

# 2011



## ANNUAL AND SUSTAINABILITY REPORT



# ECORODOVIAS

GRI 2.1, 2.5 and 2.6

EcoRodovias Infraestrutura e Logística S.A. is one of the largest groups of intermodal infrastructure, highway concessions and related services assets in Brazil. It is a publicly held company that has been registered since 2003 with the Securities Exchange Commission (CVM) and listed on the BM&FBOVESPA's Novo Mercado. The Company is controlled by the Primav Construções e Comércio S.A., of the CR Almeida Group and Impregilo International Infrastructures N.V., of the Impregilo Group, and 25.8% of its shares are in free float and owned by minority shareholders.

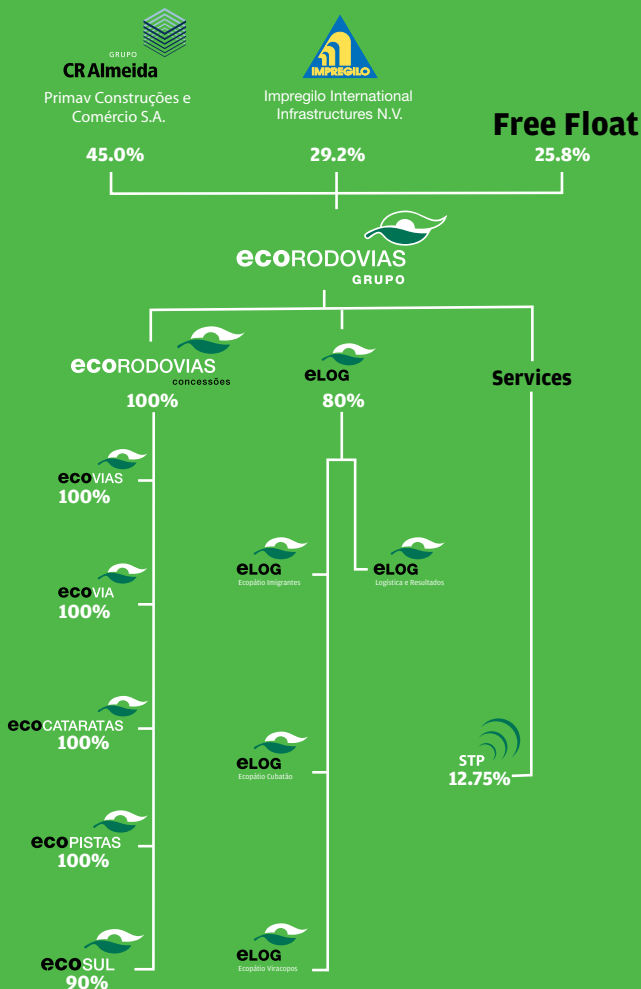
EcoRodovias controls five highway concessions - Ecovias, Ecopistas, Ecovia, Ecocataratas and Ecosul - in the States of São Paulo, Paraná and Rio Grande do Sul. Located strategically in the main tourism, export, import and domestic consumer goods corridors, its roadways extend for more than 1,450 km.

They are part of its integrated logistics operations, which include 17 Elog units, of which three are the Ecopátios, located in the State of São Paulo.

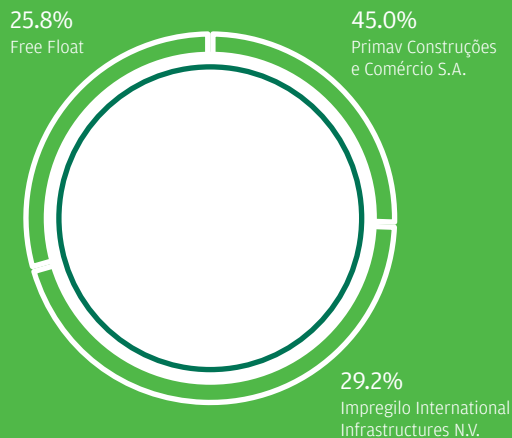
The Company also has an ownership stake in STP Sem Parar/Via Fácil, an electronic payments company that offers services to highway users.

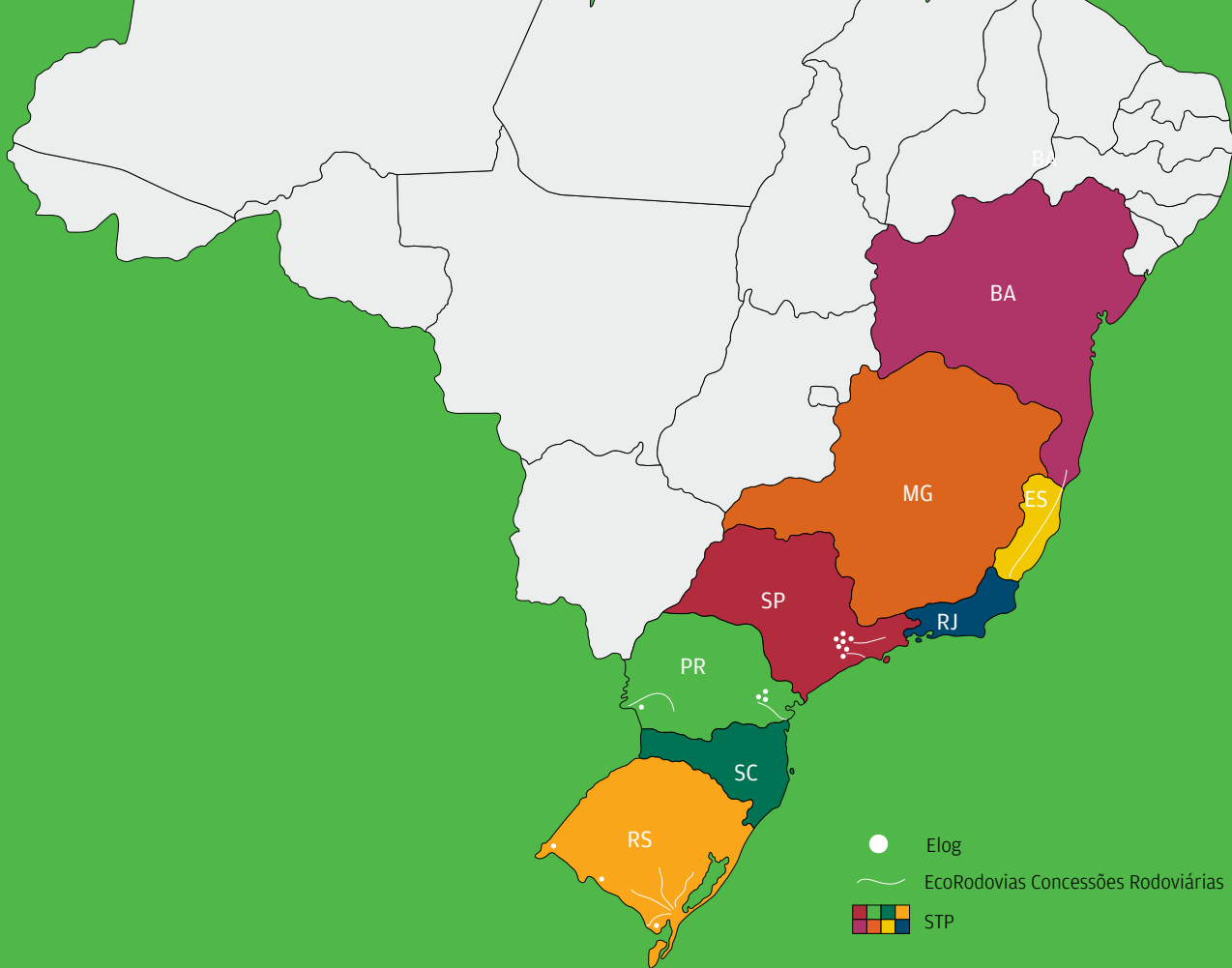
EcoRodovias concluded 2011 with net revenue of R\$1,827.4 million, net income totaling R\$383.0 million and an EBITDA margin of 52.4%. At year's end the Company had 4,062 employees.

For the forthcoming years, its growth strategy includes expansion of its business areas through participation in auctions for highway concessions, ports and airports. Committed to sustainability, the Company prioritizes shareholder profitability in its selection of investments and coordinates its operations in a manner that continuously reduces environmental impacts and foments development in the regions in which it operates.



## SHARE OWNERSHIP BREAKDOWN





## ECORODOVIAS' COMPANIES

GRI 2.2, 2.3 and 2.7

### ECORODOVIAS CONCESSÕES E SERVIÇOS

EcoRodovias Concessões e Serviços controls the subsidiaries that manage the highway concessions and centralize the group's support areas - such as administration, finances, human resources, information technology, service contracting and the acquisition of materials and engineering. Such centralization of activities adds quality and transparency to management by standardizing processes and procedures, optimizing the use of resources and speeding up the dissemination of the best administrative and operating practices. Each one of the Group's concession companies has its own management structure and, besides striving to achieve operating excellence, seeks to act in a conscientious, socially aware and environmentally responsible manner.

### Ecovias dos Imigrantes

A highway concession that was signed in 1998 with the government of the State of São Paulo to manage the Anchieta-Imigrantes System, which connects the metropolitan region of São Paulo and the industrial companies in the ABC Paulista area with the Port of Santos, the Petrochemical Complex of Cubatão and the Metropolitan Region of the Baixada Santista. The highway also connects with the Mário Covas Ring Road (Rodoanel), facilitating access to the main roadways of the region. It is 176.8 km in length and is Latin America's largest export and import corridor. Considered by a survey published by the National Transportation Confederation (CNT) to be one of the best highways in Brazil, it was the first highway concessionaire in the world to obtain



Paulo to the industrial region of the Paraíba Valley and makes it possible to gain access to the North Coast beaches of the State, the Guarulhos International Airport, the Port of São Sebastião and the tourist city of Campos do Jordão. Some 134.9 km in length, the highway is built across the Tietê Ecological Park, has annual traffic of 50 million equivalent vehicles and is considered one of the three best highways in the country. It was the first highway concession in Brazil to obtain OHSAS 18001 certification.

#### **Ecovia Caminho do Mar**

A highway concession signed with the government of the State of Paraná in 1997, which connects the state capital of Curitiba (PR) to the Port of Paranaguá and makes access possible to the city of Matinhos and Praia de Leste beach area through the BR-277 Highway. It is located on a remaining, permanently preserved strip of Atlantic Forest, with rich diversity of fauna and flora. Running for 136.7 km, it is considered the main outlet for the exporting of Brazilian grains, with traffic of some 5 million equivalent vehicles annually, of which 30% transport cargo.

#### **Ecocataratas – Rodovia das Cataratas**

A highway concession acquired in 2008, it is responsible for connecting the Triple Border region – Brazil,

Argentina and Paraguay –, integrating Mercosul and linking the Paraná municipalities of Guarapuava and Foz do Iguaçu through the BR-277 highway. It runs for 387.1 km, with traffic of 11 million equivalent vehicles annually, involved in cargo transportation and tourism. Besides the BR-277 highway, Ecocataratas also manages 71.84 km of state roads (PR-874, PR-590, PR-180 and PR-474).

#### **Ecosul – Rodovias do Sul**

A highway concession signed in 1998 that administers the Pelotas Highway Complex (RS). It encompasses the BR-116/RS – Camaquã/Pelotas/Jaguarão, BR-293/RS – Pelotas/Bagé and BR-392/RS – Rio Grande/Pelotas/Santana da Boa Vista roadways. Extending for 623.8 km, it is one of the largest Brazilian highway concession road systems and the main access for Uruguayan and Argentine tourists to visit the Brazilian coast. About 40% of the vehicles that drive these highways are headed to the Port of Rio Grande.

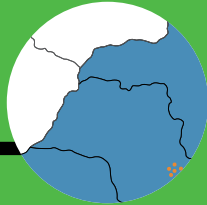
#### **ELOG**

Elog was created in 2010 to manage the logistical services offered by EcoRodovias. Besides controlling the Elog Ecopátio Cubatão, Elog Ecopátio Imigrantes and Elog Ecopátio Viracopos logistical platforms, it is responsible for dry ports (such as the Barueri, São Paulo, Campinas, CLIA Santos, Curitiba I, Curitiba II, Foz do Iguaçu, Jaguarão, Sant'Ana do Livramento, Uruguiana and Maringá units) and distribution centers (Barueri, Cajamar and Curitiba units). It offers all basic logistical chain services, ranging from the processing of imported and domestic products for the supply of industrial companies and distributors, through to the management of processes and stocks and the effective delivery to end clients and, when necessary, their returns.

#### **Elog Ecopátio Cubatão**

Located at Km 263 of the Cônego Domênico Rangoni Highway, near to the Port of Santos, it is integrated with the Anchieta-Imigrantes Logistical System. It occupies a 442,000 square meter plot,





where the largest container storage and repair area in Latin America is installed, along with an authorized custom clearance export terminal. It has capacity to receive more than 6,000 trucks per day in its parking yard. All of the activities of this Ecopátio are ISO 9001 certified.

#### **Elog Ecopátio Imigrantes**

Located on the Anchieta-Imigrantes logistics system 600 m from the junction with the Mário Covas Ring Road, it occupies some 655,000 square of land. It was the first property in Latin America to receive the internationally recognized LEED Green Building Gold Standard Certification for sustainable construction.

#### **Elog Ecopátio Viracopos**

To be built in the city of Indaiatuba (SP), 20 km from the Viracopos airport, with a total area of 1,878,000 square meters. Of these, 20,000 square meters will be reserved for customs storage purposes and 60,000 square meters will be used for storage in distribution centers. It primarily will serve industrial companies in the Campinas (SP) region and surrounding areas.



#### **SERVIÇOS E TECNOLOGIA DE PAGAMENTOS (STP)**

Since 2003, EcoRodovias has owned a 12.75% stake in Grupo Serviços e Tecnologia de Pagamentos (STP), the leading company in the implementation of Automatic Vehicle Identification systems (AVIs) in Brazil, authorized by the National Ground Transportation Agency (ANTT) as a Toll Ticket Operator, which uses electronic means of payment at toll booths, parking lots and shopping centers. STP covers more than 86% of the Brazilian highway toll system, operating at 220 toll plazas and providing services to 43 different highway concessionaires.

The system identifies users at tollgates using Radio Frequency Identification (RFID) with the vehicle in movement, avoiding the need for braking and then re-accelerating as with a manual collection process. Besides ensuring a speedier and more comfortable experience for the user, it improves the flow of traffic at toll stations.

Sem Parar offers agility and savings to those who use it - so much so, that at the end of 2011 STP had 3 million tags registered.

During the year, 40,135,802 passenger vehicles and 12,681,213 commercial vehicles were registered by the AVI system at the authorized toll patios.

# THE PATHS TAKEN

GRI 2.9



## 1997

### CREATION OF

**ECORODOVIAS** by Primav Construções e Comércio Ltda., part of the CR Almeida group, with 50 years of activities in the construction industry and responsible for major infrastructure projects in Brazil. Administration of the Ecovia Caminho do Mar (PR), between the capital of the State and the Port of Paranaguá.

## 1998

### STRATEGIC PARTNERSHIP WITH IMPREGILO INTERNATIONAL INFRASTRUCTURES N.V., PART OF THE IMPREGILO S.P.A GROUP,

the largest publicly held construction company in Italy. Manager of Ecovias dos Imigrantes (SP), the main connection between the capital of the State of São Paulo to the Port of Santos, and Ecosul (RS), which administers the region of the Pelotas Highway Complex, the Port of Rio Grande and the Rio Grande do Sul coastline.

## 1999

### BEGINNING OF THE PROJECT TO EXPAND THE ECOVIAS DOS IMIGRANTES.

Its duplication was concluded in 2002, five months before the contractual deadline, and involved financing at the time of US\$250 million, employing modern environmental management technologies.

## 2001

### ISO 14001

CERTIFICATION of Ecovias dos Imigrantes

## 2003

**THE BEGINNING OF THE PREPARATION FOR GOING PUBLIC** (concluded in 2010, with entry into the Novo Mercado), through the registering of EcoRodovias with the Securities Exchange Commission and BOVESPA. In this same year, the Company started its corporate governance project, completed in 2006 with alignment with the best market practices.

## 2004

### ISO 14001

CERTIFICATION OF ECOVIA CAMINHO DO MAR (PR) and Ecocataratas.

## 2006

**INTRODUCTION OF THE CODE OF BUSINESS CONDUCT AND THE CREATION OF THE FIRST ECOPÁTIO IN CUBATÃO (SP).** That same year, Ecovias dos Imigrantes conducted its first debentures issue in the amount of R\$450 million, and Ecosul was certified under ISO 9001 and ISO 14001.



## 2007

### ACQUISITION OF ECOCATARATAS (PR),

which manages the BR-277 from Guarapuava (250 km to the West of Curitiba) and Foz do Iguaçu (to the Paraguay border). Besides attracting tourists, this region is strategic for Mercosul trade.

## 2009

### WINNER OF THE TENDER FOR THE OPERATION OF THE

Ayrton Senna/Carvalho Pinto (SP) corridor connecting the capital of the State to the Guarulhos International Airport and the industrial centers in upstate regions of São Paulo. Creation of the Ethics, Governance and Sustainability Committees. That year, EcoRodovias became a full member of the Brazilian platform of Companies for the Climate (EPC).

## 2010

### BEGINNING OF THE TRADING NEGOTIATIONS OF THE COMPANY'S SHARES ON THE BM&FBOVESPA'S NOVO MERCADO (IPO).

Acquisition of logistical companies Columbia and EADI Sul, leading to the creation of Elog, an EcoRodovias company that begins to coordinate and operate the group's logistical services, such as storage, transportation and reverse logistics.

## 2011

### ECORODOVIAS NOW LISTED ON THE CORPORATE SUSTAINABILITY INDEX EMPRESARIAL (ISE)

2012 portfolio of the BM&FBOVESPA and obtains certification of all of its concessions for the ISO 9001, ISO 14001 and OHSAS 18001 guidelines. Elog signs a purchase and sale contract to acquire Maringá Armazéns Gerais Ltda. Responsible for the operation of the North Paraná Dry Port and the International Cargo Terminal at the regional airport of Maringá, as well as Maringá Serviços Auxiliares de Transporte Aéreo Ltda., which renders support services to air transportation companies.

## 2012

### WINS THE CONCESSION AUCTION FOR THE STRETCH OF THE BR-101 HIGHWAY BETWEEN ESPÍRITO SANTO AND BAHIA,

running for 475.9 km (event subsequent to the period covered by this report).





## MISSION, VISION AND CODE OF CONDUCT

### GRI 4.8

#### MISSION

To create value through synergic and sustainable businesses in infrastructure logistics, integrating them through the culture, management and governance practices of the EcoRodovias group.

#### BUSINESS VISION

To be the most profitable Brazilian integrator of infrastructure and logistical services, reaching gross sales of R\$4 billion by 2016 in a sustainable manner.

#### CODE OF BUSINESS CONDUCT

##### GRI 4.6, HR4, SO4 and SO7

Created in 2006, the Code of Business Conduct orients the conduct and behavior of all employees and board members. The Code encompasses the ethical principles of equality, justice, accountability and transparency, determines unacceptable practices and establishes rules for relations between different stakeholders (internal and external). It includes issues related to work, child labor and labor analogous to slavery, discrimination and human rights. Furthermore, it calls for EcoRodovias' actions to be oriented towards compliance with legislation that defends competition, as well as preserving secrecy of information supplied by its competitors.

The document is reviewed every two years and widely disseminated internally and to service providers. All employees receive a printed copy upon joining the Company; the full text may be read at the following website: [www.ecorodovias.com.br](http://www.ecorodovias.com.br).

## AWARDS, RECOGNITION AND CERTIFICATIONS

### GRI 2.10

In 2011, the Company received awards and recognition that confirm that its activities are based on good corporate practices, personnel management and sustainability.

#### ECORODOVIAS GROUP

- EcoRodovias was listed on the Business Sustainability Index developed by BM&FBOVESPA and partner institutions.
- For the third consecutive year, the Company was listed among the 150 Best Companies To Work At in Brazil prepared by *Você S.A.* and *Exame* magazines in partnership with the Fundação Instituto de Administração (FIA) and among the 100 Best Companies To Work At by *Época* magazine in partnership with the Great Place to Work Institute (GPTW).
- EcoRodovias is the only group in its industry in Brazil with all of its highway concession units certified under ISO 9001, ISO 14001 and OHSAS 18001.

#### BEST HIGHWAYS

The Senna/Carvalho Pinto and Rodovia dos Imigrantes highways came in second and third places, respectively, in the ranking of the best highways in Brazil published by the *Guia Quatro Rodas de Estradas* guidebook. Ecovias was also recognized as the best company in Brazil in the highway concessions sector through the Largest & Best Transportation and Logistics prize awarded by OTM Editora.

## PERSONNEL MANAGEMENT

The Great Place To Work Institute (GPTW), in partnership with regional publications, recognized the excellence of personnel management of the EcoRodovias companies. Ecosul was the Best Company To Work At in Rio Grande do Sul and also the first company from the South of the State to head the ranking that selects the 30 Best Rio Grande do Sul Companies. Ecovia came in fourth in the Paraná ranking, with Ecocataratas in seventh.

## ENVIRONMENT

The “Seedling Nursery: Seeding Social Inclusion” program of Ecovias won 10<sup>th</sup> place in the ninth running of the Brazilian Benchmarking competition organized by Instituto Mais.

Ecovia won the sustainability certificate for “Values, Transparency and Governance” and “Internal Public” upon participating in the 7<sup>th</sup> Sustainable Management Survey, based on seven topics made up of the Ethos indicators, conducted by Editora Expressão and the Aequo Soluções em Sustentabilidade consulting firm.

## MAIN INDICATORS GRI 2.8

	2011	2010*	2009*
<b>Economic-financial</b>			
Gross revenue (R\$ '000)	1,985,113	1,528,247	1,201,313
Net revenue (R\$ '000)	1,827,371	1,427,608	1,127,566
EBITDA (R\$ '000)	957,294	812,113	641,982
EBITDA margin (%)	52.4	56.9	56.9
Net income (R\$ '000)	383,017	594,039	215,183
Net debt (R\$ '000)	1,004,328	868,866	1,280,960
Total investments (R\$ '000)	381,472	254,700	225,500
Dividends distributed (R\$ '000)	285,547	278,600	140,009
<b>Concessions and logistics</b>			
Tolls and logistics: percentage of total gross revenue	84.4	82.4	84.0
Accessory revenues in highway concessions and other businesses: percentage of gross total	15.6	17.6	16.0
Traffic (in thousands of paying equivalent vehicles)	200,344	180,051	118,100
<b>Labor force</b>			
Employees (numbers)	**4,062	2,002	2,028
Total investment in training (R\$ '000)	1,124	1,105	1,179
Training hours	102,728	101,455	103,885
<b>Ecoviver</b>			
Number of students	67,875	24,870	28,465
Number of teachers	1,980	1,087	961
Number of schools	340	196	182
Cities involved	22	17	16

\* The data from 2010 and 2009 was adjusted pursuant to Laws Nos. 11,638/07 and 11,941/09, the International Financial Reporting Standards (IFRS) and the pronouncements issued by the Accounting Pronouncements Committee (CPC) and are not comparable to previous years.

