investing Activities	**(942.8)**	**(569.0)**	**(373.8)**
Capital increase / Share buyback	0.0	(41.4)	41.4
Dividends and Interest on own capital	(2.3)	(58.7)	56.4
New loans	474.2	850.5	(376.2)
Debt Payments / Prepayments	(1,149.2)	(1,205.2)	56.0
Argentina Financing Activities	0.0	37.2	(37.2)
Financing Activities	**(677.3)**	**(417.6)**	**(259.7)**
Change in Cash	**(806.3)**	**(568.1)**	**(238.2)**
Opening Balance of Cash	**2,507.6**	**2,499.4**	**8.1**
Closing Balance of Cash	**1,701.3**	**1,931.4**	**(230.1)**

** Refers to ALL's stake, after minorities and excludes the effects of Argentina´s write-off and*

ALL RAIL OPERATIONS ATTACHMENTS

Table 21 - ALL Rail Operations Balance Sheet (R$ million)	3Q14	2Q14		3Q14	2Q14
Current Assets	**3,040.6**	**3,463.1**	**Current Liabilities**	**3,464.2**	**3,186.8**
Cash, banks and financial investments	1,701.3	1,949.9	Loans and financing/Debentures	1,679.7	1,308.1
Trade accounts receivable	392.0	445.6	Suppliers	901.0	868.5
Inventories	107.9	251.8	Taxes, charges and contributions	62.8	66.7
Taxes Recoverable	603.1	575.5	Lease and concession payable	18.4	18.6
Other receivables	236.3	240.3	Dividends and Interest on own capital	5.6	6.1
			Salaries and payroll charges	72.0	80.7
			Commercial Leasings	391.0	506.7
Long-Term Assets	**1,740.5**	**1,755.2**	Other payables	333.5	331.4
Lease of Concession Agreements	71.3	72.9			
Judicial deposits	339.7	322.3	**Long-Term Liabilities**	**10,442.0**	**10,899.2**
Taxes recoverable	1,200.2	1,222.4	Loans and financing/Debentures	4,769.3	5,279.4
Other receivable	129.2	137.5	Provision for contigencies	181.5	177.4
			Lease and concession payable	1,824.8	1,763.1
			Commercial Leasings	1,355.2	1,278.3
Permanent Assets	**13,189.8**	**12,976.0**	Real estate credit advances	235.2	241.7
Investments	1,894.2	1,970.2	Other payables	2,076.1	2,159.2
Intangible	2,327.4	2,339.1			
Property, plant and equipment	8,968.2	8,666.7	**Shareholders' equity**	**4,064.7**	**4,108.3**
Total Assets	**17,970.8**	**18,194.3**	**Total Liab. and shareholders' equity**	**17,970.8**	**18,194.3**

Table 22 - Balance Sheet Indicators (R$ million)	3Q14	2Q14	% Change
Cash, Banks and Financial Investments	1,701.3	1,949.9	-12.7%
Trade Accounts Receivable	392.0	445.6	-12.0%
Property, Plant and Equipment	8,968.2	8,666.7	3.5%
Total Assets	17,970.8	18,194.3	-1.2%
Suppliers	901.0	868.5	3.7%
Loans, Financing and Debentures	6,449.0	6,587.5	-2.1%
Shareholders' Equity	4,064.7	4,108.3	-1.1%
Net Debt	4,747.7	4,637.7	2.4%
EBITDA (Trailing 12 Months)	1,796.4	1,793.6	0.2%
Net Debt/EBITDA (Trailing 12 Months)	2.6	2.6	2.2%
Net Debt/Equity	1.2	1.1	3.5%

BRADO LOGÍSTICA – BUSINESS DESCRIPTION

Brado Logística is a company created by ALL in association with Standard Logística and FI-FGTS which is developing the intermodal logistic of containers, focusing on rail transportation, storage, operation of terminals and retro areas of ports, handling and other logistics services. The container segment is fragmented and requires customized services. Brado provides the service level required by the retail market and intends to change the container logistics in Brazil, consolidating the cargo in intermodal terminals and shipping by railroad, in a very cost effective model. ALL owns a stake of 62.2% in Brado Logística.

The most correct way to look into Brado's business is breaking its operations between the four regions the company serves, represented by its corridors: (i) Wide Gauge corridor, linking the regions of Mato Grosso and São Paulo to Port of Santos, (ii) Mercosur corridor, connecting Brazil and Argentina, through the intermodal terminal in Uruguaiana-RS, (iii) Paraná corridor, connecting the countryside to Port of Paranaguá and São Francisco, and (iv) Rio Grande corridor, linking the producing regions in the state of Rio Grande do Sul to Port of Rio Grande.

Currently, Brado's share in container market is about 2%, considering only ALL´s covered area. The company intends to invest R$1 billion over the first five years of operation to reach a total market share of approximately 12%, in a market of 2.6 million containers. CAPEX will be 100% funded by equity and debt in Brado´s balance sheet, with no cash being provided by the existing ALL Rail operations.