\*\* Total number of employees at EcoRodovias Infraestrutura e Logística, EcoRodovias Concessões e Serviços and Elog.

## CORPORATE GOVERNANCE

In 2011, EcoRodovias' Sustainability Guidelines were defined: it was yet another step for the Company to remain aligned with the best market practices.



Employees - Ecocataratas

The EcoRodovias Group, which is listed on the BM&FBOVESPA Novo Mercado, adopts the best corporate governance practices.

The group was composed of important governance bodies in 2011. The Board of Directors was made up of chairman Marco Antônio Cassou and six full members with a two-year term of office. Annually, the Board of Directors undergoes self-evaluation to improve with regard to efficiency and to define improvement plans. Five committees assist the Board with the analyses of its decisions: Governance, Audit, Personnel Management, Ethics and Corporate Sustainability.

For its part, the Board of Executive Officers is composed of six statutory officers elected by the Board of Directors to a two-year term of office, and it meets on a weekly basis. This Board is assisted by the following committees: Management through Processes, Corporate Risks, Information Technology and Security, Control and Disclosure of Material Information, Business Unit Sustainability, and Strategy and Management.

EcoRodovias and its highway concessions use indicators to monitor compliance with the norms required under ISO 9001, of quality; ISO 14001, of environmental management; and OHSAS 18001, pertaining to safety, hygiene and occupational health. These indicators are measured on a monthly basis by the Sustainability Coordinators of each highway concession. Of the 64 measurements conducted in 2011, EcoRodovias was successful in meeting 89% of them. In the seven areas where compliance was not achieved, corrective measures were put in place.

All of the Company's relationships, practices and decisions are guided by the Group's corporate policies - financial, disclosure and distribution of dividends policies. Furthermore the Sustainability Guidelines, defined in 2011, orient the Company's activities regarding quality, Management through Processes, the environment, climate change, social responsibility, workplace health and safety, ombudsman and conflict of interest issues. EcoRodovias has a number of methodologies in place to identify, evaluate and monitor corporate risks, in step with the Risks Notebook of the IBGC as well as ISO 31000.



## SCENARIO AND STRATEGY

EcoRodovias seeks sustainable growth by strengthening its actions in terms of logistics infrastructure, also investing in new synergies for its concessions.

The Federal Government plans to invest R\$78.6 billion in the field of transportation through its Accelerated Growth Program (PAC). The performance of agricultural commodities for export in 2011 was better than in 2010, and the highways are the main way of bringing out this production.

EcoRodovias' services are distributed in the main tourism and trade corridors and, as a result, the group is constantly improving the infrastructure of these complexes, offering users logistical solutions that eliminate bottlenecks and integrate activities of retroport terminal areas with distribution centers.

The group's strategic plan focuses on the development of its employees' welfare, quality of life and health programs along with incentives for studying and professional improvement. It seeks to reduce the consumption of natural resources and conducts environmental and cultural programs in public schools while reforesting areas alongside the highway systems it manages.

For the forthcoming years, it intends to expand its activities in the logistical infrastructure segment through new development opportunities and acquisitions of logistic assets that are integrated

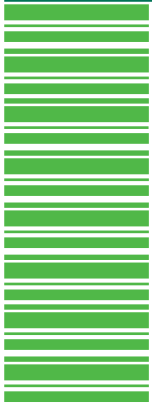


Ecovias

and synergetic with its highway concessions, as well as investing in port terminals and new highway concessions.

The Company can count upon the following: compliance management, to ensure adjustment and strengthening of its internal controls, compliance with laws, rules and the dissemination of the culture and controls of the Business Code of Conduct and good practices; Internal Auditing, based on an independent and outsourced body that reports directly to the Board of Directors; and the Executive Committee for the Management of Risks, Compliance and Internal Controls, with attributions of identifying and monitoring the risks, effectiveness of internal controls and non-compliance.

EcoRodovias' business strategy is based on sustainable growth, and the goal is to transform it into the largest integrated logistical infrastructure company in Brazil.



## ECONOMIC-FINANCIAL PERFORMANCE

Among the results for the year, the following were highlights: 28% growth in net revenue, 11.5% increase in investments and a 9.2% rise in the value of the Company's shares.



Ecovia

For the purpose of disclosing its financial results for 2011, EcoRodovias prepared its statements pursuant to the rules of the International Financial Reporting Standards (IFRS), and the effects of its adoption are presented in the explanatory notes.

Consolidated net revenue in 2011 totaled R\$1,827.4 million, 28% higher than in 2010 due to the growth in toll, logistics and services revenue and the consolidation of the Elog Sudeste and Elog Sul companies.

Operating costs totaled R\$1,038.9 million for the year, representing an increase of 37.4% compared to 2010, driven by third-party services, the provision for maintenance of infrastructure and personnel.

EBITDA was R\$957.3 million, with a 52.4% margin. Net financial income was an expense of R\$183.1 million, 8.2% lower than in 2010.

Net income totaled R\$387.6 million in 2011. EcoRodovias ended the year with a balance of cash and financial investments in securities totaling R\$671.8 million, and its net debt reached R\$1,676.1 million.

Consolidated investments during 2011 totaled R\$381.5 million, 14.9% higher than in 2010: for highway concessions the total was R\$299.8 million and, in the logistics sector, they were R\$60 million. In 2011, added value generated was R\$1,262.2 million and the dividend payout totaled R\$285.6 million.

The Group's shares are traded on the BM&FBOVESPA's Novo Mercado under ticker symbol ECOR3. In 2011, they were added to the BM&FBOVESPA's IBrX-100 Index and Business Sustainability Index (ISE). In 2012, EcoRodovias is preparing to debut in the port and airport sectors, in future tenders and in acquisitions in the secondary market.

EcoRodovias maintains a transparent relationship with capital market professionals. In regular meetings, through the [www.ecorodovias.com.br/ir](http://www.ecorodovias.com.br/ir) website and via e-mail ([invest@ecorodovias.com.br](mailto:invest@ecorodovias.com.br)), shareholders and investors are able to find information they want about the group.



## OPERATING PERFORMANCE

The concessions surpassed the milestone of 200 million paying equivalent vehicles. In terms of logistical services, the Company signed a purchase and sale contract for expanding its activities in Paraná.

In 2011, consolidated traffic totaled 200,344,000 paying equivalent vehicles and 89,172 containers were handled in ports and airports.

During the year, EcoRodovias conducted a number of initiatives to prevent and minimize impacts, making its highways safer. Convoys were organized to avoid serious accidents during foggy periods; specific operations and inspection of special cargoes were carried out; awareness campaigns focused on the use of wearing seatbelts, regular vehicle maintenance, defensive and citizenship-aware driving techniques were taught; technical training and simulations for employees were run.

Events that occurred during the course of the year, including multi-vehicle pileups, cargo spillage and strong rains that impaired traffic, were overcome successfully because the group maintains teams that are prepared to confront risk situations.

Moreover, EcoRodovias carried out maintenance projects to ensure that the highways it administers are in perfect conditions, using innovative paving technology with rubberized-



Ecocataratas

and polymer additive-asphalt; safety solutions; and the adoption of Safety and Fluidity Process indicators, which measures monthly accident rates, among others.

Elog signed a purchase and sale contract in November for the acquisition of Maringá Armazéns Gerais Ltda. and Maringá Serviços Auxiliares de Transporte Aéreo Ltda., a R\$15 million operation that will expand the Company's activities in customs clearance areas for air cargo and integrated logistical services in Paraná.

## SOCIO-ENVIRONMENTAL PERFORMANCE

EcoRodovias was listed in 2011 on the BM&FBOVESPA's Business Sustainability Index (ISE), offering further recognition of its transparency and responsible actions.

As a socially responsible company, EcoRodovias follows rules associated with quality, environment, workplace health and safety, complies with labor agreements and has signed on to social-environmental commitments.

It maintains transparent contact with employees, suppliers, users, communities, governments, shareholders, the media, NGOs, financial institutions, competitors, associations, professional organizations and subsidiary companies, with contacts conducted through social responsibility projects, specific communication channels, public hearings and earnings results disclosure events.

In 2011, EcoRodovias' labor force included 4,062 full time employees and it is listed among the best companies to work for. It offers fringe benefits to all employees, including a private pension plan as well as salaries that are compatible with the market. It conducts the EcoRodovias Performance Evaluation Program (PADE), which annually evaluates each employee with regard to his or hers targets and skills and an Individual Development Plan (PDI). It also offers the Skill Academy Program comprising a series of specific training sessions for professional improvement; in 2011, the group conducted 102,728 training hours through this program.



Seedling Nursery - Ecovias

EcoRodovias offers employees a number of different, specific programs aimed at enhancing their careers, health and welfare. Since 2006, it has been running a relocation program for those who are retiring or have been dismissed.

The Company offers quality assistance in all of its managed units and makes available free services such as towing, mechanical assistance, medical emergency aid, highway inspections and specific services on long holidays and during the vacation periods. In 2011, 129,132 tow truck mechanical help calls were answered, 21,449 ambulance callouts occurred and 219,985 inspections of our highways were conducted.

The suppliers who work for the group must prove their technical and quality capacity as well as the ability to deliver on time and at market rates.

EcoRodovias holds meetings and conference calls with shareholders and investors to report about its performance and it also maintains an Investor Relations website, at [www.ecorodovias.com.br/ir](http://www.ecorodovias.com.br/ir), containing exclusive content for this public. The Company's relationship with neighboring communities is strengthened through the hiring of local manpower.

It is a member of a number of organizations, such as the Brazilian Corporate Governance Institute (IBGC), the Ethos Institute, the Brazilian Association of Technical Norms (ABNT) and others.

EcoRodovias organizes and supports a number of educational, cultural and sports projects. In 2011, it initiated a sponsorship of the Brazilian women's and men's Paralympics volleyball teams. It also runs the Ecooperar and Ecoviver programs, which are highlights in this field. The former prepares young people and members of cooperatives in the Grande ABC region how to generate value in the solid waste chain while the latter fosters environmental awareness of its highway networks in communities and schools in the regions.

The Company seeks to maintain an agile and transparent relationship with the media. The disclosure of press releases, marketing, advertising, promotional and sponsorship materials comply with the Business Code of Conduct. Through December 2011, the Company received 58,678 citations in the Brazilian media, and was mentioned positively in a number of the main press outlets such as *Folha de S. Paulo* and *Valor Econômico*, being classified among the largest economic groups in the country by *Valor Econômico*. It has a Sustainability Affairs Department that orients the actions of each of the individual Sustainability Committees and is always striving to implement the best practices for internal processes pursuant to the Company's sustainability guidelines.

In 2011, the Company was listed on the BM&FBOVESPA's Business Sustainability Index (ISE) and since 2009 has been a member of the Brazilian platform of Companies for the Climate (EPC). All of its concessionaires have received certification under the rules of ISO 9001, for quality; ISO 14001, for environmental management; and OHSAS 18001, for occupational safety, hygiene and health.

Its highways make use of special asphaltic mixtures processed through the burning of LPG in order to reduce the pollution deriving from using heavy oils produced through the oil refining process. It seeks to reduce the consumption of paper and water and to reutilize them in its operating routines. It adopts best practices for management of solid waste and complies with the new National Solid Waste Policy (PNRS).

It also adopts procedures to reduce the consumption of energy through energy efficiency projects, conscientious consumption campaigns, educational lectures and other means. Since 2010, it has been using the Greenhouse Gas Protocol to calculate its emissions.

The Company maintains a "Seedling Nursery," a project combining environmental preservation and social responsibility. The seedlings are planted along the highways to preserve neighboring hillside areas as well as in the center strips, and they contribute to the environmental compensation of the construction work carried out on the roadways. Headed up by a nursery specialist, 16 employees with disabilities nominated from the Association of Parents and Friends of Exceptional Children (Apae - Diadema) are involved in the nursery operations, which in 2011 produced 70,282 seedlings.

All of EcoRodovias' concessionaires conduct highway safety awareness campaigns. The teams are prepared to act in emergency situations as well as help to avoid accidents preventively, including escorting trucks with dangerous loads when they are traversing our highways. In 2011, EcoRodovias invested R\$1,559,538.83 in environmental management.



# SUMMARY



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SOCIO-ENVIRONMENTAL PERFORMANCE

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ANNEXES

## MESSAGE FROM THE PRESIDENT

GRI 1.1

“WE ARE ON THE RIGHT ROAD TO BECOMING THE LARGEST LOGISTICAL INFRASTRUCTURE COMPANY IN BRAZIL, AS WELL AS PREPARED TO INVEST WITH STRUCTURED CAPITAL AND DISCIPLINE”

In 2011, Brazil demonstrated its economic solidity and maturity, maintaining a heated up economy and responding quickly and assertively to the uncertainties of the world scenario. The Gross Domestic Product (GDP) rose 2.7% on the year, making the country the sixth largest economy in the world.

At EcoRodovias, we also enhanced our excellence and commemorated achievements. Thanks to the consistency of our sustainability policies and practices, we became part of the BM&FBOVESPA's Business Sustainability Index (ISE). The indicator includes the top reference companies with respect to this item. Through the corporate Sustainability Committees and the highway concessions, we disseminated a sustainability culture among our employees, promoted awareness and preservation initiatives and social, economic and cultural development.

We maintained the level of investments and improved the operations of the highway concessions. Two of our five roadways were considered among the best in the country according to a survey conducted by the National Transportation Confederation. In logistical services, we continued our efforts to structure Elog and we acquired Maringá, an important operation that strengthens our activities in airports in the Northeast region of the State of Paraná.

We ended the year presenting good results. The traffic through our concessionaires rose 11.3%, surpassing the milestone of 200 million equivalent vehicles. Regarding logistical services, we boosted container handling by 44.2%, mainly due to the services being offered by Ecopátio Cubatão and the consolidation of the CLIA Santos unit.

Net revenue grew 28.0% over 2010, totaling R\$1,827.4 million. EBITDA was R\$957.3 million, 17.9% higher than the previous year. Our net income was R\$387.6 million, 30.9% higher than the adjusted net income for the prior year (excluding revenues obtained through the sale of a 20% stake in Elog in 2010).



All of this success was only possible because of our distinctive, extremely competent and engaged team. We continue to value our human capital, offering the best market practices in compensation and benefits and programs that emphasize quality of life, health and security. We invest in the training of our employees and monitor their growth within the Company through structured career initiatives and annual performance assessments. And we are proud of the positive response that we have seen in the improvements in the organizational climate survey and the inclusion of EcoRodovias in the rankings of the best companies in which to work in Brazil.

We are on the right road to becoming the largest logistical infrastructure company in Brazil, effectively positioning ourselves in the import and export market. The scenario for the forthcoming years is an optimistic one, based on growth in investments in infrastructure for the large upcoming events that include the Football World Cup and the Olympic Games, and also because of the upcoming auctions of Brazilian airport infrastructure.



Port of Santos

Our strategic priorities for the next two years include active participation in the airport and port sector opportunities, signing partnerships with benchmark companies in order to guarantee excellence in the management of new businesses. We are prepared to invest with structured capital and discipline, in cooperation with the government and guaranteeing profitability and returns for our investors. The victory at the beginning of 2012 in the concession auction for a stretch of the BR-101 highway between Espírito Santo and Bahia is an example of this. In the next few months, we will begin working to adjust the roadways so that subsequently we will be able to begin operating the system.

We already have shown our shareholders that our experience in merging businesses is one of our distinguishing characteristics and we are able to build genuine and long-lasting relations with our suppliers and customers. I would like to express appreciation to all of our employees and partners for their excellence, dedication and transparency that have been hallmarks of our work over the past year. And I hope that these paths that we have built together will be expanded, revisited and transformed so that together we shall carry on with our history of success and learning.

**Marcelino Rafart de Seras**  
**President**



## ABOUT THIS REPORT

GRI 3.1, 3.2, 3.3, 3.4, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11 and 3.13

### ECORODOVIAS' ANNUAL SUSTAINABILITY REPORT HAS BEEN FOLLOWING THE GRI GUIDELINES SINCE 2007, OFFERING INFORMATION TRANSPARENTLY TO ITS STAKEHOLDERS

For the Sustainability Report 2011, EcoRodovias adopted, for the fifth consecutive year, the international guidelines of version 3 of the Global Reporting Initiative (GRI). For 2011, the level of application is B. Furthermore, the document satisfies the criteria of the Brazilian Publicly Held Companies Association (ABRASCA) concerning the preparation of reports. Published annually since 2005, the last report in 2011 referred to results achieved in 2010.

The objective of this publication is to present the initiatives and results of the group for the year in a clear, transparent and ample manner to all its stakeholders: employees, users, customers, the community, financial institutions, suppliers, government, NGOs, shareholders and investors, competitors, associations, professional organizations and the media.

The information encompasses the January 1<sup>st</sup> - December 31, 2011 period. The economic/financial data refers to the overall group and is adjusted to the International Financial Reporting Standards (IFRS) and the pronouncements issued by the Accounting Pronouncement Committee (CPC). Deloitte Touche Tohmatsu Auditores Independentes audited the information.

The social-environmental performance indicators refer only to Ecovias, Ecopistas, Ecovia, Ecocataratas and Ecosul, except where otherwise noted. The economic indicators refer to all of the Group's companies, except where otherwise indicated.

For the first time the materiality test was used for the selection of topics for the report. Moreover, information from previous years was revised and, in some cases where referred to in various places in the text, is different than what was published in the 2010 Report.

In view of the importance of the actions taken by the Company in its various activity segments, besides material indicators present in the materiality matrix, we are presenting others that we believe are important to our operations.

For further clarification, please access [www.ecorodovias.com.br](http://www.ecorodovias.com.br) or contact us through the Investor Relations' e-mail address ([invest@ecorodovias.com.br](mailto:invest@ecorodovias.com.br)).

# MATERIALITY MATRIX

GRI 3.5, 4.16 and 4.17

FOR THE FIRST TIME,  
THE COMPANY'S  
INTERNAL AND  
EXTERNAL AUDIENCES  
WERE INVOLVED  
IN SELECTING THE  
MATERIAL TOPICS  
TO BE DISCUSSED IN  
THIS REPORT

The process for defining the content to be discussed in this report involved a materiality test with the different stakeholders of EcoRodovias Concessões Rodoviárias, designed to identify which social, environmental, economic-financial and governance topics should be dealt with in greater depth.

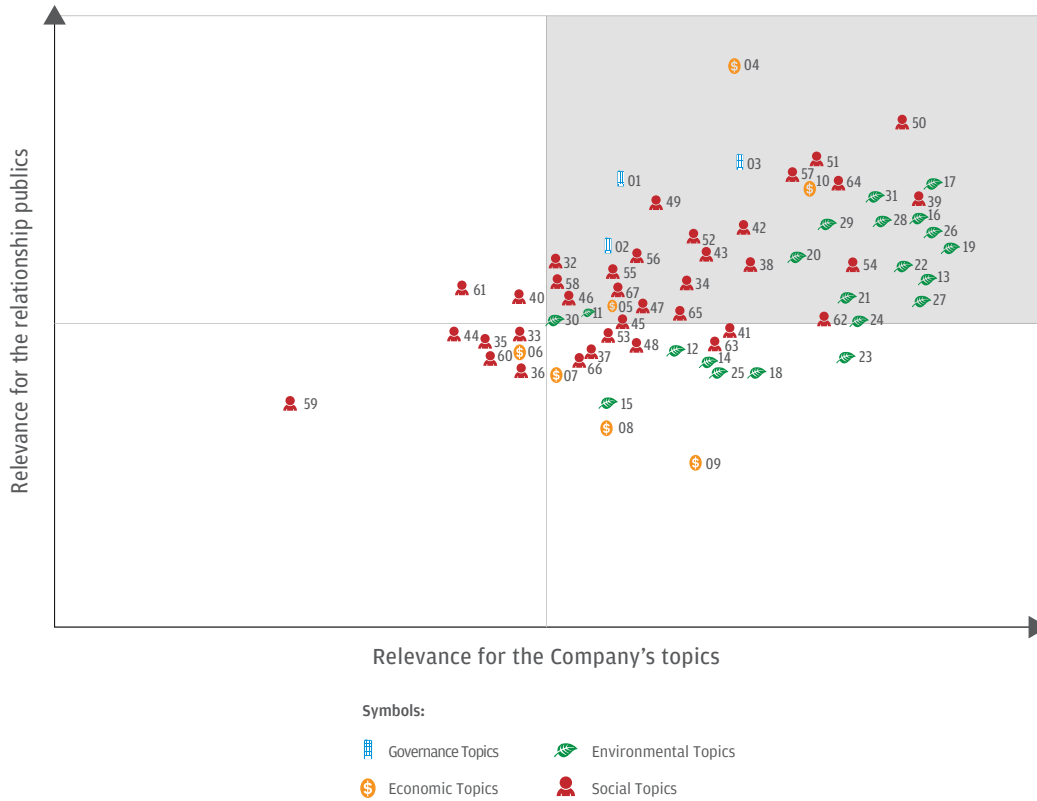
The consultations were through face-to-face interviews and involved 167 people, including representatives of government, employees, users, suppliers, communities and professional associations and Organizations from the cities where the five highways that are managed by the group are located. The holding Company's executive officers also participated in the process. In groups, the participants evaluated the importance of the 67 topics proposed by the Company.

The evaluations of the internal and external audiences were analyzed, resulting in the identification of 45 material topics, which will be discussed in depth throughout this publication. EcoRodovias is continuously improving its data collection tools to add more detailed information about its operations.



Employees - Ecovia

## MATERIALITY MATRIX – ECORODOVIAS



### Relevant topics of the Materiality Matrix

19	Total volume of water recycled and reused
26	Initiatives to reduce emissions of greenhouse gases and reductions achieved
17	Initiatives to reduce energy consumption
13	Materials used from recycling
27	Waste
39	Education, training, counseling, prevention and risk management to assist employees and their families or community members regarding serious diseases
16	Energy saved because of improvements in conservation and efficiency
22	Strategies, current actions and future plans for managing impacts on biodiversity
50	Operations identified as being of significant risk of occurrence of child labor and the measures taken to contribute to the elimination of child labor
28	Significant spills
30	Significant fines and non-monetary sanctions for noncompliance with environmental laws and regulations
31	Expenditures and investments in environmental protection

32	Total number of employees
24	Emissions of greenhouse gases
54	Programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting
21	Description of significant impacts on biodiversity in protected areas and in areas with high biodiversity
64	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction
62	Life cycle of products and services that impact on health and safety are assessed for improvement
29	Initiatives to mitigate environmental impacts of products and services
51	Operations identified as being of significant risk of occurrence of forced labor or slavery-inducing and the measures taken to contribute to the elimination of forced labor or slavery-inducing
10	Development and impact of infrastructure investments and services provided primarily for public benefit
20	Location and size of protected and high biodiversity areas
57	Actions taken in response to incidents of corruption
38	Rates of injury, occupational diseases, lost days, absenteeism and deaths
42	Program for skills management and lifelong learning that supports the continued employability of employees and to manage career endings.
3	Issues and concerns raised through stakeholder engagement (relationship publics) and measures adopted by the group to treat them
4	Direct economic value generated and distributed
43	Employees receiving regular performance and career development analyses
52	Training policies or procedures of the Company relating to aspects of human rights offered to security personnel
34	Benefits offered to full-time employees
49	Cases of discrimination and actions taken
65	Programs for adherence to laws and regulations and voluntary codes related to marketing communications, including advertising, promotion and sponsorship
56	Employees trained in the Company's anticorruption policies and procedures
47	Suppliers and contractors that have undergone screening on human rights and measures taken
45	Proportion of basic salary between men and women
1	Identification and selection of stakeholders (relationship publics)
67	Fines for noncompliance with laws and regulations concerning the provision and use of products and services
55	Total number of business units analyzed for risks related to corruption
5	Financial implications and other risks and opportunities due to climate change
2	Engagement of stakeholders (relationship publics) and frequency of engagement
11	Description of indirect economic impacts
46	Significant investment agreements that include human rights clauses or that underwent human rights screening
58	Public policy positions and participation in public policy development and lobbying
32	Total workforce
30	Fines and non-monetary sanctions for noncompliance with environmental laws and regulations



# 01

## CORPORATE GOVERNANCE

As part of the BM&FBOVESPA's Novo Mercado, EcoRodovias adopts the best corporate governance practices and its activities are based on ethical behavior, accountability, transparency, justice and equality





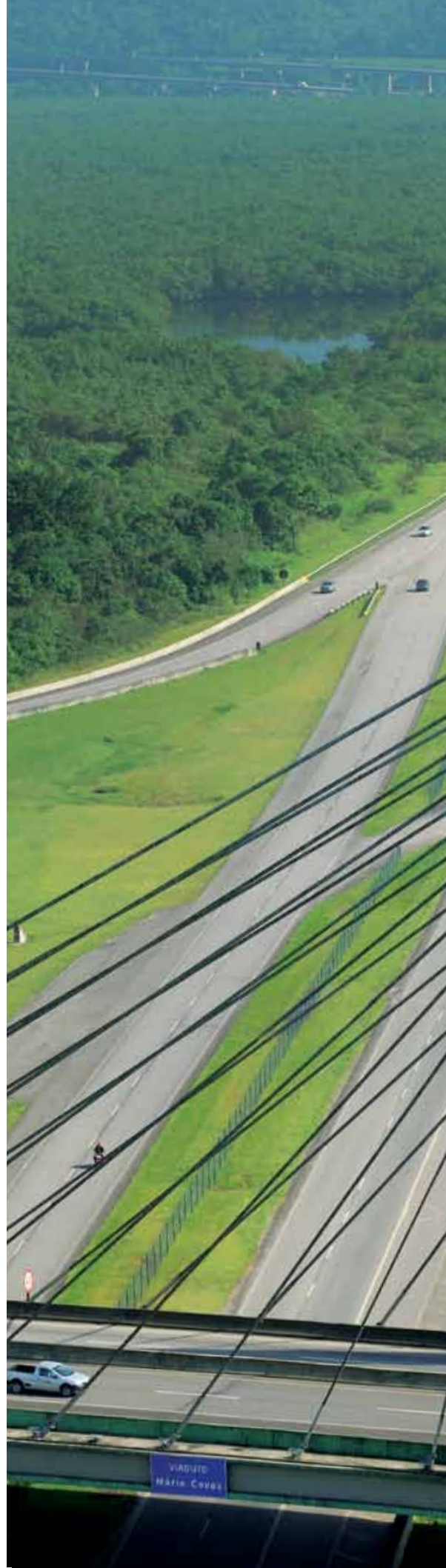


The risk management process is aligned with the IBGC's Risk Notebook and

# ISO 31000

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- The EcoRodovias Group adopts the best practices in the market in terms of corporate governance.
- It is listed on the Novo Mercado, the highest corporate governance level of the BM&FBOVESPA.
- The main functions of the Board of Directors consist of establishing strategic business guidelines, making decisions about the most important issues facing the Company, analyzing proposals and discussing recommendations from the Audit, Governance and Personnel Management Committees.
- The Board of Executive Officers is made up of six statutory officers elected by the Board of Directors, and each concessionaire has its own director-superintendent.





- The following committees assisted the work of the Executive Board during the year: Management through Processes, Corporate Risks, Information Technology and Security, Control and Disclosure of Material Information, Sustainability of the Business Units, and Strategy and Management.
- Indicators of the ISO and OHSAS requirements were monitored in 2011 through the Sustainability Coordination Departments of the highway concessionaires.
- During the year, EcoRodovias' Sustainability Guidelines were defined, created to orient its sustainability activities with a focus on the best market practices.
- EcoRodovias uses a number of different methodologies to identify and monitor corporate risks, following a business philosophy based on an integrated vision of corporate governance, risk management and compliance.

## CORPORATE GOVERNANCE

GRI 1.2, 4.1, 4.5, 4.7, 4.9, 4.10 and 4.17

EcoRodovias adopts the best corporate governance practices in the market and is listed on the Novo Mercado, the highest governance level of the BM&FBOVESPA.

Based on the ethical principles of transparency, equality, fairness and accountability, the Company permanently discloses financial, social and environmental information to the market. In 2012, the EcoRodovias Corporate Governance Guidelines will be revised, establishing improvements in terms of company management and controls.

### BOARD OF DIRECTORS

The EcoRodovias Board of Directors in 2011 was comprised of seven members, including: a chairman and six full members, of which one was an independent member who represented the minority shareholders; there were also three alternate members. All held a two-year term of office with the right to be reelected. According to the best corporate government practices, the chairman of the Board of Directors is not a member of the Board of Executive Officers. The Board meets every other month.

Pursuant to law, the Company's Bylaws and its Shareholders' Agreement, the functions of the EcoRodovias Board of Directors are the following:

- To establish the strategic business guidelines;
- To resolve the most important issues;
- To discuss and approve or not business proposals and issues;
- To discuss the recommendations of the Audit, Governance and Personnel Management Committees, approving them or not.

The Board of Directors shall oversee the activities of the Board of Executive Officers, striving for continued business success based on an active and independent posture, always taking into consideration the interests of all shareholders and the impact of the decisions on its stakeholders.

The Board of Directors shall annually undergo a self-evaluation process designed to improve its effectiveness. Conducted secretly, the results of this assessment will be collected and analyzed by the coordinator of the Governance Committee who, subsequently, will present them for debate among the members and to prepare action plans.

### GRI 4.2 and 4.3

#### Makeup of the Board of Directors at December 31, 2011

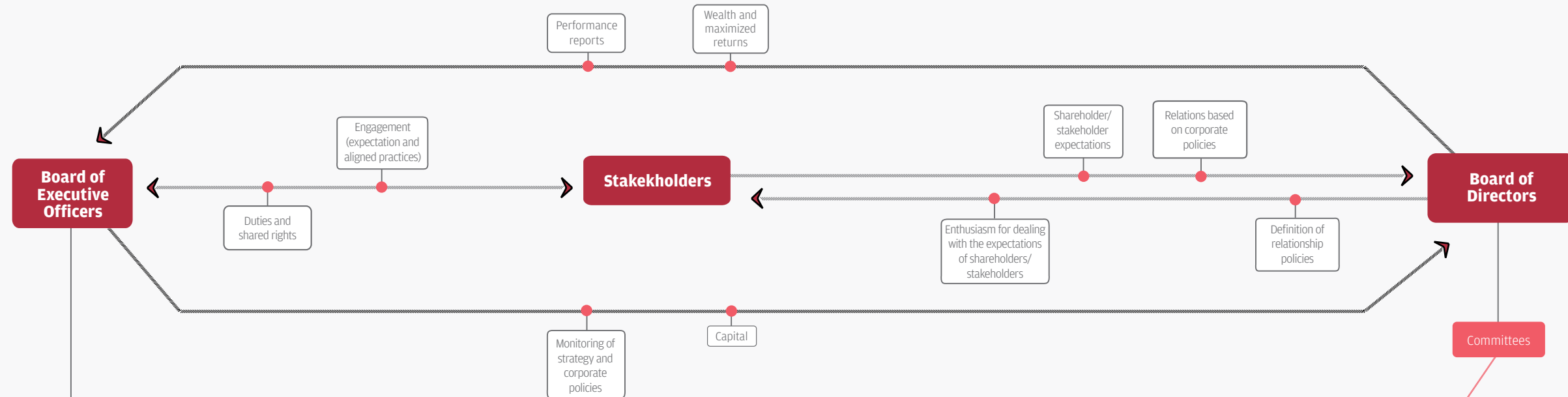
Marco Antônio Cassou	Chairman
Cesar Beltrão de Almeida	Full member
João Alberto Gomes Bernacchio	Full member
Massimo Villa	Full member
Alessandro Rivano	Full member
Guillermo Osvaldo Díaz	Full member
Carlos Cesar da Silva Souza	Full member, independent
Giuseppe Quarta	Alternate member
Francisco Henrique Passos Fernandes	Alternate member
Gianfranco Catrini	Alternate member

In January 2012, after the period described in this report, José Geraldo Carboni joined the Board of Directors as the eighth full member of the body, and Marcelo Beltrão de Almeida joined as an alternate member.

# CORPORATE GOVERNANCE EXCELLENCE

GRI 4.4, 4.6, HR4, SO3, SO4 and SO7

>> The ethical principles of accountability, transparency, fairness and equality shall orient the corporate governance relations of EcoRodovias with its various relationship audiences.



## COMMITTEES OF THE BOARD OF EXECUTIVE OFFICERS

**Management through Processes Committee:** assists the Management through Processes Nucleus (NGP) by aligning the process and management initiatives to the strategic objectives and recommending projects and improvements.

**Executive Committee for the Management of Risks, Compliance and Internal Controls:** subordinated to the Audit Committee, with attributions of continuously identifying, assessing and monitoring risks, effectiveness of internal controls and non-compliances. Its mission is to link the management of risks, compliance and internal controls to the daily decision-making process, supporting the taking of the most complex and difficult decisions.

**Information Technology and Security Committee:** facilitates discussion and proposes policies and guidelines as well as the implementation of rules regarding information and systems and information technology to provide a basis for a companywide culture for the safe and effective use of IT tools.

**Committee for the Control and Disclosure of Material Information:** adopts the practices indicated in the ABRASCA Manual for the control and disclosure of material information, trains managers and employees and creates barriers to avoid disclosure of confidential matters. It also controls the management of privileged information.

**Business Unit Sustainability Committee:** disseminates the culture of socially responsible management and acts as an interface between the different stakeholders, proposing and implementing new policies for improvements. It also facilitates the internal process for applying the GRI model and evaluates, proposes, implements and monitors the social responsibility programs and projects.

**Strategy and Management Committee:** seeks to establish the strategic guidelines as defined by members of the executive board, company divisions and departments, and subsequently analyzes the diagnoses developed in meetings regarding the results of the economic-financial and non-financial indicators. The attributions of the Committee are reflected in the orientation, delegation and fostering of debate on control activities and adjustment to management practices.

## COMMITTEES OF THE BOARD OF DIRECTORS

**Audit Committee:** ensures that the businesses are conducted in accordance with governance procedures, applicable laws, ethical principles and internal controls. Monitors and evaluates the activities of the independent auditors and the preparation of the financial statements.

**Personnel Management Committee:** proposes the performance targets of the members of the business divisions to the Board of Directors and the structure of their compensation. Analyzes and submits proposals related to the nomination of new independent board members and members of the Executive Board. Monitors and evaluates the process for succession to key positions and the effectiveness of the Company's talent retention process (a committee was created in 2012 subsequent to the period covered by this report).

**Ethics Committee:** comprised of two members linked to the Board of Directors and one member representing the Executive Board. It is responsible for the management and dissemination of the Code of Business Conduct and for investigating denunciations. There is an exclusive channel on the EcoRodovias website for receiving secret complaints and comments from the Company's different relationship publics. Another form of contact is through the following e-mail address: comitedeetica@ecorodovias.com.br.

In 2011, no lawsuits were filed against the Company referring to unfair competition or violations of antitrust legislation. EcoRodovias did not receive any complaints nor was it the subject of lawsuits regarding cases of corruption or discrimination, and did not dismiss employees or rescind contracts with suppliers based on such issues.

**Corporate Sustainability Committee:** evaluates and proposes social-environmental programs and projects and discusses the updating of the corporate policies and guidelines regarding this issue. It uses social business responsibility indicators to orient the Company's behavior in this area. It decides how to spend funds based on fiscal incentives for socio-environmental projects. In 2011, the committee studied the sustainability topics that the Company should be most concerned about and decided on "diversity" as the focal point of the projects for 2012.

**Governance Committee:** proposes adjustments and updates for the proper functioning of the corporate governance model, coordinates the regular self-evaluation of the Board of Directors and supports the Evaluation and Compensation Committee regarding the processes for the selection and integration of new Board members.



Ecosul

**IN 2011, THE BOARD OF EXECUTIVE OFFICERS DEFINED THE MODEL TO BE USED FOR IT'S SELF-EVALUATION, BASED ON SOCIO-ENVIRONMENTAL CRITERIA AND, MOREOVER, ESTABLISHED THE TARGETS FOR THIS ISSUE FOR BOTH OFFICERS AND EMPLOYEES FOR 2012**

**BOARD OF EXECUTIVE OFFICERS**

The Board of Executive Officers is composed of six statutory officers elected by the Board of Directors, with a two-year term of office, meeting weekly. Furthermore, each one of EcoRodovias' concessionaires has a managing superintendent. The EcoRodovias Board of Executive Officers systematically seeks consensus among its members, strengthening the team spirit and the concept of a collegial decision-making body. The main functions of this executive board are:

- to propose initiatives to the EcoRodovias Board of Directors

and the boards of its directly and indirectly controlled subsidiaries, seeking to ensure unity of concepts and common practices within the EcoRodovias system;

- implement the strategy as defined by the Board of Directors.

In 2011, the Company studied the assessment of its Board of Executive Officers based on socio-environmental criteria. For 2012, two targets based on this topic were chosen that influence the variable compensation of the officers and other employees in the Group.

**Makeup of the Board of Executive Officers at December 31, 2011**

Marcelino Rafart de Seras	President
Federico Botto	Executive Vice President
Marcello Guidotti	Chief Financial Officer
Roberto Koiti Nakagome	Investor Relations Officer
Dario Rais Lopes	Director of Business Development
Luis Augusto de Camargo Opice	Director of Logistics

**Independent Auditors**

In 2011, Deloitte Auditores Independentes revised the internal controls and the quarterly information prepared pursuant to the accounting practices adopted in Brazil. Furthermore, it audited the individual and consolidated financial statements according to the rules of the International Financial Reporting Standards (IFRS).

To examine the résumés of the members of the Board of Directors, the Committees and the Board of Executive Officers, please access the reference form available at [www.cvm.gov.br](http://www.cvm.gov.br) in the Investor Relations area of the EcoRodovias website ([www.ecorodovias.com.br/ir](http://www.ecorodovias.com.br/ir), in the section on "investor information > Documents Delivered to the CVM").

**OUR PATHS**

**Integrated Management System**

The EcoRodovias group's highway concessions use indicators designed to monitor compliance over the course of the year with the NBR ISO 9001 - quality, ISO 14001 - environmental management, and OHSAS 18001 - safety, hygiene and occupational health guidelines.

These indicators are measured on a monthly basis by Sustainability Coordination Departments located in each one of the business units, whose activities are focused on sustainable business development and continuous improvements.

In 2011, two measurements of these indicators were conducted in four of the business units - the only exception being Ecopistas, whose package of indicators was only validated at the end of 2011. Of the 64 measurements realized in 2011, in only seven of them it was impossible to meet the established targets; that is, EcoRodovias was successful in 89% of the measurements.

For each of the unmet targets, corrective measures were taken - such as review of the documented regulations and specific training of employees and outsourced workers.

**Corporate Policies GRI 4.6 and EC2**

Transparency, respect and ethics are indispensable for disclosing information about the Company's actions. These principles are expressed in EcoRodovias' corporate policies, which orient all of the Company's relationships, practices and decisions.

**Financial Policy:** segments the activities of the financial function through a master plan and the guidelines for financial valuation of investments, financing decisions and working capital management.

**Disclosure Policy:** its objective is to offer investors, market analysts, the specialized financial media and other interested parties the highest levels of transparency and reliability by adjusting the internal policy of the Company to the good practices of the use of information and the disclosure of material acts or facts.

**Related Party Transactions Policy:** designed to establish and disseminate criteria regarding the hiring of related parties for construction projects, rendering services and the supply of materials and inputs for the investment programs and special conservation work on behalf of the subsidiaries or business units ("units") that make up the EcoRodovias group. It requires that contracts with related parties must be carried out observing the conditions and practices of the market (arms' length basis). Towards this end, the policy seeks to ensure that all of the decisions involving related parties are taken for the best interests of Ecorodovias and its shareholders and applies to all employees and managers of the Company and of its subsidiaries.

>> For more information, visit [www.ecorodovias.com.br](http://www.ecorodovias.com.br).

>> To better understand the Sustainability Guidelines, please visit [www.ecorodovias.com.br](http://www.ecorodovias.com.br).

**Dividend Distribution Policy:**

determines the annual distribution of a minimum amount equivalent to 50% of the Company's adjusted net profits, calculated according to article 189 of the Corporation Law (6.404/76), which can be made in the form of dividends and/or interest on own equity.

**Sustainability Guidelines:** defined in 2011, they direct the Company's activities regarding this item, focused on best market practices regarding eight topics: "Quality," "Process Management," "Environment," "Climate Change," "Social Responsibility," "Workplace Health and Safety," "Ombudsman" and "Conflict of Interest".

- **Quality:** operates a management system guided by NBR ISO 9001, which satisfies the requirements of the business units. Guarantees that all employees are duly trained to carry out their functions. Fosters a workplace environment adequate to satisfy customer needs and standardized products and services, among other attributions.
- **Management through Processes:** management of the business through the processes that comprise the Company, providing an integrated overview of the different areas. The processes are monitored through specific indicators, prepared and validated by their respective managers and responsible parties. Periodically, they are evaluated through specific audits.

- **Environment:** implements and operates a management system guided by NBR ISO 14001, which satisfies the requirements of the business units. Seeks savings of natural resources through programs and campaigns about rational use. Conducts maintenance operations and tests on equipment to reduce the emissions of pollutants, among other responsibilities.
- **Climate Change:** plans and coordinates actions that reduce greenhouse gas emissions stemming from the Company's operations. Fosters internal development of projects that seek energy efficiencies. Guarantees the use of clean/renewable fuels in the Company's operations and those of its service suppliers. Maintains permanent preservation areas located in its own areas or those that are adjacent to its operations, among other attributions.
- **Social Responsibility:** establishes and maintains guidelines related to human rights, ethics and the fight against corruption, supplier relationships and the appreciation of diversity.

**DEFINED IN 2011,  
THE SUSTAINABILITY  
GUIDELINES ORIENT THE  
COMPANY'S ACTIVITIES  
REGARDING THIS TOPIC**

- **Workplace Health and Safety:** implements and operates a management system governed by OHSAS 18001, which satisfies the needs of the business units. Ensures that all employees and service suppliers understand and comply with the company's internal regulations regarding workplace safety, among other attributions.
- **Ombudsman:** ensure reception of complaints, suggestions and information from the different stakeholders, contributing to the guaranteeing of rights and the strengthening of citizenship and transparency. Assure that the ombudsman offices of the units remain accessible to all stakeholders and practice confidentiality and secrecy in handling the commands, through secure information systems and ethical behavior, among other responsibilities.
- **Conflicts of interest:** minimize possible focal points of conflicts of interest, emphasizing separation of functions and a clear definition of roles and responsibilities associated with the mandates of all governance agents. When there are situations of conflicts of interest, the person involved must state his or her conflict; to the contrary, another person may do so





**RISK MANAGEMENT**

**GRI 1.2 and 4.11**

The management of corporate risks is of fundamental importance for the sustainable growth of the businesses. Therefore, EcoRodovias has available a number of methodologies and tools to identify, evaluate, mitigate and monitor risks, following a business philosophy based on an integrated vision of corporate governance, risk management and compliance.

The Risk Management Process conducted at EcoRodovias is aligned with the IBGC's Risk Notebook and with ISO 31000 - both of these address the principles and best practices of corporate risk management.

At EcoRodovias, the management of corporate risk is a continuous and transversal process within the Company, conducted by professionals at all levels that is formulated to identify potential events whose occurrence could affect the group and to manage them according to its appetite for risk. A widely encompassing process, it seeks to incorporate risk management into strategic planning, the management by processes system and its projects in a pertinent, effective and efficient manner.

EcoRodovias' approach to risk management is based on the idea that the origin of the risks could be related to strategic, operational and financial issues. The classification by nature of the risk permits grouping them by their causes (internal or external) and those responsible for managing them (the holding company or the business units). Classification by type seeks to ensure company wide common language regarding risks.



CCO - Ecovias



Employees - Ecocataratas

**RATINGS ACCORDING TO TYPE OF RISK**

	Nature	Type
1	Strategic	Environmental
2	Strategic	Competitiveness
3	Strategic	Economic
4	Strategic	New business
5	Strategic	Political and legal
6	Strategic	Reputational
7	Strategic	Sectorial and regulatory
8	Strategic	Social
9	Strategic	Corporate
10	Operational	Physical infrastructure
11	Operational	Processes
12	Operational	Human resources
13	Operational	Technological resources
14	Financial	Credit
15	Financial	Liquidity
16	Financial	Market

The strategic risks are associated with decision-making by top management and could generate greater loss of economic value for the Company. The Board of Directors and the executive officers with the support of their respective committees manage them.

Financial risks, for their part (market, credit and liquidity), are those that are associated with exposure of the Company's financial operations. It is the risk that cash flows may not be effectively managed to maximize the generation of operating cash, for managing specific risks and returns of financial transactions, and obtaining and investing financial resources according to the established policies. The Chief Financial Officer with the support of the financial and planning departments manages them.

The operational risks are associated with the possibility of the occurrence of losses (of assets, customers and revenues) resulting from mistakes, fraud, deficiencies or the inadequacy of internal processes, people and systems, as well as external events (natural catastrophes, strikes and terrorist actions). The operational risks generally lead to reduction, degradation or interruption, total or partial, of the activities, with a negative impact on reputation, as well as the potential to generate contract-related, regulatory and environmental liabilities. The respective process managers administer them.