Brado Logística Technical Sheet			
Intermodal Terminals and Logistic Complex	*Uruguaiana (RS) Cruz Alta (RS) Esteio (RS) Porto Alegre (RS) Colombo (PR) Itajaí (SC)*	*Cambé (PR) Cascavel (PR) Guarapuava (PR) Araucária (PR) Cubatão (SP) Campinas (SP)*	*Ponta Grossa (PR) Tatuí (SP) Araraquara (SP) Bauru (SP) Rondonópolis (MT)*
Locomotives	*33*		
Railcars	*2,425*		
Employees	*1,400*		
Corridors	***Wide Gauge**– Mato Grosso and São Paulo to Port of Santos **Paraná**–Countryside of Paraná to Port of Paranaguá and São Francisco **Rio Grande**– Country side of Rio Grande do Sul to Port of Rio Grande **Mercosur**– Connection between Brazil and Argentina*		
Attended Ports	*Santos (SP) Paranaguá (PR) São Francisco do Sul (SC) Rio Grande (RS)*		

DISCUSSION ON BRADO LOGÍSTICA RESULTS

Table 23 - Volume (Thousand Containers)	3Q14	3Q13	Change	9M14	9M13	Change
Wide Gauge	7.0	4.8	44.8%	18.6	14.2	31.0%
Mercosur	2.2	3.0	-26.5%	7.1	8.3	-14.0%
Paraná	8.4	5.6	50.3%	21.1	15.1	39.8%
Rio Grande	3.1	3.2	-3.5%	8.8	10.0	-11.5%
Total	**20.7**	**16.6**	**24.5%**	**55.6**	**47.5**	**17.0%**

Brado Logística presented another positive quarter, continuing its operational ramp-up and increasing volumes in 24.5% in 3Q14 year-over-year. The volume growth was driven by Paraná and Wide Gauge corridors, in which it were added locomotives and railcars and where the major part of Brado´s investments for 2014 is concentrated. In 9M14, volumes increased 17.0% against 9M13, reaching 55.6 thousand containers.

Paraná corridor had its best quarter in terms of volumes, as it increased 50.3% year-over-year, mainly pushed by a new cargo of wood products, which were loaded before by road operations, and a good performance of refrigerated products. Wide Gauge corridor continued to present positive results, with a 44.8% growth of volumes against 3Q13, driven by the increase in sugar cargo from Araraquara and Campinas and pulp and paper transported volumes.

In Rio Grande corridor, volumes decreased 3.5% in 3Q14 against the same period of last year, being still impacted by the end of a polyethylene operation during 3Q13 and the damages caused by the excessive rainfalls in June 2014, which continued to impact through 3Q14. In Mercosur corridor – that connects Brazil and Argentina – volumes dropped 26.5%, mostly impacted by operations in the Argentine rail network.

In terms of RTK, Brado´s volumes grew 21.1% in 3Q14, from 469,5 million RTK in 3Q13 to 568,8 million RTK. This growth was a result of the (i) increase in the number of containers handled and (ii) improvement in average transportation distance, mainly pushed by the boost of operations in Rondonópolis terminal in Wide Gauge corridor.

Brado´s EBITDA increased 23.5% in 3Q14, comparing to 3Q13, reaching R$19.4 million, and 33.4% in 9M14 against 9M13, achieving R$49.5 million. This significant growth was driven by (i) the increase in RTK and (ii) expansions in Brado´s logistic complexes in Cambé (PR) and Cubatão (SP).

Table 24 - Brado Logística	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Volume (Containers)	20.7	16.6	24.5%	55.6	47.5	17.0%
Net Revenues	74.5	70.9	5.1%	214.9	204.5	5.0%
Net Yield (Thousand R$/Container)	3.6	4.3	-15.6%	3.9	4.3	-10.2%
EBITDA	19.4	15.7	23.5%	49.5	37.1	33.4%
EBITDA Margin	26.1%	22.2%	3.9%	23.0%	18.1%	4.9%

** For EBITDA Margin indicates percentage points gained / lost*

BRADO LOGÍSTICA RESULTS

Table 25 - Brado Logística (R$ million)	3Q14	3Q13	Change	9M14	9M13	Change
Net Revenues	**74.5**	**70.9**	**5.1%**	**214.9**	**204.5**	**5.0%**
COGS	**(54.7)**	**(55.5)**	**-1.3%**	**(161.2)**	**(161.3)**	**0.0%**
Third-Party Terminals	(2.0)	(1.1)	83.0%	(5.1)	(3.3)	55.6%
Drayage Services/Distribution	(10.9)	(13.2)	-16.9%	(31.6)	(40.1)	-21.2%
Labor	(14.7)	(14.2)	3.1%	(44.0)	(40.2)	9.3%
Depreciation and Amortization	(5.2)	(4.4)	19.1%	(16.3)	(12.8)	26.9%
Rail and Other Logistic Costs	(21.8)	(22.6)	-3.2%	(64.3)	(64.9)	-0.9%
Operating income (expenses)	**(6.2)**	**(4.7)**	**32.3%**	**(22.3)**	**(20.4)**	**9.5%**
Equity Earnings (Loss)	**0.0**	**0.0**	**na**	**0.0**	**0.0**	**na**
Operating Profit	**13.6**	**10.8**	**26.3%**	**31.4**	**22.9**	**36.9%**
Net Financial Expenses	7.6	0.9	726.9%	20.3	(4.7)	na
IR/Minorities/Others	(12.0)	(4.8)	146.7%	(29.6)	(7.9)	273.1%
Net Income*	**9.3**	**6.8**	**35.6%**	**22.1**	**10.2**	**115.5%**

** Refers to ALL's stake, after minorities*

Net revenues from Services

Brado Logística net revenues increased 5.1% in 3Q14 year-over-year, from R$70.9 million in 3Q13 to R$74.5 million, pushed by the volume increase and was partially offset by a decrease in net yield in the same period.