# 02

## SCENARIO AND STRATEGY

EcoRodovias' business strategy is based on sustainable growth with the objective of becoming the largest integrated logistical infrastructure company in Brazil







# On 2011

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EcoRodovias signed a consortium agreement with Fraport AG to prepare for airport tender processes

- The prospects are optimistic for the coming years in the field of transportation due to the PAC investments and the good performance of agricultural commodities in terms of exports.
- The World Cup in the Olympic Games strengthen the need for infrastructure investments. The sector has been preparing itself to take advantage of the opportunities and to offer the necessary resources.
- EcoRodovias' business strategy is based on sustainable growth, with the objective being to become the largest integrated logistics infrastructure company in Brazil.
- About 48% of cargo handling in Brazil moves through EcoRodovias' connections with the Ports of São Sebastião, Santos, Paranaguá, Rio Grande and the Triple Border Area - Brazil, Paraguay and Argentina.
- The Group is constantly working to improve infrastructure, offering logistical solutions that eliminate bottlenecks and integrate retroport terminals and distribution center activities.
- For the forthcoming years, the Company intends to invest in acquisitions and ownership stakes in port terminals and new highway concessions.
- The intangible assets add value to the Company. and their management is extremely important. EcoRodovias' main intangible assets are its brand, image and intellectual capital.



- Strategic planning is by the Strategy and Management Committee, which meets every other month to evaluate how well the targets are being met and the evolution of projects that are underway.
- EcoRodovias has established a Management by Processes Nucleus (NGP) that ensures alignment with corporate initiatives.
- In 2011, there were improvements in the use of the Balanced Scorecard (BSC) methodology within the Group, applying the strategy to all of EcoRodovias' business units.
- For 2012, the managers will be able to count on a new methodology and its own systems to administer strategic projects related to the BSC.
- The Company conducts an internal audit through an independent institution that reports directly to the Board of Directors and helps the Group improve the effectiveness of its governance, risk management and compliance processes.

## SCENARIO AND STRATEGY

# 9% of Brazil's paved highway network consists of private concessions

PRESENT IN THE MAIN TOURISM AND BRAZILIAN FOREIGN TRADE CORRIDORS, ECORODOVIAS IS PREPARING ITSELF FOR THE COUNTRY'S GROWTH, TO BE DRIVEN IN THE NEXT TWO YEARS BY THE PAC PROJECTS

The macroeconomic context in 2011 was challenging. Nevertheless, 86% of the projects that are part of the Accelerated Growth Program (PAC) were continued at adequate levels, according to the Federal Government. Specifically, in the field of Transportation, there are optimistic prospects for the upcoming years, with an expectation of investments totaling some R\$78.6 billion through the PAC.

The performance of agricultural commodities destined for export was higher than the previous year and was expected to maintain this growth curve in the forthcoming years. Because the main way of bringing out agricultural production from the countryside is through highways, the increase in the volume of exports is directly reflected in traffic flows on the roadways.

Together with these factors, the international exposure of Brazil as of the announcement that it would host the Football World Cup and the Olympic Games strengthens the need for infrastructure investments.

The sector has been getting ready to take advantage of these opportunities and to offer the resources necessary to overcome any challenges facing national economic development. Currently, 9% of the paved highway networks in Brazil are operated through private concessions, the equivalent of 14,800 km. Since concessions were initiated at the end of the 1990s, through October 2011 some 3,102 km of new paved motorways have been built and approximately 2.9 million square meters of bridges and overpasses recapped<sup>1</sup>.

According to the Instituto de Pesquisa Econômica (IPEA), the public investment in highways jumped from R\$1.3 billion to R\$10.3 billion between 2003 and 2010. For their part, private investments rose from an average of R\$1.8 billion between 2002 to R\$3.6 billion in 2010 as a result of new concessions that started up between 2008 and 2009.

>> <sup>1</sup> Source: "Highways get better but the overall system is insufficient," stated an article in *Valor Econômico* newspaper in December 2011.

The level of the highways also has improved over the past six years, according to the annual survey taken by the National Transportation Confederation (CNT). During this period, the percentage of excellent/good highways went from 28% to 42.6%; regular roads from 31.8% to 30.5%; and bad/very bad roads went from 40.2% to 26.9%.

### STRATEGY

EcoRodovias' strategy is based on sustainable growth with the objective of making it Brazil's largest integrated logistical infrastructure company. It has a strategic plan with a five-year horizon, with very qualified top management that is committed to carrying out the business plan that has been established in order to acquire financial solidity, business profitability and sustainability.

EcoRodovias' services are distributed through the main tourism and foreign trade corridors and are located near major commercial, consumption and industrial centers as well as Brazilian ports. About 48% of cargo in the country travels through EcoRodovias' connecting roads to the Ports of São Sebastião, Santos, Paranaguá, Rio Grande and the Triple Border - Brazil, and Argentina.

For the next years, the Company intends to increase its activities in the logistical infrastructure

area through new development opportunities and acquisitions of logistics assets, integrated and synergetic with its highway concessions.

It also will invest in acquisitions and ownership interests in port and airport terminals together with strategic partners in the sector that can add value and knowledge to the businesses, and it will seek to acquire new highway concessions. An example of this is the participation in the new airport concession auctions, including with international partnerships. In 2011, EcoRodovias signed a consortium agreement with Fraport AG - the German company that is the leader in this industry and

manages the Frankfurt airport, one of the 10 largest in the world - to prepare our airport tender bids.

Towards this end, the group is constantly working to make improvements in the infrastructure of its complexes, offering logistical solutions that eliminate bottlenecks, integrating activities in retroport areas and distribution centers, thereby minimizing costs to customers. For our highways, users can learn about traffic conditions from electronic displays and receive information about the available medical and mechanical services, rest areas and personal hygiene. We also run educational awareness programs for them.



Ecosul



## SCENARIO AND STRATEGY

Offering this level of excellence requires a qualified and engaged labor team. Therefore, EcoRodovias' strategic planning is focused on employee development, fostering programs that emphasize well-being, quality of life and health and encouraging ongoing education and professional development.

The sustainability issue transversely permeates the strategy and operations of EcoRodovias. The Company seeks to reduce the consumption of natural resources, conducting environmental education courses in public schools and reforestation of native species plants and trees along the roadways we manage. All of the Company's concessions are certified under ISO 9001, ISO 14001 and OHSAS 18001. EcoRodovias also supports social and cultural projects in the surrounding communities that contribute to the improved quality of life of thousands of people and help form citizens and advance local development.

### Intangible Assets

Intangible assets add value to the Company, and its management is extremely important to the longevity of its businesses. At EcoRodovias, the main intangible assets involve specific management practices for: the brand, image and intellectual capital.



Ecocataratas



Ecovia

### Brand and Image

EcoRodovias' brand is one of the most important assets the Company possesses and spotlights a distinguishing characteristic - that of a corporation that is concerned about sustainability, as reflected in the prefix "Eco" in its name. This responsible way of acting is seen in its day-to-day activities through the appropriate conduct of its managers and employees and the many different social responsibility and awareness initiatives in which it is involved, along with environmental recovery actions.

### Intellectual Capital

EcoRodovias' employees are the owners and disseminators of the knowledge necessary for high-level, quality and efficient operations. They assist users every day and establish long-lasting and valuable relationships with partners, suppliers and clients. That is why the Company makes major investments in their training and career development, offers compensation and fringe benefits that are in step with the best market practices, promotes initiatives to improve quality of life, health and safety and monitors the perception of the in-company public through organizational climate surveys (see more about this in the "Employees" section of the "Socio-Environmental Performance" section).

### Strategic Management Tools

The management of strategic planning is developed by the Strategy and Management Committee, which plans, monitors and follows up the approaches and the studies regarding activities relating to aspects that will guide organizational competencies, actions and decisions based on the evidence of analyses and explanations about performance. Through this practice, the EcoRodovias group is able to achieve the results that are expected by its clients: the granting authority, shareholders, employees and users.

Every second month, the Strategy Committee meets to evaluate if targets have been met and the evolution of the projects that are underway, clarifying doubts that arise.

### Management by Processes

Through the Management by Processes Nucleus (NGP), EcoRodovias ensures alignment with corporate initiatives that make it possible to achieve structured results. The business processes are recorded on the process specification (EP) document and monitored through specific indicators.


### Balanced Scorecard (BSC)

Since 2007, EcoRodovias has adopted the Balanced Scorecard (BSC) methodology to establish which are its strategic objectives and what are the targets and the performance indicators associated with each one of these objectives.

Annually, short- and medium-term strategic planning is conducted focused on our Mission, Vision, Values and Growth Plan, which culminates with the strategic mapping of the EcoRodovias Group, indicating the main organizational objectives, corporate target, projects and actions necessary to implement the strategy.

In 2011, the use of the BSC evolved in the Group, with the strategy being implemented for all of EcoRodovias' business units. Also designed to guarantee perfect execution of the strategic objectives, specific projects and actions were defined for each of the Group's concessionaires.

# All of the concessions are certified under ISO 9001, ISO 14001 and OHSAS 18001



For 2012, a new improvement will be implemented, permitting managers to be able to count upon their own methodology and systems for managing strategic projects related to the BSC.

### **Economic Value Added (EVA)**

This is a management tool used to measure the creation of value for the Company, making it possible to evaluate capital structure and applied funding alternatives, contributing towards the alignment of the vision of management when it comes time to make decisions. It is for internal use only and therefore its results are not disclosed.

### **Compliance Management and Internal Controls**

The EcoRodovias Group's compliance management efforts seek to ensure the adjustment and strengthening of the internal controls environment, compliance with laws, regulations and

external and internal rules, as well as the dissemination of the controls culture, the Code of Business Conduct and good practices. It supports the work of the internal auditors and monitors the implementation of the items related to non-compliance with laws, policies, processes and procedures on the part of the Company.

Compliance management seeks to strengthen the Company's businesses on ethical bases, in a constant search for improving its controls and the preservation of one of its major assets: its image.

### **Internal Auditors**

The Internal Auditors constitute an independent body that reports directly, through the Audit Committee, to the Board of Directors and was created to assist the Company improve the effectiveness of its governance, risk management and compliance processes. Currently, the work of the Internal Auditors has been outsourced, being conducted by specialized auditing companies and conducted through business processes that have been required and approved by the Audit Committee.




# 03

## ECONOMIC-FINANCIAL PERFORMANCE

2011's results surpassed the performance posted the previous year. Among the highlights were the 28% increase in net revenue, 11.5% growth of investments and 9.2% rise in the value of EcoRodovias' shares







Consolidated net revenue in 2011 totaled 1,827.4 million, 28% more than in 2010, of

**R\$1,827.4**

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- To ensure the continued success of its businesses and to comply with the Company's social function is the role of the management of the economic-financial aspects of EcoRodovias.
- In 2011, for the purpose of the disclosure of the earnings results, the consolidated financial statements were prepared pursuant to the IFRS.
- For the year, operating costs totaled R\$1,038.9 million, an increase caused by expenses for outsourced services, the provision for maintenance of infrastructure and personnel.
- EBITDA totaled R\$957.3 million, reaching a margin of 52.4%.
- The net financial income was an expense of R\$183.1 million, down by 8.2% compared to 2010.





- EcoRodovias posted net income of R\$387.6 million for the year, closing December 2011 with available cash and investments in securities in the amount of R\$671.8 million.
- The consolidated investments carried out in 2011 totaled R\$381.5 million, 14.9% higher than in 2010.
- In 2011, EcoRodovias generated Economic Added Value (EAV) of R\$1,262.2 million, 2% less than the previous year.
- For 2012, EcoRodovias is preparing to enter the Port and Airport sectors through future tenders and acquisitions in the secondary market.
- EcoRodovias' shares, under ticker symbol ECOR3, are traded through the BM&FBOVESPA's Novo Mercado and in 2011 were placed on the IBrX-100 index.
- Its shares rose in value by 9.2% during the year, quoted at R\$13.95 on December 29, 2011. In 2011, EcoRodovias paid out dividends in the amount of R\$285.6 million.



## ECONOMIC-FINANCIAL PERFORMANCE

# R\$1,038.9

in operating costs for the year

THE MANAGEMENT OF THE ECONOMIC-FINANCIAL ASPECTS IS DESIGNED TO ENSURE LONGEVITY OF THE BUSINESSES, INCLUDING ANALYSIS OF SCENARIOS AND A DEFINING OF CLEAR OBJECTIVES FOR THE COMPANY

The management of EcoRodovias' economic-financial aspects is designed to ensure longevity of the businesses and to comply with its social function, based on solid objectives and analysis of internal and external indicators, while verifying the trends in the economic and infrastructure scenarios in order to re-evaluate business strategies.

For the disclosure of 2011's earnings results, the financial statements were prepared according to the International Financial Reporting Standards (IFRS) and the effects of this adoption are presented in the explanatory notes for the statements.

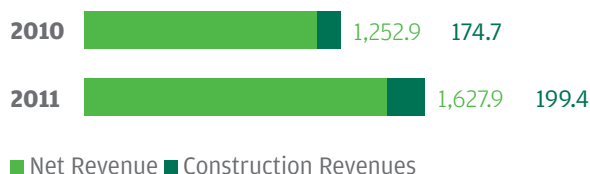
### PERFORMANCE

Consolidated net revenue in 2011 totaled R\$1,827.4 million, 28.0% higher than in 2010. This increase was due to the growth in the Group's toll, logistics and services revenues as well as the consolidation of Elog Sudeste and Elog Sul (formerly known as Columbia and EADI Sul).

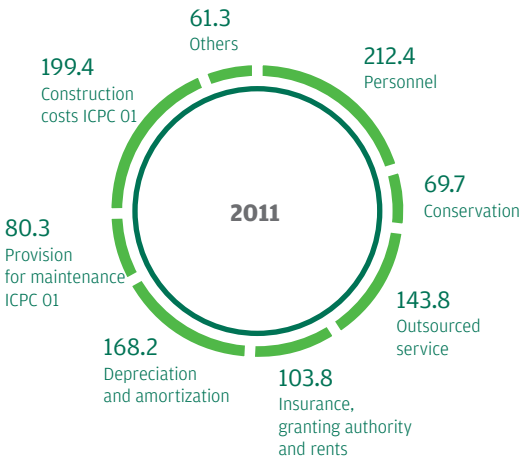
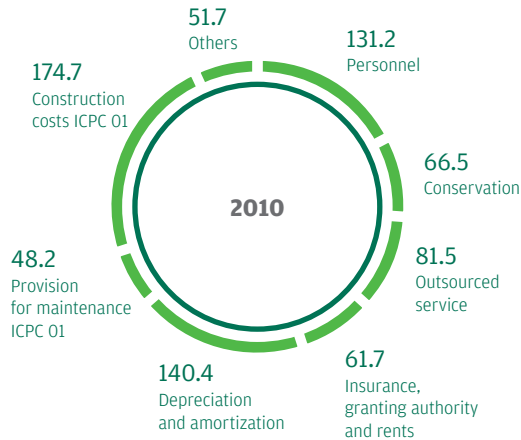
### Operating Costs and Administrative Expenses

The operating costs totaled R\$1,038.9 per year, which was 37.4% higher than posted in 2010. This increase mainly was due to expenses with third-party services, the provision for infrastructure maintenance and personnel.

### NET REVENUE (R\$ MILLION)



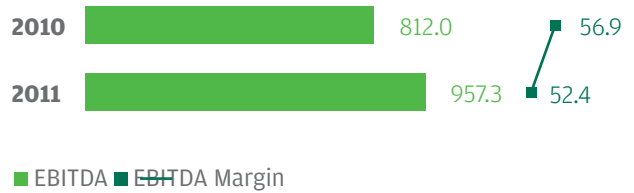
**BREAKDOWN OF OPERATING COSTS (R\$ MILLION)**



**EBITDA**

Taking into consideration the application of the IFRS accounting standards, EBITDA was R\$957.3 million in 2011, reaching a margin of 52.4%. Adjusted EBITDA (excluding the IFRS effects) was R\$1,037.6 million, with a 63.7% margin.

**EBITDA (R\$ MILLION) AND EBITDA MARGIN (%)**



Port of Santos

## ECONOMIC-FINANCIAL PERFORMANCE

### Financial Income

The financial income in 2011 was an expense of R\$183.1 million, down 8.2% compared to the previous year.

Financial income (R\$ million)	2011	2010	Var.
Interest on debenture	(153.8)	(112.2)	37.1%
Interest on financing	(34.2)	(62.9)	-45.6%
Monetary variation - debentures and financing	(43.6)	(45.1)	-3.3%
Monetary variation - granting right	(9.5)	(29.8)	-68.1%
Income from financial investments	95.6	86.3	10.8%
Adjustment to present value ICPC 01	(16.3)	(17.6)	-7.4%
Other financial effects	(21.2)	(18.2)	16.5%
<b>Consolidated</b>	<b>(183.1)</b>	<b>(199.5)</b>	<b>-8.2%</b>



Ecovia

### Net Income

EcoRodovias presented net income in the amount of R\$387.6 million for the year, 30.9% higher than the adjusted net income of 2010 (excluding the non-recurring gains during the period of R\$295.4 million for the sale of a stake in Elog). Considering full values, the net income for the period was 35.1% lower than in 2011.

#### ADJUSTED NET INCOME (R\$ MILLION)

<b>2010</b>		295.4
<b>2011</b>		387.6



Ecopátio

### Cash on Hand and Consolidated Debt

EcoRodovias ended December 2011 with a balance of cash on hand and financial investments in securities in the amount of R\$671.8 million.

EcoRodovias' gross debt was R\$1,676.1 million on December 31, 2011, a 5.4% reduction over the previous year.

### Capital Expenditures

EcoRodovias' consolidated capex in 2011 totaled R\$381.5 million, 14.9% higher than was recorded in 2010.

In the highway concessions sector, investments during the year totaled R\$299.8 million, 2.4% higher than in 2010. The main variations referred to investments on the part of Ecovias dos Imigrantes, Ecocataratas and Ecosul and in the updating and improvements to the operating and administrative systems of EcoRodovias.

In the logistics sector, investments totaled R\$60 million in 2011, stemming from infrastructure construction projects by Ecopátio Cubatão and improvements at Elog Sudeste and Elog Sul.

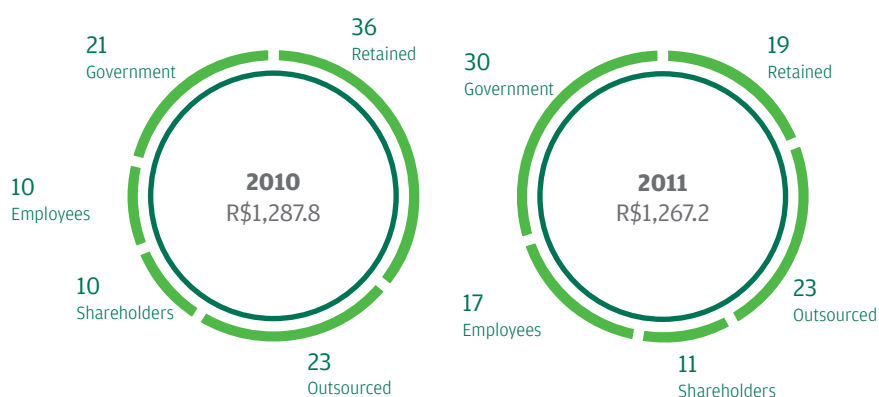
### Added Value Statement (AVS)

#### GRI EC1

The Added Value Statement (AVS) is designed to demonstrate the wealth created by the Company and its distribution during a given period of time.

Debt (R\$ million)	2011	2010	Var.
<b>Short-term</b>	<b>541.7</b>	<b>768.6</b>	<b>-29.5%</b>
Loans, financing and leasing	163.1	451.6	-63.9%
Debentures	378.6	317.0	19.4%
<b>Long-term</b>	<b>1,134.4</b>	<b>1,002.7</b>	<b>13.1%</b>
Loans, financing and leasing	189.8	125.0	51.8%
Debentures	944.6	877.7	7.6%
<b>Gross debt</b>	<b>1,676.1</b>	<b>1,771.3</b>	<b>5.4%</b>
Cash and cash equivalents	671.8	872.6	-23.0%
<b>Net debt</b>	<b>1,004.3</b>	<b>898.7</b>	<b>11.8%</b>

### AVS (%)



In 2011, EcoRodovias generated a total of R\$1,267.2 million, in line with the amount reported in 2010. Of this total, the portion for personnel grew 7% referring to the consolidation of the logistical companies, which incorporated nearly 1,800 employees of the Group.

Taxes, fees and contributions represented 30%. Remuneration of third-party capital represented 23%, again in line with what was recorded in 2010, and remuneration of own equity represented 30%.

## ECONOMIC-FINANCIAL PERFORMANCE

### Prospects and Targets for 2012

In 2011, EcoRodovias was challenged to demonstrate to its new shareholders a capacity for management, infrastructure and mainly its potential for logistical services with the construction of cargo terminals in strategic areas near ports and large centers of consumption.

For 2012, the Company is preparing to face a new challenge: to make its debut in the Port and Airport sectors and in future tenders and acquisitions through auctions in the secondary market.

Furthermore, EcoRodovias will begin projects to improve some stretches of the BR-101 highway between the States of Espírito Santo and Bahia.

### Capital Markets

EcoRodovias' shares are traded on the BM&FBOVESPA' Novo Mercado under the ticker symbol ECOR3. The Company strengthened its relations with the capital markets throughout the year, notably its emphasis is on transparency in accountability.

EcoRodovias' shares became part of the IBrX-100 Index in 2011 and were added to BM&FBOVESPA's Business Sustainability Index (ISE) in 2012. The IBrX-100 is a price index that measures returns on a theoretical portfolio composed of 100 shares selected from the most active on the BM&FBOVESPA in terms of numbers

of trades and financial volume. The ISE is designed to reflect returns of a portfolio of shares of companies that are known for their commitment to social responsibility and business sustainability and that promote good practices within the Brazilian corporate community.

The Company's shares rose in value by 9.2% over the year, quoted at R\$13.95 on December 29, 2011. During this same period, the IBOVESPA Index declined by 18.1%.

### Dividends

In 2011, the Company paid out in dividends the total amount of R\$285.6 million, of which R\$145.5 million represented supplemental dividends for the fiscal year of 2010, and R\$140.1 million was for interim dividends referring to fiscal 2011. The distribution for fiscal 2011 is subject to the approval of the General Shareholders Meeting.

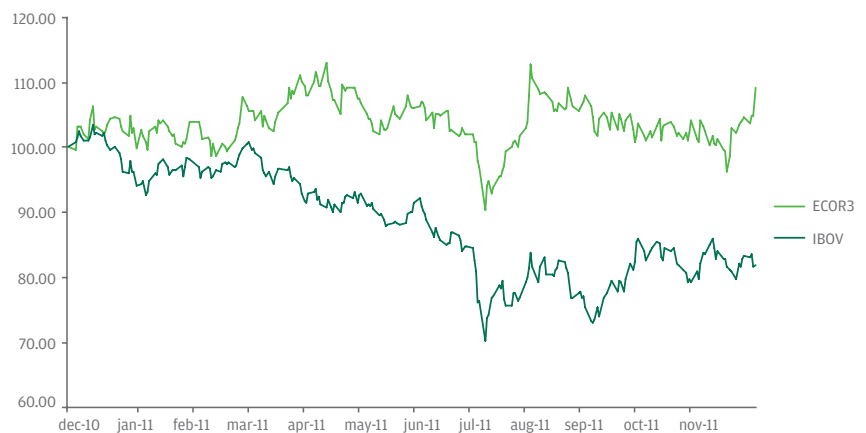
### Relationship with Shareholders and Investors

#### GRI 4.4

EcoRodovias has a healthy relationship with its shareholders, investors and other capital market professionals. It facilitates investment decisions by disclosing precise and transparent information.

It holds regular meetings to demonstrate business prospects, operating and financial results to investors as well as the outlook for the Company's growth in its effort to preserve and expand shareholder equity.

Other information can be found in the Investor Relations area of the EcoRodovias institutional website ([www.ecorodovias.com.br/ir](http://www.ecorodovias.com.br/ir)) or requested through the electronic address [invest@ecorodovias.com.br](mailto:invest@ecorodovias.com.br).





**R\$285.6**  
million was paid  
out in dividends  
in 2011

# 04

## OPERATING PERFORMANCE

More than 200 million equivalent vehicles traveled on EcoRodovias' roadway concessions in 2011. With regard to logistical services, of particular note was the signing of the purchase and sale contract for the acquisition of Maringá Armazéns Gerais and Maringá Serviços Auxiliares de Transporte Aéreo







Consolidated traffic in 2011 was

**200,344,000**

equivalent paying vehicles, which was 11.3% higher than the number that was reported in 2010

- In 2011, 89,172 containers were handled in the Primary Zone, up 43.8% over 2010.
- The Group is able to count on the Highway Safety Nucleus, the area responsible for the control of targets and the disclosure of safety statistics of the concessionaires as well as employees and users.
- The Company acts to prevent accidents, such as organizing convoy operations, monitoring special loads, running awareness campaigns regarding safety, conducting inspections and organizing simulated events for its teams.
- The installation of radars and signage led to a 7% decline in accidents.





- EcoRodovias is constantly investing in maintenance and improvement projects for its highways, making use of innovative paving technology that includes the use of asphalt containing rubber and polymer additives.
- The Group's concessionaires use solutions that help improve highway safety, such as crash barriers and attenuators that reduce the accident rate.
- In 2011, Elog signed a purchase and sale contract to acquire Maringá Armazéns Gerais and Maringá Serviços Auxiliares de Transporte Aéreo, responsible for the operation of the Paraná North Dry Port and the International Cargo Terminal at the Regional Airport of Maringá.
- In 2011, 15 inspections were conducted of dangerous cargo transportation operations.

## OPERATING PERFORMANCE

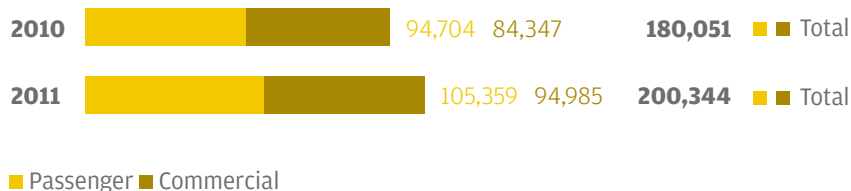
# 89,172,000

## Primary Zone container handling

THE 11.3% INCREASE  
IN THE NUMBER  
OF EQUIVALENT  
PAYING VEHICLES  
AND 43.8% IN  
CONTAINER HANDLING  
DEMONSTRATE  
THE GROWTH OF  
ECORODOVIAS'  
OPERATIONS

Consolidated traffic in 2011 was 200,344,000 equivalent vehicles, 11.3% higher than the 180,051,000 paying equivalent vehicles in 2010.

### PAYING EQUIVALENT VEHICLES (MILLION)



### Main traffic variations in 2011

11.3% increase in the number of paying commercial vehicles

2% reduction (in tons) of cargo handling at the Port of Santos (SP)

10.1% growth in cargo volume handled at the Port of Rio Grande (RS), reaching 30,497,000 tons for the year

The heating up of the automobile industry resulted in 3,425,000 more light vehicles licensed in 2011, 3.6% more than in 2010



Ecopátio Imigrantes

### Container Handling

In 2011, 89,172 containers were handled in the Primary Zone<sup>2</sup>, 43.8% than in 2010. The increase was due to the growth in Redex movement at Ecopátio Cubatão and the consolidation of the CLIA Santos.

>> <sup>2</sup> The Primary Zone is made up of Ecopátio Cubatão, which offers Redex services (a special place for customs export clearance) and Depot (maintenance and storage of empty containers and a patio for truck movements), and by CLIA Santos, which offers a customs service area.



Ecovia

### CONTAINER MOVEMENT ('000)



### Highway Safety Nucleus

The area is responsible for the control of targets and disclosure of statistics about concession safety, employees and users. It seeks to minimize the number of accidents and deaths, following three indexes:

- Active safety - improvements at the Brazilian vehicle yard;
- Passive safety - improvements on highways, such as safety installations, crash barriers, pavement and geometric features;
- Social safety - campaigns aimed at users regarding respecting rules, speed limits and behavior on the highways.

EcoRodovias conducts a number of actions to prevent accidents and minimize their impacts, such as:

**Convoy Operations:** mainly in the months of June and July, when the presence of fog cuts down visibility on the highways, the descent in the mountains is controlled in groups of about 500 vehicles escorted by cars from the concessionaire and the Highway Police. This intervention begins at the toll plazas and the vehicles are escorted at a speed of 30 km/h until visibility improves, avoiding collisions, pileups and other serious accidents.

**Lane Reversals:** operations conducted on the highways to facilitate traffic on days of heavy vehicle movement. Consists of the use of lanes in the opposite direction they normally flow to favor the flow in a given direction, depending on demand. It is especially important on commemorative dates and holidays, when the flows of passenger vehicles increase substantially.

- **Normal operation 5 x 5:** is characterized by the use of five traffic lanes to drive up the mountain and five to go down the mountain.

- **Operation Down Mountain 7 x 3:** is characterized by the use of seven traffic lanes to come down the mountain and only three to go up.
- **Operation Up Mountain 2 x 8:** is characterized by the use of two traffic lanes for driving down the mountain and six lanes for going up.
- **Operation Up Mountain 4 x 6:** is characterized by the use of four traffic lanes for driving down the mountain and six for going up.

**Transportation of Special Loads:**

EcoRodovias' concessionaires conduct specific operations to accompany the vehicle in order to signal its movements to other users.

**Accent Reduction Plan (PRA):**

created in 2011, studies the accidents that have occurred, establishing points requiring greater attention and proposing improvements in engineering and operations along with awareness raising actions to avoid future incidents.

**Awareness Campaigns:** run in partnership with municipal traffic organizations and the State and Federal Highway Police. It is focused on topics such as the use of seatbelts, the need to keep cars well maintained, defensive driving and good citizenship attitudes on the highways.

**Inspections:** together with appropriate agencies, during the year some 15 inspections of dangerous cargoes were carried out.

**Improvements:** in locations where there is a high frequency of accidents due to higher speeds than allowed, EcoRodovias installed radars (with government support) and reinforced alert signage. Last year, this measure led to a 7.0% decline in these incidents.

**Technical and Simulated Training**

**Sessions:** employees in all of the concessionaires undergo specific training and simulations during the course of the year, so they are always prepared to act during emergency situations.

# Team preparation guarantees highway safety and speed and appropriate assistance in the case of accidents

## CRISES SUCCESSFULLY HANDLED IN 2011

### GRI 1.2

EcoRodovias' qualified teams, prepared for risky situations and with a clear definition of the procedures to be taken, guaranteed proper handling of the incidents that occurred in the areas of the Group's concessionaires.

#### Ecovias

**Fact:** in September, a mass pileup involving 103 vehicles, including nine trucks carrying dangerous cargo, led to the death of one person and left 51 injured.

**What was done:** help was carried out by 198 employees of Ecovias and 80 military highway policemen, firemen and Samu hospital corpsmen, with the support of public and private organizations. The victims were quickly assisted and spillages controlled to avoid the risk of explosions. A change in the direction of traffic down the Rodovia dos Imigrantes highway was ordered, concentrating the descent via the Rodovia Anchieta. A tent was set up to offer snacks, water and restrooms for all involved in the accident. At the same time, the road was cleared and cleaned up to liberate it under safe operating conditions again.

**Result:** less than 23 hours after one of the largest accidents that ever occurred in Brazil took place, users resumed driving past the location without any difficulty.

#### Ecovia Caminho do Mar

**Fact:** in March, BR-277 was partially destroyed by a strong rain that caused landslide, flooding and devastation in surrounding areas.

**What was done:** as soon as the rain subsided, Ecovia's teams worked to recover the hillsides, opening up detours, clearing away objects and rebuilding pavements and bridges. Two bridges were raised approximately 2 m higher and made some 10 m longer after reconstruction. In other cases, bridgeheads and piles were reinforced.

**Result:** traffic was reestablished 36 hours after the incident. Subsequently, 153 days of uninterrupted work was carried out to conclude all the reconstruction activities scheduled one month before the established deadline.

#### Ecocataratas

**Fact:** in February, an accident between two trucks caused spillage of 6,000 liters of oil into the Rio Cascavel (PR), leaving part of the municipality without water supply.

**What was done:** teams from Ecocataratas, Civil Defense and Fire Department set up contention barriers along 14 km of the river that were impacted and set about cleaning up the oil from the banks.

**Result:** the control of the disaster in record time minimized the impacts and seven days later the conditions in the river were acceptable for resuming supply of water to the neighborhoods in Cascavel that had been affected.

#### Ecosul

**Fact:** in March, strong rains were responsible for cutting the BR-116 highway, knocking down part of a bridge near the municipality of Camaquã (RS).

**What was done:** at the time of the incident, Ecosul's employees signposted the highway and assisted users. The integration between the sectors of the Company and the efforts on the part of 150 employees involved were of fundamental importance: toll attendants informed users about what was happening while engineering teams worked to build a detour.

**Result:** after five days of arduous work, construction of a detour was completed and the traffic in the region was reestablished.



**Main Maintenance Work at the Concessions**

**GRI PR1**

To maintain the highways that run in perfect conditions, EcoRodovias and its dealers continually invest in maintenance and improvement projects:

- innovative technology - paving with asphalt made with the addition of rubber and polymers;
- cutting-edge security solutions, such as barriers and impact attenuators;
- route improvements, cleaning, painting and landscaping of roads;
- adoption of indicators of safety and traffic flow processes, which measure monthly rates of accidents, injuries and mortality and are the basis for improvement actions.

Concessionaire	Project
Ecovias	Construction of a third safety lane and shoulder on a 100-meter long bridge across the Billings Reservoir in São Bernardo do Campo (SP). The stretch had been a bottleneck and its widening improved the flow traffic.
Ecovias	Construction of two overpasses in the form of a horseshoe, 320 m long and 9 m wide, at Km 3 of the SP-248, in Baixada Santista. The new overpasses facilitated access to the Vila Áurea neighborhood and the terminals on the left bank of the Port of Santos, as well as helped reduce traffic congestion in the locations.
Ecopistas	Beginning of interventions in the paving of the Ayrton Senna Highway for recapping purposes between Km 19 and Km 12. The right-hand lane, which sustains the heavier vehicle traffic, received a layer of pavement containing an activated polymer to give it greater durability. Conclusion is scheduled for July 2012. An operation for filling holes, renewing the pavement, correcting depressions, sealing cracks, evening the difference between the road and the shoulder, removal of rubble and signage.
Ecovia	Retaining wall projects, equipment and systems, paving restoration, special outdoor construction, project for making three bridges longer, safer and renovated located at Kms 18, 24 and 26 of the BR-277 highway in the direction of Paranaguá.
Ecocataratas	Beginning of construction to duplicate the BR-277. Duplication of the first section was planned, totaling 14.4 km and involving 40 employees of the Company and a specialized consulting firm. Recapping of 93 km of the highway and expanding two bridges.
Ecosul	Recovery of the pavement, horizontal signage, special outdoor construction, equipment systems, building projects along the course of the highway and the reconstruction of the Passo das Pedras and Passo do Pinto bridges.







Employees - Ecopátio Cubatão



Employee - Ecopátio Cubatão

### Investments in Logistics

Elog signed a contract in November to acquire Maringá Armazéns Gerais Ltda. and Maringá Serviços Auxiliares de Transporte Aéreo Ltda. and now is awaiting authorization from the income tax authorities to conclude this acquisition. The companies are responsible for the operation of the Paraná North Dry Port and the international cargo terminal of the Regional Airport of Maringá. Valued at R\$15 million, the operation expands the Company's activities into air cargo customs clearance areas and integrated logistics services in the North of Paraná.

### Other Investments

#### GRI ECS

EcoRodovias goes beyond contractual requirements of the individual concession and invests in improvements on its highways in the voluntary manner, designed to satisfy requests from public agencies, ensure the safety of users and to offer better conditions in terms of cleanliness, painting and landscaping.

Concessionaire	Infrastructure	R\$ '000
Ecovias	Expansion of Batistini toll at Km 24 to Km 200 of the SP-160	1,900
	Building of a pedestrian overpass at Km 289 of the SP-055	1,500
	Adjustment of access to Bolsão 8 of the SP-059	300
	Access loop at Km 23 km to the SP-150	700
	Adjustment of acceleration lane at 22 km of the SP-150	300
	Implementation of concrete barriers and safety devices	5,200
Ecopistas	Building of a bike path from Km 34 to Km 33 - West Lane of the SP-070	48
	Adding of pre-cast European standard barriers at BR-277, Km 80.5 to Km 83	2,500
	Expansion of the PRF yard for seized vehicles on the BR-277 at Km 59.5	300
	Structural reinforcement of retaining curtain on the BR-277, Km 36.2	1,500
	Implementation of two new AVI lanes (one in each direction) at the Toll Plaza	150
Ecovia	Readjustment of the Special Load lane - Bypass at the Toll Plaza	50
	Reform of the Toll Plaza booths	355
	Replacement of the weighing scale at Km 30 - civil portion adjusted	100
	Construction of a retaining protective wall at the bridgehead of Rio Pequeno I BR-277, Km 56	925
	Installation of an LED speed panel on the mountain descent (35 km)	51
	Stabilization of a slope on the BR-277, Km 42 - Cabeceira Viaduto dos Padres (ongoing in 2012)	1,600
Ecocataratas	Containment slope works, 462 km	138
	Installation of European standard concrete barriers	1,035
	OAE maintenance from Km 504 to Km 215	355
	Implementation of the third lane between Km 460 and 461	783
	Adjustments to the Cataratas cloverleaf	415
	Implantation of metal crash rails	273
	Replacement of Contran's Resolution 340 signs	310
Ecosul	Road signs and earthworks for Fenadoce	83
	Road signs and earthworks for the Rural Association	13
	Signage on Av. Bento Gonçalves	1
	Maintenance of the Tiradentes School floor	51

# 05


## SOCIO-ENVIRONMENTAL PERFORMANCE

EcoRodovias strives for transparency in its relations with all stakeholders, seeking continuous improvements of its social and environmental indicators. In 2011, the Company was listed for the first time on the BM&FBOVESPA's Business Sustainability Index (ISE)





Colocamos nas mãos de grandes pessoas  
dar vida a pequenas sementes.  
**VIVEIRO DE MUDAS**  
ecovias



The Organizational Climate Survey of 2011 gave a general favorability index of

79%

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- EcoRodovias conducts initiatives that contribute to the social and cultural development of neighboring communities, users and employees.
- It maintains transparent and ethical relations with its stakeholders. Points of contact consist of specific channels of communication and assistance.
- According to top publications in Brazil, EcoRodovias is among the best companies in which to work in the country.
- The Company respects diversity, and its compensation policies are based on meritocracy. In 2011, it had 4,062 employees.
- Annually conducts the Climate Survey to understand the views of employees regarding the workplace environment. Some 87% are satisfied with the opportunities for development and professional growth.
- Breakfast with the Director, People's Network and Suggestion Box are programs the Company has instituted to improve the workplace environment.
- Dental care assistance, pharmacy discounts, life insurance, meal and restaurant tickets, transportation vouchers, private pension plan, among others, are some of the fringe benefits that the Group offers to all of its employees.



- The Group annually conducts the EcoRodovias Performance Evaluation Program (PADE), which assesses each employee regarding his or her targets and skills. In 2011, this tool began to be developed using Internet features to facilitate real-time monitoring of each one of the established targets.
- In 2011, 102,728 hours were spent to train employees through the Skills Academy Program, which qualifies them based on training courses.
- TV Training, the Apoena Library and partnerships that offer discounts in teaching institutions, universities and language schools are other initiatives that supplement the Skills Academy.
- Each concession has its own Internal Accident Prevention Commission (CIPA), made up of employees who strive to prevent accidents and that organize the Internal Workplace Accident Prevention Week (SIPAT).



EcoRodovias invested

# R\$1.6 million

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during the year in  
environmental management

- It offers employees who are retiring or being dismissed a professional relocation program, financial orientation and support for entrepreneurial actions.
- Throughout the Group, in 2011 some 133 hours were dedicated to human rights training, highlighted by a specific course focusing on moral harassment.
- An 0800 number, institutional website, profile on Twitter and corporate magazines are the main contact channels available to users.
- The user satisfaction survey showed users had, on average, an 84.66% positive evaluation of the Group's concessionaires.
- In 2011, users filed 6,336 complaints and 2,230 expressions of praise with EcoRodovias; there were 129,132 tow truck outcalls; 21,449 ambulance outcalls; and 219,985 highway inspections were conducted.
- During the year, there were no lawsuits filed by the government against EcoRodovias.
- The hiring of local manpower and specific communications channels strengthen the relations between the concessionaires with residents of neighboring communities.
- In 2011, the Company began sponsorship of the Brazilian men's and women's Paralympic volleyball teams.
- The Ecoviver (Ecolife) Program was a highlight in 2011, training 1,980 teachers and reaching 67,875 students in 340 schools in 22 municipalities.

- Over the course of the year, socio-environmental projects were developed, including De Bem com a Via (OK with the Road), Voluntários do Bem (Good Volunteers), and Jogue Limpo (Play Clean) projects, among others, for neighboring communities.
- In 2011, EcoRodovias was cited 58,678 times in the national press.
- The Integrated Management Policy (PGI) stimulates the use of less polluting alternatives and better control of the disposal of inputs.
- In 2011, the Company was listed on the BM&FBOVESPA's Sustainability Index (ISE).
- Since 2009 it has been part of the Brazilian Companies for the Climate platform (EPC).
- All of its concessionaires are certified by ISO 9001, quality; ISO 14001, environmental management; and OHSAS 18001, occupational safety, hygiene and health guidelines.
- It operates the first paving research laboratory in Brazil, accredited by Inmetro under the ISO/IEC 17025 rules for some tests.
- The Company adopts the best practices regarding management of solid waste and is in compliance with the new National Solid Waste Policy (PNRS).
- Since 2010, EcoRodovias uses the GHG Protocol method to calculate its greenhouse gas emissions.
- In 2011, its concessionaires conducted eight dangerous product accident response simulations on its highways.
- The “Seedling Nursery” contributes towards environmental preservation and the social development of 16 employees with physical or mental disabilities who work there. In 2011, the nursery produced 70,282 seedlings.
- The Group supports and conducts a number of different programs in the fields of health and quality of life for its employees, such as Saúde Ativa (Active Health), Alimentação Balanceada (Balanced Diet), Semana da Qualidade de Vida (Quality of Life Week), Exames de Acuidade Visual (Eye Acuity Exams) and the Circuito Ecosul de Atletismo (Track and Field Circuit), among others.



## SOCIO-ENVIRONMENTAL RESPONSIBILITY

**ECORODOVIAS' RELATIONS WITH ITS STAKEHOLDERS ARE BASED ON THE PRINCIPLES CONTAINED IN THE CODE OF BUSINESS CONDUCT, BEING CHARACTERIZED BY TRANSPARENCY, ETHICS AND RESPECT**

### **GRI 502**

One of the main goals of EcoRodovias' management is to be recognized as a socially responsible company. Towards this end, it has adopted international quality, environmental, health and safety rules, and it signs and complies with labor agreements while voluntarily entering into socio-environmental pacts and commitments, orienting its employees through the Code of Business Conduct's guidelines. EcoRodovias involves its internal and external stakeholders in initiatives that contribute to social and cultural development of neighboring communities, users and employees.

Relations with public or private granting authorities are based on responsibility and a spirit of cooperation. The Group does not accept any types of payments, presents or favors designed to unduly obtain privileges and that do not respect legal and moral practices, pursuant to its Code of Business Conduct. It works only with suppliers who also do not tolerate such practices. Therefore, all the concessionaires undergo internal inspections to investigate facts linked to potential corruption, followed up through the Human Relations department. Furthermore, video cameras monitor tollbooths and independent auditing is also conducted.



Refectory - Ecovias

In 2011, the Company also defined Sustainability Guidelines, which were disseminated through the Sustainability Department. This area reports directly to the office of the president and its mission is to propose projects, monitor strategic actions that are underway and foment awareness about the subject among employees.

## RELATIONSHIPS

### GRI 4.14, 4.15 and 4.16

EcoRodovias maintains transparent, ethical and respectful relations with its stakeholders: employees, suppliers, users, communities, government, shareholders and investors, the media, NGOs, financial institutions, competitors, professional associations and affiliated companies. The continuous engagement with these audiences is conducted through social responsibility projects, communication and help channels, surveys, public hearings and events and the disclosure of earnings results, among other actions.