Cost of Sales

Brado Logística costs of sales improved 1.3% in 3Q14, from R$55.5 million in 3Q13 to R$54.7 million. The decrease was mainly driven by a drop of 16.9% in Drayage Services / Distribution, being partially offset by a growth of 83.0% in third-party terminals, mainly due the increase of Brado's volumes in Wide Gauge, which started to be unloaded in a very productive third-party terminal in Cubatão (SP).

Operating income (expenses)

Brado Logística Operating income (expenses) increased to negative R$6.2 million in 3Q14.

Financial Result

Brado Logística financial result grew from R$0.9 million in 3Q13 to R$ 7.6 million in 3Q14. This improvement was mainly driven by the increase in Brado´s financial revenues, as a result of the cash inflow from the capitalization of R$400 million in 3Q13.

Net Income

Brado Logística net income after minorities increased in the quarter, from R$6.8 million in 3Q13 to R$9.3 million in 3Q14.

CAPEX

Brado Logística investments were R$49.0 million in 3Q14. The company is prepared to carry on its investments plan, accelerating its capacity and increasing its volumes.

Table 26 - Investments (R$ million)	3Q14	3Q13	Change	9M14	9M13	Change
Terminals/Infrastructure	13.0	4.1	214.9%	35.8	32.9	9.1%
Rolling Stock	36.1	27.4	31.5%	68.4	89.2	-23.3%
Total	**49.0**	**31.5**	**55.4%**	**104.3**	**122.1**	**-14.6%**

Cash Flow

Table 27 - Brado Logística Cash Flow (R$ million)	9M14	9M13	Change
Net Income (in cash basis)	**41.6**	**26.3**	**15.3**
Net Income *	22.1	10.2	11.8
Depreciation and amortization	18.0	14.2	3.9
Stock Options	0.0	0.0	0.0
Interest Expenses (IS-CASH)	1.6	1.9	(0.4)
Deferred Taxes	0.0	0.0	0.0
Working Capital	**(7.8)**	**28.2**	**(35.9)**
Clients	(13.1)	(8.9)	(4.2)
Inventory	(0.1)	(0.0)	(0.0)
Suppliers	4.5	33.7	(29.2)
Labor	0.9	3.4	(2.5)
Other Accounts Variation	**5.2**	**(17.5)**	**22.7**
Operating Activities	**39.0**	**37.0**	**2.1**
Capex	(104.3)	(122.1)	17.8
Investing Activities	**(104.3)**	**(122.1)**	**17.8**
Capital increase / Share buyback	0.0	394.9	(394.9)
Dividends and Interest on own capital	(3.0)	0.4	(3.4)
New loans	86.0	102.6	(16.6)
Debt Payments / Prepayments	(10.0)	(46.8)	36.7
Financing Activities	**73.0**	**451.1**	**(378.1)**
Change in Cash	**7.7**	**366.0**	**(358.2)**
Opening Balance of Cash	**380.7**	**4.8**	**375.8**
Closing Balance of Cash	**388.4**	**370.8**	**17.6**

** Refers to ALL's stake, after minorities*

BRADO LOGÍSTICA ATTACHMENTS

Table 28 - Brado Logística Balance Sheet (R$ million)	3Q14	2Q14		3Q14	2Q14
Current Assets	**466.8**	**460.0**	**Current Liabilities**	**106.6**	**88.7**
Cash, banks and financial investments	388.4	390.3	Loans and financing	36.9	30.4
Trade accounts receivable	51.4	44.9	Suppliers	40.2	36.1
Inventories	0.2	0.3	Taxes, charges and contributions	11.9	10.5
Taxes Recoverable	17.6	20.2	Salaries and payroll charges	11.6	10.9
Other receivables	9.3	4.3	Commercial Leasings	1.0	1.2
			Other payables	4.9	(0.4)
Long-Term Assets	**7.5**	**6.8**			
Judicial deposits	5.8	5.4	**Long-Term Liabilities**	**248.9**	**222.7**
Taxes recoverable	0.0	0.0	Loans and financing	224.0	199.2
Other receivable	1.7	1.5	Provision for contigencies	6.6	6.0
			Commercial Leasings	3.3	3.2
Permanent Assets	**450.6**	**399.1**	Other payables	15.0	14.3
Intangible	58.7	51.7			
Property, plant and equipment	391.8	347.4	**Shareholders' equity**	**569.4**	**554.5**
Total Assets	**924.9**	**865.9**	**Total Liab. and shareholders' equity**	**924.9**	**865.9**

Table 29 - Balance Sheet Indicators (R$ million)	3Q14	2Q14	% Change
Cash, Banks and Financial Investments	388.4	390.3	-0.5%
Trade Accounts Receivable	51.4	44.9	14.4%
Property, Plant and Equipment	391.8	347.4	12.8%
Total Assets	924.9	865.9	6.8%
Suppliers	40.2	36.1	11.4%
Loans, Financing and Debentures	260.9	229.6	13.6%
Shareholders' Equity	569.4	554.5	2.7%
Net Debt	-127.5	-160.7	-20.6%
EBITDA (Trailing 12 Months)	67.4	63.7	5.8%
Net Debt/EBITDA (Trailing 12 Months)	-1.9	-2.5	-25.0%
Net Debt/Equity	-0.2	-0.3	-22.7%

RITMO LOGÍSTICA – BUSINESS DESCRIPTION

Ritmo Logística is a trucking based logistic company created by the merger of ALL Highway Services Business Unit and Ouro Verde highway operations. The company provides a variety of logistics solutions for several industrial segments in Brazil and Argentina, through its Dedicated Operations business unit. The Intermodal Highway Services provides solutions to clients with volumes having its origin or destination in ALL's railway. ALL owns a stake of 65% in Ritmo Logística.

In Dedicated Business Unit, the company provides customized services in (i) Automotive segment, mainly transporting auto parts between the clients' production units, (ii) General Cargo segment, dealing with segments as pulp and paper, chemicals and consumer goods, and (iii) Specialized Assets, which provides special logistics solutions in segments such as industrial gases, beverage (high maltose) and industrial glasses.

Furthermore, Ritmo is well positioned to develop the Intermodal Highway Services, an unexplored market of more than 40 million tons that has its origin or destination in ALL's railway, with a low-capital-intensive model through the use of third party and outsourced fleet.

Ritmo Logística Technical Sheet	
Employees	*551*
Business Units/	***Automotive*** *– Auto parts transportation* ***Specialized Assets*** *– High maltose, industrial gases and glasses* ***General Cargo*** *– Pulp and paper, Consumer goods* ***Intermodal*** *– Drayage services*
Trucks	*158*
Trailer	*437*

DISCUSSION ON RITMO LOGÍSTICA RESULTS

Ritmo Logística had another tough quarter, as volumes dropped 32.1% in 3Q14 year-over-year, driven by both Dedicated Solutions and Intermodal Business Units.

Table 30 - Volume (million Driven KM)	3Q14	3Q13	Change	9M14	9M13	Change
Dedicated Operations	**10.2**	**13.4**	**-23.9%**	**31.2**	**40.2**	**-22.3%**
Automotive	0.8	1.4	-42.3%	2.2	4.0	-44.2%
General Cargo	3.6	5.7	-37.7%	11.5	16.7	-31.3%
Specialized Assets	5.9	6.3	-7.6%	17.5	19.5	-10.2%
Intermodal	**4.5**	**8.3**	**-45.3%**	**12.0**	**20.0**	**-40.1%**
Total	**14.8**	**21.7**	**-32.1%**	**43.2**	**60.2**	**-28.2%**

Dedicated Solutions volumes dropped 23.9% in 3Q14 against 3Q13, as a result of (i) the reduction in the Automotive segment volumes, due to the lower economic activity in this sector and customs restrictions in Argentina, (ii) drop in General Cargo volumes, driven by the discontinuation of low profitability operations in this segment and also a lower demand of an important client, and (iii) decrease in Specialized Assets volumes, driven by the discontinuation of a chemical volume during 3Q13, which still impacted partially volumes in 3Q14.

Intermodal Business Unit volumes decreased 45.3% in 3Q14 year-over-year, mainly affected by the (i) shortage in agricultural commodities transportation demand, shrinking margins due to the drop in spot market freight prices in the period, and (ii) volume losses related to the redesign of an important client logistics in 4Q13, as he started to operate with his own trucks.

Table 31 - Ritmo Logística	3Q14	3Q13	% Change*	9M14	9M13	% Change*
Volume (million Driven KM)	14.8	21.7	-32.1%	43.2	60.2	-28.2%
Net Revenues	56.7	72.1	-21.3%	165.2	197.1	-16.2%
Net Yield (R$/Driven KM)	3.8	3.3	15.9%	3.8	3.3	16.8%
EBITDA	5.3	7.4	-28.6%	13.3	20.5	-35.3%
EBITDA Margin	9.3%	10.3%	-1.0%	8.0%	10.4%	-2.4%

** For EBITDA Margin indicates percentage points gained / lost*

Ritmo's EBITDA decreased 28.6% in the quarter, to R$5.3 million, as transported volumes decreased in 3Q14 and the company lost operational leverage over its fixed costs.