## ECORODOVIAS' COMMUNICATION CHANNELS

Channel	Target audience	Regularity
Institutional Site	All of the Company's stakeholders	Real time (on-line)
IR Site		Real time (on-line)
ECOR3	EcoRodovias Group's individual investors	Quarterly
<i>Gente</i> newspaper	All of EcoRodovias Group's employees	Monthly
People's Network (internal social network)		Real time (on-line)
People's Bulletin Board		Weekly
People's Newsletter	Administrative employees	As required
Clippings	All managers	Daily - working days
In-house radio station	All employees of Ecocataratas and Ecovia	Daily
Highway concessionaires' websites	Users of highway concessionaires	Real time (on-line)
Highway concessionaires' on Twitter		Real time (on-line)
<i>EcoRodovias Magazine</i> website		Daily
<i>EcoRodovias SP</i> and <i>EcoRodovias PR</i> magazines	Users of all highway concessionaires of the EcoRodovias Group in the States of SP and PR	Monthly
Ecosul Magazine	Ecosul users	Every other month

**Organizational Climate Survey highlights in 2011**

- **92%** participation rate, 79% general favorability
- **85%** employees stated the leaders were competent to manage the business
- **92%** believe there is no discrimination inside the Company
- **86%** feel good about the way EcoRodovias contributes to the community
- **87%** are satisfied regarding the opportunities offered for professional development and growth

**Employees**

EcoRodovias is among the best companies in which to work, according to top publications in Brazil. The Company uses structured processes to train and qualify employees, fosters an agreeable and safe workplace and looks for people who are aligned with its culture. It also respects diversity, foments inclusion and opens up dialogue between employees and their superiors. Its compensation policies are based on meritocracy.

In 2011, the Group had 4,062 full-time employees, of which 2,005 worked in the highway concessionaires and 2,057 worked for Elog.

**Organizational Climate Survey**

Conducted annually since 2006, the survey seeks to understand the perception of the employees regarding their workplace environment. In each one of these years, the process was conducted in partnership with the Great Place to Work consulting company. The results are published internally and serve as the basis for establishing committees that will define, implement and follow-up action plans.

EcoRodovias receives suggestions from its employees through routine practices. Among them are area meetings, the Breakfast with the Director program, the People's Network and suggestion boxes.

**GRI LA1**

EcoRodovias employees	Half day	Full day	Established timeframe	Indeterminate timeframe	Total employees
SP EcoRodovias Infraestrutura	3	28	-	-	31
EcoRodovias Conc. Serv.	2	293	-	-	295
Ecovias	110	489	-	-	599
Ecopistas	0	332	-	-	332
PR Ecovia	0	154	-	-	154
Ecocataratas	9	303	-	-	312
RS Ecosul	1	281	-	-	282
<b>Total</b>	<b>125</b>	<b>1,880</b>	<b>-</b>	<b>-</b>	<b>2,005</b>

**BASE WAGE PROPORTION BETWEEN MEN AND WOMEN (%) GRI LA14**

Position	Number of employees		Average wage		Base wage proportion between men and women
	Men	Women	Men	Women	
<b>Administrative</b>					
Sr. Analyst	5	3	6,110.92	6,345.41	3.84%
Pl. Analyst	17	16	3,716.91	3,944.99	6.14%
Jr. Analyst	10	10	2,602.57	2,417.05	-7.13%
Sr. Assistant	8	8	2,281.61	2,405.23	5.42%
Pl. Assistant	13	24	1,686.11	1,625.47	-3.60%
Jr. Assistant	8	17	1,260.92	1,218.30	-3.38%
Auxiliaries	12	15	865.95	931.90	7.62%
Attendants	424	558	1,347.20	1,293.94	-3.95%
<b>Managers</b>					
Manager	17	1	16,906.09	17,000.00	0.56%
Sr. Manager	11	1	21,919.63	23,320.00	6.39%
Jr. Manager	3		-	-	-
<b>Coordinator</b>					
Administrative services	22	17	8,939.67	9,426.15	5.44%
Technical services	16	1	10,231.80	12,978.00	26.84%
Operational services	8		-	-	-

Note: Positions were compared in which men and women occupy the same function and hierarchy level.

**Salaries and Benefits**




**GRI LA3 and LA4**

Employees are involved in the Collective Bargaining Agreement negotiations. The labor union invites all of them to participate in general meetings to discuss topics such as wage readjustments, the value of overtime hours and the length of the working day. After the union's demands are submitted, each local meets with the concessionaires to enter into negotiations, adjusting the agreement to the market and the regions in which the employees work.

Furthermore, the Group offers fringe benefits to all employees, including dental care, day school assistance, burial assistance, family protection benefits, a supplemental illness plan, discount plans with pharmacies, payroll loans, chartered bus transportation, funeral, maternity and paternity leaves of absence, life, travel and health insurance, meal, restaurant and transportation vouchers.

**CONTRIBUTIONS BY ECORODOVIAS  
TO THE PENSION PLAN (R\$)**

**GRI EC3**

<b>2009</b>		847,066.31
<b>2010</b>		1,015,686.53
<b>2011</b>		1,197,562.32

their individual development plans (PDIs). The model makes it possible to plan and monitor employees' development; the assessment that is made is used to calculate the variable compensation as per the Profit Sharing Program (PPR). In 2011, 100% of employees were analyzed for performance through the PADE.

Another benefit granted all employees with more than three months with the Company is a private pension plan. Designed for employees of all the concessionaires, the plan has been subscribed to by 50% of this public. The plans available are the Free Benefit (PGBL) and Lifetime Free Benefit (VGBL). The contribution of the employee is the equivalent to 1% of his or her salary (with a minimum amount of R\$20) for those who receive up to 3,041.35 per month, and between 3% and 8% for those who are higher than this salary level.

During the year, an Internet-based PADE tool began to be studied and developed, with resources and features that will permit real-time monitoring of each one of the established targets. This tool was to be implemented during 2012.

**Training and Development**

**GRI LA10**

The EcoRodovias Group invests in the training of all employees through the Skills Academy Program, composed of specific training courses along with online sessions and scholarships for language studies. First implemented in 2009, the model includes the formation of internal multipliers: employees who are specialists in given subjects who instruct coworkers. In 2011, the Group conducted 102,728 training hours through the program.

**Performance  
Evaluation Program (PADE)**

**GRI LA12**

EcoRodovias' Performance Evaluation Program (PADE) contributes to the dissemination of a high-performance culture by conducting an assessment each year of each employee with regard to the targets and skills and



Suggestion Box - Ecovias

## Other initiatives that supplement the Skills Academy Program:

**e-learning courses:** created in 2008, to ensure the evolution of high-performance culture and the use of more drastic technologies. Available for all employees, with a total of 51 subjects for technical and behavioral development available.

**TV Training:** through the use of film clips, examples of behavior, attitudes, strategies and techniques for dealing with a wide variety of situations in the corporate environment are presented. The skills to be developed through PADE can be linked to this tool.

**Apoena Library:** a cozy, 47-square-meter atmosphere in the corporate headquarters that responds to all requests from the Group's companies, over the Internet and sent to them via Company pouch. It contains a collection of 6,730 books on a wide variety of subjects, along with 211 DVDs and 14 magazine subscriptions. Each year, some books and films that can help developed corporate skills are selected for dissemination. For managers, each year a book catalog is prepared related to

leadership and personal development. In 2011, 2,969 books were loaned out along with 515 movies. There were 7,665 visits to the library.

**Partnerships:** 38 teaching institutions and universities and 13 language schools make space available for employees and their family members, offering special discounts of between 5% to 40%, in grade school, middle school, high school, specialization courses, postgraduate work, MBA courses and languages.

In 2011, EcoRodovias was able to achieve all of its objectives related to training, with the expansion of TV Training throughout the Group and the inclusion of new subjects in the Skills Academy.

For 2012, EcoRodovias' goal is to ensure that its employees are trained in skills that are essential to its business and those that are necessary for the exercise of their various job functions.

### GRI LA10 and LA13

Category	Number of employees	Number of training hours in 2011	Hours of training/employee
Officers	12	359	29.92
Managers	22	1,143	51.96
Assistant	15	729	48.60
Coordinator	60	4,739	78.99
Administrative	393	23,081	58.73
Trainee	4	75	18.75
Service	1,496	72,586	48.52
Intern	2	14	7.00
Apprentices	1	2	2.00



**Workplace Health and Safety**

**GRI LA6, LA7 and LA8**

All of EcoRodovias' are certified under OHSAS 18001, the international occupational health and management guidelines. The subject is also regulated internally through the Sustainability Guidelines.

The Internal Accident Prevention Committee (CIPA) ensures compliance with existing legislation and is made up of employees elected by colleagues and indicated by EcoRodovias. The CIPA seeks to prevent accidents, preparing risk surveys and offering better workplace conditions, and it is also responsible for organizing the annual Workplace Accident Prevention Week (SIPAT). The Specialized Labor Safety Engineering and Medicine Service is made up of a doctor, workplace nurse, engineers and

technicians in workplace safety.

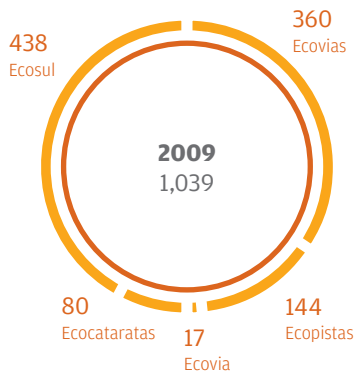
It is another service designed for the protection and the fostering of the good health and welfare of all employees, preventing accidents and occupational diseases. Besides direct assistance, the service conducts safety inspections in all of the Company's areas and organizes in-house training activities.

In 2011, there were 60 incidences of operations-related accidents with injuries. The most common were scrapes, falls, animal attacks and impacts with objects. All incidents that occur are reported to EcoRodovias - including those only involving material damages, with or without injuries and near accidents - which are investigated to discover the causes so they do not occur again.

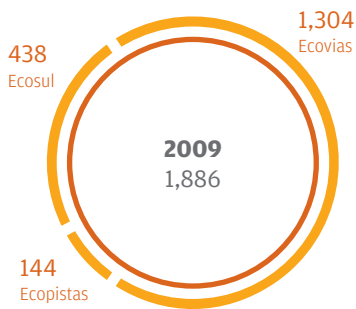
**NUMBER OF INJURIES**



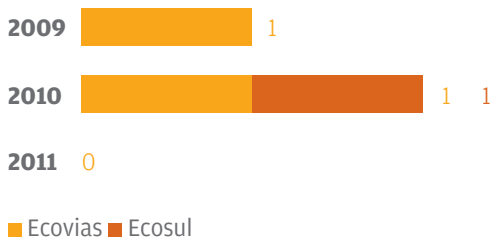
### NUMBER OF DAYS LOST



### TOTAL DAYS MISSED



### NUMBER OF DEATHS



### CASES OF OCCUPATIONAL DISEASES





## SOCIO-ENVIRONMENTAL PERFORMANCE

### Main health and quality of life projects

Active Health	Seeks to prevent disease through a medical checkup of every employee. This makes it possible to change lifestyles and seeks to correct metabolic and physiological problems, with specialized medical follow-up. It includes measurement of blood pressure, anthropometrics (weight and height), bioimpedance, laboratory exams (blood, total cholesterol and glycemia), nutritional orientation, the application of a health questionnaire, a quick massage, lectures regarding male and female health tips and benefit, dental and eye checkups and labor gymnastics.
Balanced meals	All of the Group's units operate a restaurant on-site oriented by a nutritionist, facilitating employee access to a healthy diet.
Quality of Life Week	Includes all employees, offering actions for the prevention of diseases and guidance regarding health and welfare, as well as sessions of massage and acupuncture together with physical and entertaining activities, such as theater, movies and others.
In-Company Leisure Project	Held in partnership with Sesc, offers leisure and cultural options to employees and their dependents.
The Well-Being Program	Offers accords with pharmacies and optometrists, contributing to improved health and quality-of-life conditions of employees and their families. All can take advantage of the benefits, with access to medicine and eyeglasses through an accredited Brazil-wide network, a magnetic card for discounting charges through payroll and full compliance with medical prescriptions.
Eyesight exams	The Traffic team members undergo these exams to identify vision problems and, if necessary, receive instructions on correcting them.
Ecovia and Ecocataratas Football Cup	Brings together employees through a football tournament, with men's and women's teams competing. A sticker album with photos of the players of each business unit's teams is prepared so everybody can get to know them. To obtain more stickers of the players, the employee makes donations of products to be given to charitable organizations.
Ecosul Track and Field Circuit	Allows employees and members of local communities participate in track and field events such as foot races, the long jump, the javelin throw, the discus throw, and an 800-meter race for the visually-challenged. It is part of the official calendar of the Rio Grande do Sul Track and Field Federation. On the day the competition is held, each athlete donates 1 kg of nonperishable food, which is donated to the Pelotas (RS) Food Bank.

## Job Turnover

### GRI LA2 and LA11

Since 2006, EcoRodovias has been offering Outplacement Programs (involving relocation, financial guidance and support for entrepreneurial actions) to employees who are retiring or have been dismissed.

Managers and specialists can count on the help of outside consultants to assist them in their career transitions, showing possible professional paths to follow after they have left the Company.

Administrative and operating employees attend a training session run by the Human Resources department and receive information about how to prepare a job résumé and present a dynamic image during a job interview, as well as a list of the main employment agencies.

EcoRodovias' highest employee turnover rates mainly are in the toll collection positions. Young people, for whom it is often their first job, generally fill these jobs; they traditionally have presented higher turnover rates due to the natural career progression of these professionals. The growing use of electronic means of payment systems, however, points towards a reduction of these rates in view of the fewer number of operators to be contracted for this function.

In 2011, the job turnover rate for the group as a whole was 22.9% for men and 29.5% for women.

## Diversity

### GRI HR3 and HR4

EcoRodovias promotes equality of opportunity among its employees and, in its Code of Business Conduct, declares that any and all types of economic, social, political, color, race, sex or religious discrimination is unacceptable. In 2011, two lawsuits were filed alleging sexual discrimination, considered without merit by the judge who analyzed the cases.

During the year, the concessionaires fomented initiatives to strengthen the inclusion of diversity and to guarantee the adjustment of the Company's own employees and outsourced workers to the guidelines contained in the Code of Business Conduct. Throughout the Group, 133 hours were dedicated to human rights training sessions, qualifying 41 employees. Among the initiatives, of particular note is a specific course for managers on moral harassment.

## ECORODOVIAS CONSOLIDATED CONCESSIONS

	Total number of employees			Total number of employees who left their jobs			Turnover rate (%)		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
<b>Gender</b>									
Men	1,085	1,106	1,214	248	366	251	22.9	33.1	20.7
Women	920	792	718	271	277	178	29.5	35	24.8
<b>Age bracket</b>									
Under 18	1	0	1	0	0	0	0	0	0
From 18 to 35	1,438	1,408	1,481	432	556	348	30	39.5	23.5
From 36 to 45	414	348	317	67	65	55	16.2	18.7	17.4
From 46 to 60	144	134	130	19	20	26	13.2	14.9	20
Over 60	8	8	3	1	1	0	12.5	12.5	0



**User Satisfaction Survey**

**GRI PR2**

The user satisfaction survey has been conducted since 2002 and is designed to evaluate the actions of EcoRodovias' companies. Each concessionaire has its own measurement timetable: at Ecovias and Ecopistas the survey is conducted twice a year, whereas at Ecovia, Ecocataratas and Ecosul it is carried out annually.

Topics related to signage and safety, traffic and operational controls, cleanliness, visibility, state of the pavement, communication services and information, inspections, facility and speed in toll payments are brought up on the survey questionnaire.

In order to ensure the integrity of the data, drivers of commercial and passenger vehicles, of different genders, age brackets and educational backgrounds are interviewed. The survey is conducted outside of vacation periods and seeks

to include frequent users of the highways. The entire effort is guided by a transparency policy, both in terms of methodology for information collection as well as the disclosure of the results.

**User Satisfaction Survey**

**GRI PR5**

The User Satisfaction Survey has been conducted since 2002 to assess the performance of EcoRodovias' companies. Each concessionaire is measured within a certain timeframe: at Ecovias and Ecopistas the survey is done every six months, while at Ecovia, Ecocataratas and Ecosul it is applied annually.

Issues related to signage and safety, traffic and operational control, cleanliness, visibility, pavement condition, service information and communication, inspections and toll payment ease and speed.

To ensure data integrity, drivers of both commercial and passenger vehicles of different genders, ages and education backgrounds are evaluated interviewed. The research is performed outside of holiday periods, seeking to address frequent users of the highways. All of the work is oriented by a policy of transparency in both the methodology for data collection and dissemination of results.



Employee - Ecovia

**PRICE APPLIED AT THE CONCESSIONAIRES' TOLLBOOTHS ADJUSTED IN 2011 AS PER CONTRACT**

Concessionaire	Month	Adjustment	Index used
Ecovias	July	9.77%	IGP-M
Ecopistas	July	6.55%	IPCA
Ecovia	December	4.51%	Basket of indexes
Ecocataratas	December	4.53%	Basket of indexes
Ecosul	January	7.85%	Basket of indexes

## RESULTS OF USER SATISFACTION SURVEYS

Concessionaire	2011			2010			2009					
	Sampling (no. of people)	Evaluation (%)			Sampling (no. of people)	Evaluation (%)			Sampling (no. of people)	Evaluation (%)		
		Positive	Regular	Negative		Positive	Regular	Negative		Positive	Regular	Negative
Ecovias	940	89	10	1	800	89	10	2	800	88	11	1
Ecopistas	800	92	7	1	800	91	7	1	Did not conduct			
Ecovia	904	90	12	2	940	90	7	2	848	45	49	5
Ecocataratas	925	81	17	2	900	79	17	5	900	83	14	3
Ecosul	900	72	21	8	900	75	20	6	900	69	23	9

### Users' Complaints

#### GRI PR6, PR7 and PR8

In 2011, users filed 6,336 complaints and 2,230 expressions of praise with EcoRodovias. To solve the complaints, inspections of the highways were carried out and cleaning and sweeping operations increased. All of the Company's advertising and marketing actions are in compliance with the conditions imposed by the National Council for Advertising Self-Regulation (CONAR). Annually, EcoRodovias analyzes possible changes imposed by the regulatory agency to guarantee compliance with its initiatives.

BESIDES THE PERMANENT CONTACT CHANNELS WITH USERS, ALL OF THE CONCESSIONAIRES PERIODICALLY CONDUCT SATISFACTION SURVEYS TO OFFER HIGHER QUALITY IN TERMS OF THE SERVICES THEY RENDER

	Ecovias	Ecopistas	Ecovia	Ecocataratas	Ecosul	Total
<b>Complaints</b>	<b>872</b>	<b>1,062</b>	<b>1,022</b>	<b>1,165</b>	<b>2,215</b>	<b>6,336</b>
Motive	Objects on the highway	Objects/rocks on the highway left by third parties	Objects on the highway	Objects on the highway	Objects/rocks on the highway left by third parties	
<b>Praise</b>	<b>608</b>	<b>675</b>	<b>141</b>	<b>91</b>	<b>615</b>	<b>2,230</b>
Motive	Service calls and inspection routes	Service calls and inspection teams	Service calls and inspection teams	Tow truck service	User Assistance Service (SAUs)	

**User Services**

EcoRodovias offers quality service throughout its concession network, making available free towing, mechanical assistance, medical first aid care, highway inspections and specific help during long holidays and vacation periods. In 2011, a total of 129,132 towtruck service calls were on behalf of users and there were 21,449 ambulance calls answered.

Furthermore, 219,985 inspections were carried out on the highways by roving teams that circulate 24 hours per day to detect any type of abnormalities on the roadways, thereby ensuring better traffic conditions for users.



Trucker Health

**Government**

**GRI EC4, S05 and S06**

EcoRodovias is in permanent contact with the government through relations that are based on responsibility and a spirit of cooperation, with respect for existing laws, the supplying of truthful information and compliance with the obligations contained in the concession contracts.

Due to the nature of its business, the Company is submitted to inspection regarding technical and accounting aspects, as well as undergoing outside audits. It neither makes nor receives financial or cash contributions with respect to political parties and candidates or related institutions.

Each year, through the Ecover Project (learn more at “Communities and NGOs”), EcoRodovias organizes a Public Power Forum in a number of different municipalities generating discussion of issues related to municipal solid urban waste management, proposing solutions for city managers.

		Ecovias	Ecopistas	Ecovia	Ecocataratas	Ecosul	Total
Tow truck	Callouts	40,878	43,061	11,853	16,789	16,551	129,132
	Average time	00:12:20	00:12:00	00:11:28	00:18:28	00:17:00	00:14:15
Medical services	Callouts	7,787	3,721	2,704	3,369	3,868	21,449
	Average time	00:08:03	00:05:00	00:06:12	00:08:37	00:12:00	00:08:30

In 2011, the Forums took place between the months of August and October, encompassing topics that were specific to each region, with the participation of representatives from the Ministry of the Environment, the Federal ABC University, the Environmental Citizenship Institute (ICA), Sebrae, the National Confederation of Municipalities (CNM), Funasa-RS and other partners. Committees were set up with volunteer participants to ensure continuity regarding waste management.



Refectory - Ecovia

## Fines

### GRI S08 and PR9

The Group's Code of Business Conduct calls for compliance on the part of the concessionaires with the obligations as stipulated in the concession contracts while, at the same time, they preserve the economic-financial balance of the contract.

Upon receiving a notification from the Granting Authority, they verify if the allegations are correct or not and, if so, take the necessary legal and financial measures to regularize the situation. In 2011, there were no judicial processes filed by the government against EcoRodovias.

## Suppliers

### GRI 4.16, HR1, HR2, HR5, HR6, HR7 and HR8

The EcoRodovias Group renders quality and transparent services. Towards this end, it selects its suppliers based on objective and preestablished technical criteria, encompassing good repute, technical and supply capacity, quality, deadlines and prices practiced and gives preference to those with aspects of sustainability added to the products in order to contribute to non-degradation of the environment.

Pursuant to the Group's Code of Business Conduct, the use of child or slave labor is unacceptable and every contract signed with suppliers contains clauses expressing the prohibition of this type of labor, calling for the rescission of the contract in the event of non-compliance.

Each concessionaire monitors compliance with these clauses through visits of the managers of the activities of these suppliers to EcoRodovias' companies.

All outsourced suppliers participate in the integration and training involving the Integrated Management System that aligns the principles, guidelines and rules currently in effect within the Company. The Group also conducts training regarding the aspects that involve human rights, with 100% of its tow truck, security and vigilance, pre-hospital first aid and traffic operation professionals - all outsourced by the concessionaires.



**Shareholders, Investors and Financial Institutions**

EcoRodovias conducts meetings and conference calls, individually or with groups, in order to transmit precise and transparent information regarding his performance to shareholders and investors. It also has a specific website for this audience at [www.ecorodovias.com.br/ir](http://www.ecorodovias.com.br/ir), containing updated information about the Company's economic-financial, operations and corporate governance, among other topics.

In-house, the Company adopts processes to protect information that still has not been disclosed and to manage its businesses with independence, using best practices available and the most appropriate internal controls.

**Communities and NGOs**  
**GRI EC7, EC9, EN26, LA8, SO1 and SO5**

EcoRodovias' relations with neighboring communities is strengthened through the hiring of local manpower and the use of specific communication channels.