RITMO LOGÍSTICA RESULTS

Table 32 - Ritmo Logística (R$ million)	3Q14	3Q13	Change	9M14	9M13	Change
Net Revenues	**56.7**	**72.1**	**-21.3%**	**165.2**	**197.1**	**-16.2%**
COGS	**(53.6)**	**(66.1)**	**-18.8%**	**(156.4)**	**(179.3)**	**-12.8%**
Third-Party and Outsourced Fleet	(33.0)	(45.5)	-27.5%	(94.3)	(120.3)	-21.7%
Labor	(8.2)	(7.6)	8.7%	(19.8)	(22.2)	-10.7%
Fuel	(3.0)	(3.0)	0.2%	(9.4)	(8.9)	5.8%
Maintenance	(2.9)	(3.3)	-10.5%	(8.6)	(8.8)	-2.9%
Depreciation and Amortization	(4.5)	(2.3)	93.4%	(11.2)	(6.6)	71.3%
Others	(2.1)	(4.5)	-53.7%	(13.1)	(12.6)	4.3%
Operating income (expenses)	**(2.2)**	**(1.2)**	**90.5%**	**(6.8)**	**(4.4)**	**52.7%**
Equity Earnings (Loss)	**0.0**	**0.0**	**na**	**0.0**	**0.0**	**na**
Operating Profit	**0.8**	**4.8**	**-82.5%**	**2.0**	**13.4**	**-84.9%**
Net Financial Expenses	(1.1)	(1.5)	-26.4%	(3.5)	(4.1)	-13.4%
IR/Minorities/Others	0.1	(2.0)	na	0.8	(5.3)	na
Net Income*	**(0.1)**	**1.3**	**na**	**(0.6)**	**4.0**	**na**

** Refers to ALL's stake, after minorities*

Net revenues from Services

Ritmo Logística net revenues decreased in 3Q14, from R$72.1 million in 3Q13 to R$56.7 million, mainly driven by the volume decrease and partially offset by a yield growth.

Cost of Sales

Total cost of sales of Ritmo improved 18.8% in the quarter, from R$66.1 million in 3Q13 to R$53.6 million. This drop was pushed by the decrease of 27.5% in third-party and outsourced fleet, as we decreased our volume in the quarter.

Operating income (expenses)

Ritmo Logística Operating income (expenses) increased from negative R$1.2 million to negative R$2.2 million in 3Q14.

Financial Result

Ritmo Logística financial result improved from a loss of R$1.5 million in 3Q13 to a loss of R$1.1 million in 3Q14.

Net Income

Net income decreased to negative R$0.1 million in 3Q14, mainly driven by the reduction of transported volumes.

CAPEX

In 9M14, Ritmo´s investments totalized R$6.2 million in the period.

Table 33 - Investments (R$ million)	3Q14	3Q13	Change	9M14	9M13	Change
Rolling Stock	(1.1)	6.2	na	6.2	7.2	-13.8%
Terminals/Infrastructure	0.0	0.0	na	0.0	0.0	na
Total	**(1.1)**	**6.2**	**na**	**6.2**	**7.2**	**-13.8%**

Cash Flow

Table 34 - Ritmo Logística Cash Flow (R$ million)	9M14	9M13	Change
Net Income (in cash basis)	**8.7**	**12.3**	**(3.6)**
Net Income *	(1.0)	4.0	(5.0)
Depreciation and amortization	9.7	7.1	2.6
Stock Options	0.0	0.0	0.0
Interest Expenses (IS-CASH)	0.0	1.2	(1.2)
Deferred Taxes	0.0	0.0	0.0
Working Capital	**8.1**	**(2.2)**	10.3
Clients	11.7	2.0	9.7
Inventory	(0.0)	(0.3)	0.3
Suppliers	(4.3)	(5.9)	1.6
Labor	0.8	2.1	(1.3)
Other Accounts Variation	**0.2**	**7.7**	**(7.5)**
Operating Activities	**17.0**	**17.8**	**(0.8)**
Capex	(6.2)	(7.2)	1.0
Investing Activities	**(6.2)**	**(7.2)**	**1.0**
Free Cash Flow	**10.8**	**10.6**	**0.2**
Capital increase / Share buyback	0.0	0.0	0.0
Dividends and Interest on own capital	(1.5)	(0.9)	(0.6)
New loans	(0.3)	6.7	(7.0)
Debt Payments / Prepayments	(1.0)	(1.6)	0.5
Financing Activities	**(2.8)**	**4.3**	**(7.1)**
Change in Cash	**8.0**	**14.9**	**(6.9)**
Opening Balance of Cash	**29.4**	**4.1**	**25.3**
Closing Balance of Cash	**37.4**	**19.0**	**18.4**

** Refers to ALL's stake, after minorities*

RITMO LOGÍSTICA ATTACHMENTS

Table 35 - Ritmo Logística Balance Sheet (R$ million)	3Q14	2Q14		3Q14	2Q14
Current Assets	**81.4**	**79.4**	**Current Liabilities**	**16.4**	**16.0**
Cash, banks and financial investments	37.4	32.7	Loans and financing	7.2	7.9
Trade accounts receivable	38.1	40.4	Suppliers	2.6	3.3
Inventories	0.1	0.2	Salaries and payroll charges	6.3	4.6
Taxes Recoverable	5.1	5.0	Other payables	0.3	0.2
Other receivables	0.7	1.1			
Long-Term Assets	**2.1**	**1.3**	**Long-Term Liabilities**	**31.0**	**32.4**
			Other payables	31.0	32.4
Permanent Assets	**57.5**	**61.4**			
Property, plant and equipment	57.5	61.4	**Shareholders' equity**	**93.6**	**93.8**
Total Assets	**140.9**	**142.1**	**Total Liab. and shareholders' equity**	**140.9**	**142.1**

Table 36 - Balance Sheet Indicators (R$ million)	3Q14	2Q14	% Change
Cash, Banks and Financial Investments	37,4	32,7	14,4%
Trade Accounts Receivable	38,1	40,4	-5,6%
Property, Plant and Equipment	57,5	61,4	-6,3%
Total Assets	140,9	142,1	-0,8%
Suppliers	2,6	3,3	-21,5%
Loans, Financing and Debentures	35,3	37,4	-5,7%
Shareholders' Equity	93,6	93,8	-0,2%
Net Debt	-2,1	4,7	na
EBITDA (Trailing 12 Months)	17,8	20,0	-10,7%
Net Debt/EBITDA (Trailing 12 Months)	-0,1	0,2	na
Net Debt/Equity	0,0	0,1	na

EVENTS TO DISCUSS 3Q14 AND 9M14 RESULTS

3Q14 and 9M14 Results Conference Calls:

|ENGLISH|
November 5th, 2014 – Wednesday
8:30 a.m. US ET (11:30 a.m. Brazil)
Phone: +1 (646)843-6054
Code: ALL

Replay: +55 (11) 2188-0155
Code: ALL

|PORTUGUESE|
November 5th, 2014 – Wednesday
7:00 a.m. US ET (10:00 a.m. Brazil)
Phone: +55 (11) 2188-0155
Code: ALL

Replay: +55 (11) 2188-0155
Code: ALL

3Q14 and 9M14 Results Investors Meeting:

November 7, 2014 – Friday
5:30 a.m. US ET
8:30 a.m. Brazil time

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Table 37 - Financial Results	ALL Rail Operations			Brado			Ritmo			ALL Consolidated		
(R$ million)	3Q14	3Q13	% Change	3Q14	3Q13	% Change	3Q14	3Q13	% Change	3Q14	3Q13	% Change
Net revenues	**860.9**	**800.1**	**7.6%**	**74.5**	**70.9**	**5.1%**	**56.7**	**72.1**	**-21.3%**	**992.2**	**943.1**	**5.2%**
Cost of sales	**(489.4)**	**(401.4)**	**21.9%**	**(54.7)**	**(55.5)**	**-1.4%**	**(53.6)**	**(66.1)**	**-18.8%**	**(597.8)**	**(522.9)**	**14.3%**
Gross profit	**371.5**	**398.7**	**-6.8%**	**19.8**	**15.4**	**28.1%**	**3.1**	**6.0**	**-48.6%**	**394.4**	**420.1**	**-6.1%**
Operating income (expenses)	(25.9)	(41.7)	-37.9%	(6.2)	(4.7)	32.3%	(2.2)	(1.2)	90.5%	(34.3)	(47.5)	-27.8%
Equity earnings and gain (loss) on investments	**2.1**	**(8.6)**	**na**	**0.0**	**0.0**	**na**	**0.0**	**0.0**	**na**	**2.1**	**(8.6)**	**na**
Operating profit (loss) before net financial	**347.8**	**348.5**	**-0.2%**	**13.6**	**10.8**	**26.3%**	**0.8**	**4.8**	**-82.5%**	**362.2**	**364.0**	**-0.5%**
Net financial expenses	(311.7)	(242.2)	28.7%	7.6	0.9	726.9%	(1.1)	(1.5)	-26.4%	(305.1)	(242.7)	25.7%
Operating profit (loss)	**36.1**	**106.3**	**-66.0%**	**21.2**	**11.7**	**81.6%**	**(0.3)**	**3.3**	**na**	**57.1**	**121.3**	**-52.9%**
Minority Stakes/Others	(1.9)	(0.5)	1496.5%	(5.6)	(4.1)	36.0%	0.1	(0.7)	na	(7.4)	(5.3)	**40.1%**
Income tax benefit (expense)	(5.5)	(4.0)	36.0%	(6.3)	(0.7)	797.7%	0.1	(1.4)	na	(11.7)	(6.1)	92.6%
Net Income from continued operations *	**28.8**	**101.8**	**-71.7%**	**9.3**	**6.8**	**35.6%**	**(0.1)**	**1.3**	**na**	**37.9**	**109.9**	**-65.5%**
Net Income from discontinued operations	(0.4)	(25.5)	-98.6%	0.0	0.0	na	0.0	0.0	na	(0.4)	(25.5)	-98.6%
Net Income	**28.4**	**76.3**	**-62.8%**	**9.3**	**6.8**	**35.6%**	**(0.1)**	**1.3**	**na**	**37.6**	**84.4**	**-55.5%**