The social investment projects are developed based upon the identification of the needs of both the neighboring communities and the Company. Three initiatives are particularly notable among the different projects developed and supported by EcoRodovias in the fields of education, culture and sports. In 2011, the Company began sponsoring the Brazilian women's and men's access

and sub-23 Paralympic volleyball teams, also known as seated volleyball. The men's team was champion and the women's team came in fourth during the Para Pan-American Games that took place in Mexico and in Brazil, respectively. These results classified both teams for the Paralympic Games in 2012 in London.

The sponsorship decision was in line with the Company's principles, investing in a long-term action focused on promoting sports, highway awareness raising and support of people who suffer the consequences of traffic accidents.

EcoRodovias also runs the Ecooperar and Ecoviver projects. The former trains young people and members of cooperatives in the Greater ABC (SP) region to generate value in the solid waste chain, and some 83 students participated in the project in 2011. For its part, Ecoviver fosters a socio-environmental awareness in the communities and schools in the regions where the Company has its concessions. Through the support of teachers, the subject is brought up in classrooms. Since its creation in 2006, it already has involved 224,000 students and train 5,980 educators in 1,593 schools in 24 municipalities. In 2011 alone, it trained 1,980 teachers with the participation of 67,875 students from 340 schools in 22 municipalities.



The Ecoviver Project

## MAIN SOCIO-ENVIRONMENTAL PROJECTS IN 2011

Project	Description	Results
The People's Santa Claus	Designed for children of employees of all of the EcoRodovias Group's companies, it replaces the simple delivery of gifts by local HR departments of each company for a playful action in the same model as the social project. Through the website <a href="http://www.papainoeldagente.com">www.papainoeldagente.com</a> , employees who receive letters from children of other employees answer them as if they were Santa Claus himself. The intention is to standardize the presents given out in all units, strengthening the social project, increasing the participation of employees and integrating them through the exchange of kids' letters.	Since 2010, when it was created, it has involved 4,524 children of employees.
Santa Claus Exists	It involves all of the Company's stakeholders. The participant receives a letter from a child of one of the recipient institutions and need only answer the letter on the website <a href="http://www.papainoellexiste.com">www.papainoellexiste.com</a> , as if he or she was the jolly old man himself like and EcoRodovias was given the responsibility for buying the chosen gift. A party is organized in each concession area for the distribution of some of the gifts, with the presence of Santa Claus and the participation of employees. Other gifts are sent to institutions, which are responsible for distributing them.	Since the inception of the campaign in 2006, 25,000 children in institutions at all locations where EcoRodovias has operations have been involved.
OK with the Highway	Project created to educate children and teenagers about the dangers of playing with kites and balls along the edges of superhighways. The visit of the "Ecomóvel" vehicle to the neighboring communities of the Anchieta-Imigrantes System in the municipality of Diadema (SP) brings with it theatrical performances, music, games and activities focused on driver education. In September 2011, a mini driving track was inaugurated within Ecovias, an extension of the "OK with the Highway" project, which aims to make state and municipal schools students aware of the importance of respecting driving rules and not to play along the edges of highways.	In 2011, 8,503 people participated in the project.
Good Volunteers	Volunteer project in which employees teach children at a school in São Bernardo do Campo, addressing subjects such as "Our Region" (on the importance of natural resources and the proper use of roads), "Introduction to the Business World" (involving basic concepts of business administration); and "Our World" (about advanced business management and the use of natural resources in each region).	Since 2010, 436 children and 30 seniors were assisted. Some 110 employees participated in the project.
Institutional Campaign Against Violence Aimed at Children	Educational campaigns and preventive actions to prevent violence and sexual exploitation of children and teenagers. Includes lectures on the subject, distribution of leaflets and t-shirts and the setting up of posts to disseminate information on the highway.	In 2011, 104 truck drivers attended the lectures, 5,000 leaflets were distributed and two publicizing posts were set up on the highway.
The Play Clean Project	Recycles and turns empty paint cans used for highway markings - which were originally destined for landfills - to serve as raw materials in the production of selective waste kits donated to area schools. Upon delivery, Ecocataratas' employees make a presentation about selective waste collection and environmental preservation.	Presentations were made to 702 students, with the donation of 21 waste collection kits and 162 individual trash bins.
Children's Drivers Education	Prepares future drivers in defensive driving techniques, conducted safely and responsibly, strengthening relations with the highway's users. The mini driving track is an ongoing project, open to the community in the region, where school children can enjoy the infrastructure with a focus on drivers' education.	Since it opened, the project has received the visits of some 2,575 children from 52 schools.

EcoRodovias also runs these projects: "Community Access" (digital inclusion); "Clean House" (which makes garbage bins available to neighboring communities); "Game Changer" (to encourage the practice of sports); "Reinvent" (for the reuse of banners into manufacture of bags); "Guardians of Childhood" (to combat the sexual exploitation of children); and "Summer Project" (with actions aimed at leisure, health, road safety and environmental awareness).



**Professional Associations and Organizations**

**GRI 4.13**

EcoRodovias is a member of the following organizations:

- Brazilian Association of Highway Concessions (ABCR) of Paraná and Rio Grande do Sul
- Brazilian Corporate Communication Association (ABERJE)
- Brazilian Association of Publicly Held Companies (ABRASCA) – Capital Market Committee, Legal Committee, Audit and Accounting Rules Committee and Corporate Governance Committee
- National Industry Confederation (CNI) – Permanent Infrastructure Topic Committee, Permanent Environment Topic Committee and Permanent Social Responsibility Topic Committee

- São Paulo State Federation of Commerce (FECOMÉRCIO) – Special Foreign Trade Committee
- Brazilian Corporate Governance Institute (IBGC)
- Brazilian Investor Relations Institute (IBRI)
- Ethos Institute
- Brazilian Technical Norms Association (ABNT)
- Brazilian Environmental Management Committee – Highway Safety Nucleus and Labor Rules Modifications Workgroup
- São Paulo State Industrial Companies Center (CIESP), Santos – Port of Santos Infrastructure and Logistics Committee, Development of Tourism Study, Defined Environmental Actions Group, Defined Social Responsibility and Education Actions Group and the Defined Customs and Foreign Trade Administration Group
- Brazilian Logistics Association (ASLOG) – Strategic Committee on Infrastructure and Logistics, Strategic Committee on the Rendering of Logistical Services, Strategic Committee on Technology and Logistics, and the Permanent Committee on Personnel Management in Logistics
- Syndicate of Highway, Urban Roads, Bridges and Tunnel Concessionaires (SINCROD) – Negotiation Committee



The Game Changer Project

## Media

### GRI PR7

EcoRodovias seeks to maintain agile and transparent relations with news media, disclosing releases through sources authorized to represent the Company. The publication of marketing, advertising, promotional and sponsorship materials are produced pursuant to the Code of Business Conduct.

Through December 2011, EcoRodovias accumulated 58,678 citations in the Brazilian press, taking into account mentions of all of the Group's concessionaires. Among the main topics appearing in the major news outlets mentioning the Company or articles related to the concession of the Guarulhos, Campinas and Brasília airports and the amount of traffic of the Group over the first 11 months of the year. The in-house social network, People's Network, was featured in the *O Estado de São Paulo* newspaper.

Over the course of the year, EcoRodovias was cited positively in major news outlets. In the *Folha de S. Paulo* and *Valor Econômico* newspapers, the subject of infrastructure was discussed, highlighting the insertion of the Company and the CNT survey. For its part, EcoRodovias also was classified among the largest groups in Brazil by *Valor Econômico* magazine.



Selective Waste Collection

## ENVIRONMENT

EcoRodovias internally disseminates a culture of continuous improvement regarding the generation and disposal of solid waste and effluents, gaseous emissions, noise and the consumption of water and electric energy. To this end, it has transparent communication of matters related to the environment and trains employees, partners and communities regarding this subject.

It also makes use of an Integrated Management Policy (PGI), which establishes structured objectives and targets to optimize the management of natural resources, thereby stimulating the application of lesser polluting alternatives and improving controls over the consumption and disposal of inputs. The application of the policy and the monitoring of the indicators are routines that are carried out through the Integrated Management System.

**ECORODOVIAS  
HAS A DEDICATED  
DEPARTMENT,  
INVOLVES THE  
LEADERS IN THE  
SUSTAINABILITY  
COMMITTEES AND  
ADOPTS GUIDELINES  
AND TOOLS TO  
MITIGATE IMPACTS  
AND REDUCE  
CONSUMPTION OF  
NATURAL RESOURCES**



THROUGH ITS  
SEEDLING NURSERY,  
ECORODOVIAS  
FOMENTS  
ENVIRONMENTAL  
COMPENSATION OF  
ITS ACTIVITIES AND  
CITIZENSHIP BY  
INVOLVING PEOPLE  
WITH SPECIAL NEEDS  
IN THE PROJECT

**Environmental Practices**

**GRI 4.12**

EcoRodovias' Sustainability Department orients each one of the Sustainability Committees of the Group's companies. Among the actions that are developed by the department are the search for best practices and the implementation of internal processes that satisfy the sustainability guidelines put into place by the Group.

Five years ago EcoRodovias reported its performance pursuant to the Global Reporting Initiative (GRI-G3) guidelines, incorporating into the report IBASE social balance sheet statement. The application of these models leads to continuous monitoring of socio-environmental indicators designed to strengthen management of these matters.

In 2011, the Company was listed on the BM&FBOVESPA's Business Sustainability Index (ISE) of companies with the best practices in this regard. Furthermore, it has been a full member since 2009 of the Brazilian Companies for the Climate (EPC) platform, an initiative that supports members in their strategies for managing greenhouse gas effects and present recommendations of public policies for lowering the carbon footprint in Brazil.

All of EcoRodovias' concessionaires have been certified under ISO 9001, quality; ISO 14001, environmental management; and OHSAS 18001, occupational safety, hygiene and health.

It also operates the first paving studies laboratory in Brazil, accredited by Inmetro under rule ISO/IEC 17025 four penetration tests (asphaltic materials; melting point - ring and ball method; high flash and combustion through the Cleveland open cup method - oil by-products; viscosity in high temperatures using rotational viscosity measurement device - asphaltic materials; Saybolt Furol viscosity - bituminous materials). In 2011, three new tests were included in the services the laboratory offers: diametral compression; viscosity - Brookfield with rubberized asphalt; and elasticity.

**Reduction of Environmental Impacts**

**GRI EN26**

The corporate environmental management guidelines are applied by the Group's companies through a series of initiatives, seeking to mitigate impacts by reduction of consumption of materials, water and energy and the emission of waste, effluents, noise pollution and greenhouse gases.

**Consumption of Materials:**

EcoRodovias is a pioneer in the use of rubberized asphalt - based on the recycling of tires - for paving highways. Furthermore, it runs internal campaigns to recycle paper.

**Waste:** all of the concessionaires carry out selective waste collection and organize awareness raising training and actions to disseminate the importance of recycling.

**Water Consumption:** besides campaigns for the conscientious consumption of water, a number of companies in the Group have installed faucets that automatically shut themselves off and systems for the reutilization of rainwater.

**Emissions:** chartered transportation is offered to employees, and videoconference rooms are used to reduce travel, constituting major allies in the reduction of greenhouse gas effects. Moreover, EcoRodovias encourages the use of alcohol as a fuel for its own fleet of vehicles and inspects the levels of emissions from its own diesel vehicles and that of third parties.

**Noise Pollution:** the rubberized asphalt that is used already reduces the noise levels and is supplemented through vegetation planted along the sides of the highways. The Company continuously monitors noise levels in order to prepare mitigation actions.

**Effluents:** treatment stations in most of the concessionaires permit the treatment of effluents. At Ecocataratas, studies are even being conducted to permit their reuse of the treated effluent.

**Consumption of Materials**

The materials acquisition process includes technical and economic requirements and involves the sustainability department. Highway repair work is scheduled throughout the year and the use of asphaltic mixtures reduces the overheating of the materials, the burning of fuel, the consumption of natural aggregates (stones) and the volume of asphaltic materials transported.

**GRI EN1**

Materials	2011	2010	2009	Unit of measurement
Aggregates	232,904	167,892	84,230	Cubic meters
Binders (such as CM30, RC 1C, CAP, Ecoflex)	26,678	16,270	13,704	Tons
Water-based highway paint	470,387	346,297	278,574	Liters
Solvent-based highway paint	89,396	43,713	99,263	Liters
Paper for printing toll tickets	91,681	114,599	86,646	Rolls



**Recycled Materials**

**GRI EN2**

Maintenance or recovery of roadway pavement generates a waste, known as milled material, used mainly for the primary capping of main highway access roads, service roads and public streets, depending upon the demand of public and municipal authorities. Recycled paper also is commonly found in EcoRodovias’ administrative activities, which contributes to the preservation of natural resources.

Materials used from recycling sources	2011	2010	2009	Unidade
Milled materials	51,170.70	37,798	56,848	Cubic meters
Recycled paper	4,972	4,726	2,858	Reams

**Waste**

**GRI EN22**

EcoRodovias adopts the best practices for managing solid waste, acting in compliance with the new Solid Waste National Policy (PNRS), the plan for the treatment of waste in the country that encourages recycling and reverse logistics.

Among the highlights in this context was a specific workshop on the subject, as part of the “Ecoviver” project (see more in the “Communities and NGOs item”), which relates the policy to the daily lives of people. The initiative also included the presentation of research methodologies and a basic understanding of what constitutes solid waste.

Furthermore, the reutilization of these materials is inserted within the routine of the operations using selective waste collection processes along with training and consciousness raising actions. All of the waste generated in the highway installations managed by EcoRodovias is collected and disposed of in an appropriate manner.



Asphalt Plant - Ecovias

## WASTE 2011

Class I	Quantity	Disposal method
Light bulbs (units)	5,795	Co-processing
Pre-hospital waste (kilos)	2,089	Disinfection and disposal in landfill
Waste from road accidents and other Class I waste (tons)	149.73	Controlled landfills and incineration
Highway accidents and other Class I waste Classe I (liters)	152,000	Controlled landfills and incineration
Class II	Quantity	Disposal method
Milled material (tons)	1,293	Reincorporation in the process
Milled material (cubic meters)	23,546	
Recyclables (tons)	197.1	Recycling
Construction waste (tons)	865.2	Licensed landfill, reincorporation in the process
Construction waste (cubic meters)	15	
Organic or non-recyclable (tons)	1,912.1	Licensed landfill
Out of use tires and pieces of rubber (tons)	163.3	Co-processing

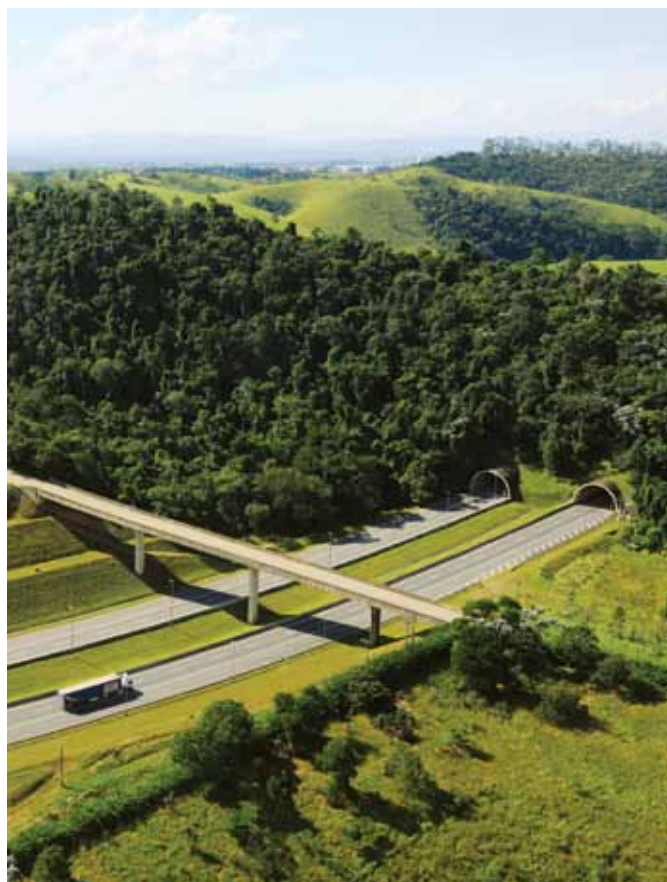
## Consumption of Water and Energy

### GRI EN5, EN8 and EN10

EcoRodovias' concessionaires in 2011 ran awareness-raising campaigns regarding water consumption while also conducting studies on how to re-utilize water from effluents in its user service units and trained employees about the conscientious use of natural resources.

### VOLUME OF WATER WITHDRAWN FROM THE SOURCE (CUBIC METERS)

Source	2011	2010	2009
Underground water	54,237	56,266	50,243
Rain water	200	57	28
Municipal water supply	19,999	16,329	11,758
Re-used effluents	0	0	0
<b>Total</b>	<b>74,436</b>	<b>72,651</b>	<b>62,029</b>



Emissions

EcoRodovias adopts procedures in its concessionaires to reduce energy consumption, such as energy efficiency projects. To disseminate good practices, it runs conscientious energy consumption campaigns, offers lectures and puts on educational presentations, among other events. The Company is constantly striving to add alternative sources, evaluating their technical, operational, environmental and financial feasibility.

Ecovias is another example: it evaluated 145 points where monthly charges are in existence, seeking to rationalize the medium tension power voltage demand contracted by its different units, verifying that the infrastructure was adequate and management was controlling electricity invoices. Other studies are underway, such as using more power-efficient light bulbs in tunnels, a measure that will be implemented in 2012.

**ENERGY PURCHASED BY THE ORGANIZATION GRI EN3**

Non-renewable	2011	2010	2009	Unidade
Natural gas	0	255	59,452	Cubic meters
Diesel fuel	1,482,188	1,494,844	1,185,756	Liters
Gasoline	540,461	245,483	33,441	Liters
Eletricity (thermoelectric)	1,477,540	1,377,192	1,289,300	Kilowatt-hour
Renewables	2011	2010	2009	Unidade
Alcohol	1,275,647	1,152,199	1,197,127	Liters
Eletricity (hydroelectric)	18,784,271	17,040,824	13,925,796	Kilowatt-hour

## Emissions

### GRI EC2, EN7, EN16, EN17 and EN18

EcoRodovias has been using the Greenhouse Gas Protocol (GHG Protocol) to calculate its emissions since 2010.

Scope	Description of the emission	Ton of CO <sub>2</sub> equivalent	
		2011	2010
Scope 1	Mobile combustion for general transportation (Company's operating fleet)	4,757.60	4,196.06
	Stationary combustion for the production of electricity (generators)		
Scope 2	Acquisition of electric and thermal power for the Company's own consumption	615.62	966.62
Scope 3	Air travel on behalf of the Company	1,500.27	1,118.42
	Transportation of employees home-work		

The greenhouse gas inventory (GGI) for 2011 was audited by KPMG. The greatest volume of emissions occurred as a result of the use of more gasoline because of the increase in ethanol prices.

In view of the importance of this subject for the Group, EcoRodovias established for the first time a 2% reduction in emissions as part of top and middle management's targets in 2012, compared to the inventory of 2011.

Furthermore, benefits are accruing through the use of Intelligent Transportation Systems (ITS) for Automatic Vehicle Identification (AVI), allowing users to pay tolls with their vehicles in movement at a recommended speed of 40 km/h.

Studies have shown that through this system there are savings resulting from the approximately 60% less time taken to get through a toll plaza. And, furthermore, there are economic benefits, because the system permits a reduction of up to 89% of fuel needed to cross the plaza, a reduction of 710.20 tons of CO<sub>2</sub> over the course of the year, taking into account:

- that all toll plazas are equivalent in terms of size and topography;
- the average consumption of vehicles is 2.02 km per liter;
- the difference between estimated consumption, in the case that the number of vehicles that use the AVI lane remains at the same level of consumption as in 2010, and the projection a 5% increase in the use of the AVI lane.

EcoRodovias takes into consideration in its operations the risks and opportunities that stem from climate change. To this end, it complies with specific regulations. The Company is notable for its socio-environmental performance, presenting its results transparently to all stakeholders and continually improving its indicators. This implies greater facility in accessing credit and attractiveness to investors. The risks related to this subject were mapped out and are covered by insurance policies contracted by the concessionaires.



## SOCIO-ENVIRONMENTAL PERFORMANCE

### RISKS/INSURANCE RELATED TO CLIMATE CHANGE AT THE HIGHWAY CONCESSIONS

Change in the climate/operations	Highway operations in mountain stretches	Special Outdoor Projects (OAEs)	Slopes and Current Outdoor Projects (OACs)	Total investments ('000)*
Wind	Interruption of traffic (fallen trees, signposting, impact on automobile steering, etc.)	Interruption of traffic	Interruption of traffic	
Fire	Interruption of traffic/runoff funnels	Damage to OAEs	Damage to OAEs	R\$195,202
Excessive rainfall	Hillside landslides (hillside vegetation and rock falls)/ interruption of traffic	Bridge collapses/ interruption of traffic/ loss of assets	Loss of slopes and OACs	

\* Amounts calculated based on the "Cost Qualification Method" tool.

### RISK/INSURANCE RELATED TO CLIMATE CHANGE OF LOGISTICS OPERATIONS

Change in climate/operations	Transportation	Distribution Centers	Depot/Flow regulator	Redex/CLIA	Total investments (thousands)*
Wind	Disruption of traffic, causing interruption or delay in services	Damage to storage structures	Toppling of containers	Toppling of stacked containers/ damage to structures for the storage of commodities	
Fire/Burn off	Interruption of activity due to possible blocked roads	Accidents with materials stored for customers/ possibility of fires near DCs	Loss of stacked containers with client content	Loss of stacked containers with client content	R\$600,000
Excessive rainfall	Interruption of activity due to possible blocked roads	Flooding/ accident with materials stored for customers	Flooding of the maneuvering yard and storage sites for containers	Damage to structures for the storage of commodities and other merchandise	

\* Calculated based on the "Method of Measuring the Cost" tool as defined by the NBR 14653.



**Control of Cargo Spills**

**GRI EN23**

EcoRodovias' concessionaires have trained teams and adequate resources ready to advise public authorities or assist in the event of the spillage of dangerous cargoes. They also work run preventive campaigns aimed at highway users.

In 2011, the concessionaires conducted eight simulated dangerous cargo spill accidents on the highways, with the participation of the operating teams, the operating control center (CCO) and appropriate agencies.

**SIGNIFICANT SPILLS IN 2011**

Concessionaire	Highway	Volume of spill	Material spilled	Containment action
Ecovias	SP-150	100 liters	Ethanol	Closing of the highway and cleanup of the waste by a specialized company.
	SP-150	5,000 liters	Vanilla acetate	
	SP-150	50 liters	Ethly alcohol	
	SP-55	100 liters	Biodiesel	
Ecopistas	SP-070	40.18 tons	Lime hydrate	Containment barriers.
Ecovia	BR-277, Km 47	10,000 liters	IA fuel oil	Ecovia contained the spilled product with construction of dikes; to halt the product at the valve outlet, the fifth wheel of the truck was disengaged, lowering and tilting the trailer, which prevented spillage of the rest of the load. To handle the failed valve, two 200-liter drums were used to contain the spill, and five cylindrical barriers were applied. The spilled product was inert and did not reach watercourses. Cleaning, cargo transshipment and waste removal services were performed by subcontractors. All services were oriented and supervised by the staff of the Environmental Institute of Paraná.