** Refers to ALL's stake, after minorities*

Table 38 - Financial Results	ALL Rail Operations			Brado			Ritmo			ALL Consolidated		
(R$ million)	9M14	9M13	% Change	9M14	9M13	% Change	9M14	9M13	% Change	9M14	9M13	% Change
Net revenues	**2,594.6**	**2,413.9**	**7.5%**	**214.9**	**204.5**	**5.0%**	**165.2**	**197.1**	**-16.2%**	**2,974.7**	**2,815.5**	**5.7%**
Cost of sales	**(1,394.8)**	**(1,221.3)**	**14.2%**	**(161.2)**	**(161.3)**	**0.0%**	**(156.4)**	**(179.3)**	**-12.8%**	**(1,712.4)**	**(1,561.8)**	**9.6%**
Gross profit	**1,199.8**	**1,192.6**	**0.6%**	**53.7**	**43.3**	**24.0%**	**8.8**	**17.8**	**-50.6%**	**1,262.3**	**1,253.7**	**0.7%**
Operating income (expenses)	(124.8)	(128.7)	-3.0%	(22.3)	(20.4)	9.5%	(6.8)	(4.4)	52.7%	(153.9)	(153.5)	0.3%
Equity earnings and gain (loss) on investments	**3.6**	**(88.9)**	**na**	**0.0**	**0.0**	**na**	**0.0**	**0.0**	**na**	**3.6**	**(88.9)**	**na**
Operating profit (loss) before net financial	**1,078.6**	**975.0**	**10.6%**	**31.4**	**22.9**	**36.9%**	**2.0**	**13.4**	**-84.9%**	**1,112.0**	**1,011.3**	**10.0%**
Net financial expenses	(947.4)	(726.2)	30.5%	20.3	(4.7)	na	(3.5)	(4.1)	-13.4%	(930.7)	(735.0)	26.6%
Operating profit (loss)	**131.1**	**248.8**	**-47.3%**	**51.6**	**18.2**	**184.3%**	**(1.5)**	**9.3**	**na**	**181.3**	**276.3**	**-34.4%**
Minority Stakes/Others	(4.2)	(2.5)	67.1%	(13.4)	(5.0)	168.4%	0.3	(2.2)	na	(17.3)	(9.7)	78.6%
Income tax benefit (expense)	(8.6)	(27.8)	-69.1%	(16.2)	(2.9)	450.7%	0.5	(3.2)	na	(24.3)	(33.9)	-28.4%
Net Income from continued operations *	**118.3**	**218.5**	**-45.9%**	**22.1**	**10.2**	**115.5%**	**(0.6)**	**4.0**	**na**	**139.7**	**232.7**	**-40.0%**
Net Income from discontinued operations	(0.9)	(188.7)	-99.5%	0.0	0.0	na	0.0	0.0	na	(0.9)	(188.7)	-99.5%
Net Income	**117.4**	**29.8**	**294.2%**	**22.1**	**10.2**	**115.5%**	**(0.6)**	**4.0**	**na**	**138.8**	**44.0**	**215.4%**

** Refers to ALL's stake, after minorities*

Table 39 - Financial Results per Business unit (R$ million)	Agricultural Commodities		Industrial Products		ALL Rail Operations		Brado		Ritmo		ALL Consolidated	
	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13
Net revenues	678.9	629.1	182.0	170.9	860.9	800.1	74.5	70.9	56.7	72.1	992.2	943.1
Cost of Sales	(365.5)	(281.8)	(123.9)	(119.6)	(489.4)	(401.4)	(54.7)	(55.5)	(53.6)	(66.1)	(597.8)	(522.9)
Gross Profit	313.4	347.3	58.1	51.3	371.5	398.7	19.8	15.4	3.1	6.0	394.4	420.1
EBITDA	**397.0**	**389.4**	**86.2**	**90.9**	**483.2**	**480.4**	**19.4**	**15.7**	**5.3**	**7.4**	**508.0**	**503.6**
% Net Revenues												
Net revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales	-53.8%	-44.8%	-68.1%	-70.0%	-56.8%	-50.2%	-73.5%	-78.2%	-94.6%	-91.7%	-60.2%	-55.4%
Gross Profit	46.2%	55.2%	31.9%	30.0%	43.2%	49.8%	26.5%	21.8%	5.4%	8.3%	39.8%	44.5%
EBITDA	**58.5%**	**61.9%**	**47.4%**	**53.2%**	**56.1%**	**60.0%**	**26.1%**	**22.2%**	**9.3%**	**10.3%**	**51.2%**	**53.4%**
Volume												
RTK Million	9,623	9,151	2,903	2,852	12,526	12,003					12,526	12,003
R$ / Volume Unit	**R$ / thousand RTK**		**R$ / thousand RTK**		**R$ / thousand RTK**							
Net revenues	70.6	68.8	62.7	59.9	68.7	66.7						
Cost of Sales	(38.0)	(30.8)	(42.7)	(41.9)	(39.1)	(33.4)						
Gross Profit	32.6	38.0	20.0	18.0	29.7	33.2						
EBITDA	**41.3**	**42.6**	**29.7**	**31.9**	**38.6**	**40.0**						

Table 40 - Financial Results per Business unit (R$ million)	Agricultural Commodities		Industrial Products		ALL Rail Operations		Brado		Ritmo		ALL Consolidated	
	9M14	9M13	9M14	9M13	9M14	9M13	9M14	9M13	9M14	9M13	9M14	9M13
Net revenues	2,080.8	1,934.1	513.8	479.8	2,594.6	2,413.9	214.9	204.5	165.2	197.1	2,974.7	2,815.5
Cost of Sales	(1,035.3)	(881.2)	(359.5)	(340.1)	(1,394.8)	(1,221.3)	(161.2)	(161.3)	(156.4)	(179.3)	(1,712.4)	(1,561.9)
Gross Profit	1,045.5	1,052.9	154.3	139.7	1,199.8	1,192.6	53.7	43.3	8.8	17.8	1,262.3	1,253.7
EBITDA	**1,223.3**	**1,181.2**	**246.1**	**241.8**	**1,469.4**	**1,423.0**	**49.5**	**37.1**	**13.3**	**20.5**	**1,532.1**	**1,480.6**
% Net Revenues												
Net revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales	-49.8%	-45.6%	-70.0%	-70.9%	-53.8%	-50.6%	-75.0%	-78.8%	-94.7%	-91.0%	-57.6%	-55.5%
Gross Profit	50.2%	54.4%	30.0%	29.1%	46.2%	49.4%	25.0%	21.2%	5.3%	9.0%	42.4%	44.5%
EBITDA	**58.8%**	**61.1%**	**47.9%**	**50.4%**	**56.6%**	**59.0%**	**23.0%**	**18.1%**	**8.0%**	**10.4%**	**51.5%**	**52.6%**
Volume												
RTK Million	25,837	25,505	8,099	7,687	33,936	33,192					33,936	33,192
R$ / Volume Unit	**R$ / thousand RTK**		**R$ / thousand RTK**		**R$ / thousand RTK**							
Net revenues	80.5	75.8	63.4	62.4	76.5	72.7						
Cost of Sales	(40.1)	(34.6)	(44.4)	(44.2)	(41.1)	(36.8)						
Gross Profit	40.5	41.3	19.1	18.2	35.4	35.9						
EBITDA	**47.3**	**46.3**	**30.4**	**31.5**	**43.3**	**42.9**						

Table 41 - EBITDA Reconciliation	3Q14				3Q13			
(R$ million)	ALL Rail Operations	Brado	Ritmo	ALL Consolidate	ALL Rail Operations	Brado	Ritmo	ALL Consolidate
Operating Profit before net financial expenses	**347.8**	**13.6**	**0.8**	**362.2**	**348.5**	**10.8**	**4.8**	**364.0**
Depreciation e amortization	137.6	5.8	4.5	**147.9**	123.4	5.0	2.6	**131.0**
Equity earnings and gain (loss) on investments	(2.1)	0.0	0.0	**(2.1)**	8.6	0.0	0.0	**8.6**
EBITDA	**483.2**	**19.4**	**5.3**	**508.0**	**480.4**	**15.7**	**7.4**	**503.6**

Table 42 - EBITDA Reconciliation	9M14				9M13			
(R$ million)	ALL Rail Operations	Brado	Ritmo	ALL Consolidate	ALL Rail Operations	Brado	Ritmo	ALL Consolidate
Operating Profit before net financial expenses	**1,078.6**	**31.4**	**2.0**	**1,112.0**	**975.0**	**22.9**	**13.4**	**1,011.3**
Depreciation e amortization	394.4	18.1	11.2	**423.7**	359.1	14.2	7.1	**380.4**
Equity earnings and gain (loss) on investments	(3.6)	0.0	0.0	**(3.6)**	88.9	0.0	0.0	**88.9**
EBITDA	**1,469.4**	**49.5**	**13.3**	**1,532.1**	**1,423.0**	**37.1**	**20.5**	**1,480.6**

Table 43 - ALL Consolidated Balance Sheet (R$ million)	3Q14	2Q14		3Q14	2Q14
Current Assets	**3,588.8**	**4,002.5**	**Current Liabilities**	**3,587.2**	**3,291.5**
Cash, banks and financial investments	2,127.1	2,372.8	Loans and financing	1,062.1	839.8
Trade accounts receivable	481.5	530.9	Debentures	661.8	506.6
Inventories	108.1	252.3	Suppliers	943.8	907.9
Lease of Concession Agreements	6.2	6.2	Taxes, charges and contributions	76.2	78.1
Taxes Recoverable	625.7	600.7	Lease and concession payable	18.4	18.6
Prepaid expenses	8.9	10.3	Dividends and Interest on own capital	5.6	0.2
Other receivables	231.2	229.3	Salaries and payroll charges	88.4	95.3
			Advances from customers	135.1	119.4
			Commercial Leasings	392.0	507.9
			Other payables	203.6	217.7
Long-Term Assets	**1,750.1**	**1,763.4**	**Long-Term Liabilities**	**10,721.9**	**11,154.3**
Lease of Concession Agreements	71.3	72.9	Loans and financing	2,794.2	3,057.3
Judicial deposits	346.2	328.1	Debentures	2,227.1	2,450.9
Taxes recoverable	1,201.2	1,223.4	Provision for contigencies	188.6	183.9
Other receivable	125.3	133.2	Lease and concession payable	1,824.8	1,763.1
Prepaid expenses	6.0	5.8	Commercial Leasings	1,358.5	1,281.5
Long term investments	0.0	0.0	Real estate credit advances	235.2	241.7
			Other payables	2,093.5	2,176.0
Permanent Assets	**13,697.9**	**13,436.5**	**Shareholders' equity**	**4,727.6**	**4,756.5**
Investments	1,894.2	1,970.2	Capital stock	3,448.3	3,448.3
Intangible	2,386.9	2,391.6	Surplus reserves	1,162.7	1,123.7
Property, plant and equipment	9,416.8	9,074.7	Equity Adjustments	(147.2)	(71.8)
			Minority Stakes	263.8	256.4
Total Assets	**19,036.7**	**19,202.4**	**Total Liabilities and shareholders' equity**	**19,036.7**	**19,202.4**