Bulletin Board - Ecovia

Ecocataratas	BR-277, Km 585	6,000 liters	Liquid residues of oil type 2 UN number: 3082 Degree of risk 90	The oil spill reached the Rio Cascavel, spreading about 15 km. Containment barriers were erected along the riverbanks and cleaning carried out with the use of specific machinery. Absorbent covers and barriers were used along with floating booms and plastic sheeting as auxiliary materials. The mitigation operation lasted four and a half days. Laboratory tests were performed by Companhia de Saneamento do Paraná, which attested, only a week after the accident, that the Rio Cascavel water quality was appropriate for resumption of normal public water supply.
	BR-277, Km 485	800 liters	Toluene UN number: 33 1294	The material was contained in a trench about two feet wide by five meters in length, using a plastic cover. The work was carried out by Ecocataratas' containment team in partnership with the Civil Defense and SOS COTEC, the company contracted by Ecocataratas to handle environmental emergencies.
	BR-277, Km 418	15,000 liters 500 liters	Vegetable oil Diesel oil	The right of way was cleaned and contaminated soil removed, subsequently sent for treatment in Chapecó.

## SOCIO-ENVIRONMENTAL PERFORMANCE

### Biodiversity

#### GRI EN11, EN12, EN13 and EN14

Concessionaire	Highways cutting through or adjacent to legally protected areas or areas with a high biodiversity index	Geographical location	Length of the part of the highway that cuts through or is adjacent to legally protected areas (km)	Identification of the protected area
Ecovias	SP-150	SP - São Bernardo do Campo e Cubatão	Km 34 to Km 53	
	SP-160	SP - São Bernardo do Campo, Cubatão e São Vicente	Km 40 to Km 58	Serra do Mar State Park - Itutinga Pilões Nucleus
	SP-040	SP - São Bernardo do Campo	Km 0 to Km 08	
	SP-055	SP - Santos	Km 254 to Km 255	
Ecopistas	SP-070	SP - São Paulo	8 km of highway	Tietê Ecological Park
	SP-070	SP - Itaquaquecetuba	1.25 km proximity	Itaquá Ecological Park
	SP-070	SP - Mogi das Cruzes	7 km proximity	Cemasi Municipal Park
	SP-070	SP - Guararema	6.5 km proximity	Parque Municipal de Guararema
	SP-070	SP - São José dos Campos	1.25 km proximity	Interlagos Municipal Park
	SP-070	SP - Taubaté	5 km proximity	Sr. do Bonfim Municipal Park
Ecovia	BR-277	PR - São José dos Pinhais, Morretes and Paranaguá	Km 77 to Km 49 (Atlantic Forest, APA Guaratuba, APA Rio Pequeno), Km 49 to Km 09 (APA Guaratuba, Atlantic Forest, AEIT Marumbi, Pau Oco State Park)	Atlantic Forest - AEIT Marumbi, State APA Guaratuba, Pau Oco State Park and Rio Pequeno State Park
	PR-407	PR - Paranaguá and Pontal do Paraná	Km 00 to Km 05 (Palmito State Forest) and Km 14 (Guaraguaçu Ecological Station)	Guaraguaçu Ecological Station
	PR-508	PR - Paranaguá and Matinhos	32 km State APA Guaratuba 02k (Rio da Onça Forest Park)	Guaratuba State APA and Rio da Onça Forest Park

Ecocataratas	BR-277	PR - Santa Tereza do Oeste and Céu Azul	32 km of bordering highway; distance 24 meters from paved highway to beginning of vegetation	Iguaçu National Park
	BR-278	PR - Céu Azul	Distance of 10 meters of highway pavement to beginning of vegetation	Iguaçu National Park
	BR-279	PR - Santa Terezinha de Itaipu	Continuous strip transposing the right of way of BR-277	Santa Maria Biodiversity (Rio Bonito)
Ecosul		N/A	N/A	N/A

EcoRodovias deals with impacts caused by biodiversity through a structured management process. The Company's seedling nursery operation is a differentiated project in terms of the market. Planted along the sides of the highways to preserve hillsides as well as in the center strips, the seedlings help environmentally compensate for the highway construction works. The seedlings are first cultivated in a specific area in São Bernardo do Campo. The team that is responsible for this preparation is made up of 16 people with mental disabilities hired through a partnership with the Association of Parents and Friends of Exceptional Children (Apae - Diadema), with a seedling specialist in charge of the project. Apae members regularly visit

the work area to monitor performance and growth. The project thus not only contributes to reforestation and environmental preservation, but also to the employees' social development and their formation as citizens. In 2011, the nursery produced 70,282 seedlings.

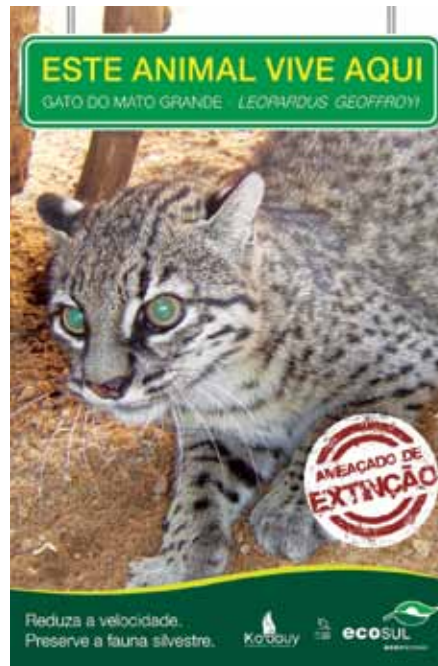
Furthermore, all of EcoRodovias' concessionaires conduct highway safety awareness raising campaigns. The objective is to ensure safety for users, members of neighboring communities and animals that, on some specific stretches, cross the highways. There are signposts warning of these crossing areas, velocity inhibitors in strategic locations and special webbing to bar animal crossings.

**CAMPAIGNS CONDUCTED  
BY ALL OF THE  
CONCESSIONAIRES  
STRENGTHEN AWARENESS  
ABOUT BIODIVERSITY  
PRESERVATION**

There are also structured efforts to monitor neighboring properties and to deliver abandoned animals to appropriate organizations to care for them, such as Ibama's Wildlife Triage Center, for subsequent release back into their natural habitats.

A number of different campaigns carried out in all of the concessionaires strengthen awareness about the preservation of diversity. Included among them, of particular note are the support for parks and permanent preservation areas in proximity with the Group's highways and the warnings and alerts about illegal trafficking of plants and animals. Furthermore, special training sessions, simulations and awareness campaigns regarding the transportation of dangerous products are run. EcoRodovias' teams are permanently prepared to act during emergencies and also preventively, accompanying trucks with dangerous cargoes during their trips on the Group's highways, avoiding accidents.

Besides this, the concessionaires adopt specific measures to put best operating practices into place, such as planning and development of projects that comply with the pertinent technical rules and environmental legislation; control and monitoring of highway safety activities; management of emergency risks and actions, and mitigating actions when there is construction work on the highways; regular audits that evaluate the correct operation of environmental practices; and preventive maintenance regarding gaseous emissions on the part of our own and third-party supplier vehicles, among other actions.



Campaign Biodiversity





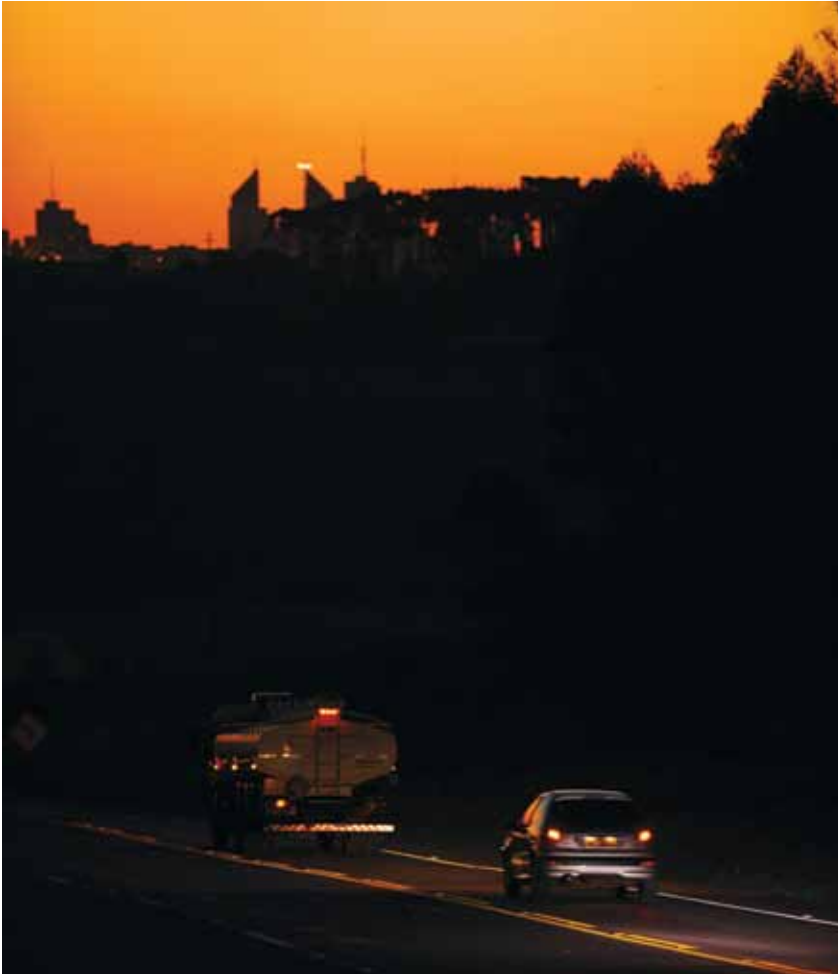
## SOCIO-ENVIRONMENTAL PERFORMANCE

### MAIN ENVIRONMENTAL IMPACTS AND MITIGATION GRI EN12, EN15 and EN26

Concessionaires	Highway	Significant impacts on biodiversity	Nature of the impact	Affected species	Mitigation activities
Ecovias	Anchieta Highway SP-150	Reduction in the number of wildlife individuals	Accidents involving wild animals on the highways	Wild and domestic animals	
	Imigrantes Highway SP-160	Reduction in the number of wildlife individuals	Accidents involving wild animals on the highways	Wild and domestic animals	Protective webbing in places where the largest number of run-overs occur and distribution of garbage bags so that food scraps do not fall into the road, feeding the animals
	Interconnection Planalto SP-040	Reduction in the number of wildlife individuals	Accidents involving wild animals on the highways	Wild and domestic animals	
	Cônego Domenico Rangoni Highway SP-055	Reduction in the number of wildlife individuals	Accidents involving wild animals on the highways	Wild and domestic animals	
	Padre Manoel da Nobrega Highway SP-055	Reduction in the number of wildlife individuals	Accidents involving wild animals on the highways	Wild and domestic animals	
Ecopistas	SP-070 - Ayrton Senna and Carvalho Pinto	Reduction in the number of wildlife individuals	Accidents involving wild animals on the highways	Capybara and owls	Survey of kilometers with the higher rate of road hits and defining of priority areas, strengthening of fences and signage alerting to problem
	SP-070 - Ayrton Senna and Carvalho Pinto	Contamination of soil, water and air	Leakage of chemicals	Various species of local flora and fauna that are present in the affected areas. To date, no studies have been performed to inventory the species with the highest incidence of loss	Training in emergency situations for employees of area traffic, and provision of equipment and specific materials, such as cement, sand and covers
	SP-070 - Ayrton Senna and Carvalho Pinto	Reduction of arboreal individuals and wild animals	Fires on the right of way stemming from discarded lit cigarettes, the regional climate and neighboring communities	Various species of local flora and fauna that are present in the affected areas. To date, no studies have been performed to inventory the species with the highest incidence of loss	Formation of internal fire brigades, specific training in firefighting of employees traffic, procurement and operation of truck Pipa

Ecovia	BR-277, PR-508 and PR-407	Reduction of the number of wildlife individuals	Running over of wild animals	Black-eared possum and forest dogs	Educational signage and campaigns
	BR-277, PR-508 and PR-407	Dispersal of exotic and invasive plant species	Competitive success of exotic species	<i>Pinnus</i>	Program for removal of invasive species
Ecosul	BR-116	Reduction of the number of wildlife individuals	Running over of wild animals	White-eared possum and tiger water turtles	Informative and educational signage
	BR-293	Reduction of the number of wildlife individuals	Running over of wild animals	Skunks and white-eared possums	Informative and educational signage
	BR-392	Reduction of the number of wildlife individuals	Running over of wild animals	White-eared possums and tiger water turtles	Informative and educational signage
	BR-392	Reduction of the number of wildlife individuals	Irregular sale of native orchids	Orchids	Informative and educational signage. Pamphleting
Ecocataratas	BR-277 - Km 611 to Km 643	Reduction of the species	Running over of wild animals	Deer and possum	Educational signage and campaigns
	BR-277 - Km 344 to Km 730	Loss of biodiversity	Hunting, fishing in the spawning season, illegal logging of trees and native flora	<ul style="list-style-type: none"> <li>• Hunting: deer, ocelot, paca, armadillo, fox and jaguar</li> <li>• Fishing: pintado and dourado</li> <li>• Illegal trees and native flora: cinnamon, mahogany, araucaria pine, palm and jussara fern</li> </ul>	Environmental education campaigns, lectures at schools in the region, actions in partnership with NGOs and state and federal government bodies at several levels on dates related to the theme





Ecocataratas

### Environmental Fines

#### GRI EN28

In 2011, Ecovias received an environmental notice from the city of São Bernardo do Campo (SP) regarding materials storage at Km 19 of SP-150 for construction work underway.

### Environmental Investments

#### GRI EN30

EcoRodovias invested R\$1,559,538.83 in 2011 for environmental management, 4.10% more than the previous year. This increase reflected the Company's commitment to improve its processes and, thus, obtain results that benefit the environment.

Total investments and expenses in environmental protection (R\$)	2011	2010	2009
Waste treatment and disposal	612,169.32	555,724.03	240,542.84
Emissions treatment (for example, expenses for filters)	92,418.98	81,152.08	131,770.00
Outsourced environmental management services	361,050.06	514,617.93	204,477.14
External certification	74,957.29	46,677.50	55,997.00
Research and development	340,724.08	276,422.08	130,782.30
Clean technologies	78,219.10	23,497.00	31,500.00
<b>Total</b>	<b>1,559,538.83</b>	<b>1,498,090.62</b>	<b>795,069.28</b>

# 06

## ANNEXES

- 8.1 IBASE Social Balance Sheet + NBCT 15
- 8.2 Cross-referenced Index GRI





## IBASE TABLE + NBCT 15

## GRI EC5

1 - Calculation Base	2011 - R\$ '000	2010 - R\$ '000
Net Revenues (NR)	1,827,371	1,427,608
Operational Result (OR)	605,188	769,986
Gross Payroll (GP)	78,414	83,716
Total Value Added (TVA)	1,262,172	1,287,794

2 - Internal Social Indicators	R\$ '000	% of GDP	% of NR	% of TVA	R\$ '000	% of GP	% of NR	% of TVA
Meals	7,408	9.45	405.47	0.59	7,404	8.84	0.52	0.57
Mandatory social charges	30,249	38.58	1,655.67	2.40	23,140	27.64	1.62	1.80
Supplementary retirement	1,187	1.51	64.97	0.09	1,046	1.25	0.07	0.08
Health	6,702	8.55	366.83	0.53	6,080	7.26	0.43	0.47
Occupational health and safety	1,154	1.47	63.16	0.09				
Education	159	0.20	8.70	0.01	91	0.11	0.01	0.01
Culture	1,208	1.54	66.12	0.10	894	1.07	0.06	0.07
Training and professional development	1,124	1.43	61.52	0.09	1,105	1.32	0.08	0.09
Day care or day care assistance	110	0.14	6.02	0.01	68	0.08	0.00	0.01
Sports	20	0.03	1.09	0.00	17	0.02	0.00	0.00
Profit/results sharing	11,046	14.09	604.60	0.88	8,724	10.42	0.61	0.68
Transportation	7,244	9.24	396.50	0.57	5,856	7.00	0.41	0.45
<b>Total - Internal social indicators</b>	<b>67,611</b>	<b>86.22</b>	<b>3,700.66</b>	<b>5.36</b>	<b>54,425</b>	<b>65.01</b>	<b>3.81</b>	<b>4.23</b>

3 - External Social Indicators	R\$ '000	% of OR	% of NR	% of TVA	R\$ '000	% of OR	% of NR	% of TVA
Education	959	0.16	52.49	0.08	1,909	0.25	0.13	0.15
Culture	335	0.06	18.34	0.03	137	0.02	0.01	0.01
Health and sanitation	198	0.03	10.84	0.02	166	0.02	0.01	0.01
Sports	970	0.16	53.09	0.08	723	0.09	0.05	0.06
Fighting hunger and food security	0	0.00	0.00	0.00	14	0.00	0.00	0.00
Total contribution to society	2,462	0.41	134.76	0.20	2,949	0.38	0.21	0.23
<b>Total - External social indicators</b>	<b>2,462</b>	<b>0.41</b>	<b>134.76</b>	<b>0.20</b>	<b>2,949</b>	<b>0.38</b>	<b>0.21</b>	<b>0.23</b>

4 - Environmental Indicators	R\$ '000	% of OR	% of NR	% of TVA	R\$ '000	% of OR	% of NR	% of TVA
4.1 - Investment related to company production/operation								
Expropriation of land	0	0.00	0.00	0.00				
Environmental liabilities and contingencies	4,191	0.69	229.39	0.33	100	0.01	0.01	0.01
Technological and industrial development program	167	0.03	9.14	0.01	1,301	0.17	0.09	0.10
Energy conservation	211	0.03	11.55	0.02	0	0.00	0.00	0.00
Environmental education	2,606	0.43	142.64	0.21	390	0.05	0.03	0.03
Other	4,367	0.72	239.03	0.35				
<b>Total investments related to production company programs and/or operations</b>	<b>11,542</b>	<b>1.91</b>	<b>631.75</b>	<b>0.91</b>	<b>1,791</b>	<b>0.23</b>	<b>0.13</b>	<b>0.14</b>

4.2 - Investments in external programs and/or projects								
Environmental education projects in communities	3,328	0.55	182.16	0.26	153	0.02	0,01	0,01
Preservation and/or restoration of degraded environments	218	0.04	11.93	0.02	100	0.01	0,01	0,01
<b>Total investments in external programs and/ or projects</b>	<b>3,546</b>	<b>0.59</b>	<b>194.09</b>	<b>0.28</b>	<b>253</b>	<b>0.03</b>	<b>0,02</b>	<b>0,02</b>
<b>Total environmental investments (4.1 + 4.2)</b>	<b>15,088</b>	<b>2.49</b>	<b>825.83</b>	<b>1.20</b>	<b>2,044</b>	<b>0.27</b>	<b>0,14</b>	<b>0,16</b>

Distribution of Environmental Investments	R\$ '000	% of total	R\$ '000	% of total
<b>Total investments in environmental prevention activities</b>	<b>3,705</b>	<b>24.56</b>	<b>1,214</b>	<b>59,39</b>
<b>Total investments in environmental maintenance activities</b>	<b>11,165</b>	<b>74.00</b>	<b>730</b>	<b>35,71</b>
<b>Total investments in environmental compensation activities</b>	<b>218</b>	<b>1.44</b>	<b>100</b>	<b>4,89</b>
Number of environmental, administrative and judicial proceedings against the company:	1		0	
Total fines and indemnities relating to environmental matters, certain administrative and/or legal proceedings:	5,000.00		0	
With regard to the establishment of "annual goals" to minimize waste, and general consumption in production/operations and increase efficiency in the use of natural resources, the company:		( ) does not have goals (X) meets 51% to 75% ( ) meets 0% to 50% ( ) meets 76% to 100%		( ) does not have goals (X) meets 51% to 75% ( ) meets 0% to 50% ( ) meets 76% to 100%

5 - Staff Indicators	2011 (in units)	2010 (in units)
No. of employees at the end of the period	4,063	2,002
Number of new hires in the period	1,559	633
No. of dismissals in the period	1,315	658
Number of outsourced employees	3,031	2,666
Number of interns	20	0
Number of employees over 45	375	147
<b>5.1 - Number of employees by age group:</b>		
under 18	22	0
18 to 35	2,872	1,492
from 36 to 45	825	363
from 46 to 60 years	328	139
over 60	16	8
<b>5.2 - Number of employees by education level:</b>		
illiterate	1	0
primary education	262	60
secondary/vocational education	2,885	1,567
higher education	754	294
postgraduate study	161	81
Number of women working at the company	1,426	817
% of management positions held by women	10	2.57
No. of men working at the company	1,085	1,185
% of management positions held by men	47.8	7.85
Number of blacks working in the company	822	302
% of management positions held by blacks	9.9	5.26
No. of handicapped or special-needs employees	63	29
<b>5.3 - Gross compensation broken down by:</b>		
employees	49,660	46,793
management	7,239	7,074
<b>5.4 - Difference between the lowest salary paid by the company and the minimum wage (national or regional)</b>		
Difference between the lowest salary paid by the company and the minimum wage	22	25
Source:	MTE - R\$545.00 - national minimum wage	MTE - R\$510.00; EcoRodovias - R\$535.60



## ANNEXES

6 - Relevant Corporate Citizenship Information	2011	2010
Ratio of highest and lowest salary at the company	159	161
Total on-the-job accidents	47	85
The social and environmental projects implemented by the company were defined by:	(X) directors ( ) directors and management ( ) all staff	(X) directors ( ) directors and management ( ) all staff
The standards of safety and cleanliness in the workplace were defined by:	( ) directors and management ( ) all staff (X) all staff + CIPA	( ) directors and management ( ) all staff (X) all staff + CIPA
Regarding freedom of association, the right to collective bargaining and internal representation of the employees, the company:	( ) is not involved ( ) follows the ILO standards (X) encourages and follows the ILO	( ) is not involved ( ) follows the ILO standards (X) encourages and follows the ILO
Supplemental pension benefits cover:	( ) directors ( ) directors and management (X) all staff	( ) directors ( ) directors and management (X) all staff
The sharing of profits or results includes:	( ) officers ( ) officers and managers (X) all employees	( ) officers ( ) officers and managers (X) all employees
Regarding selecting suppliers, the same ethical and social responsibility standards adopted by the company:	( ) are not considered ( ) are suggested (X) are required	( ) are not considered ( ) are suggested (X) are required
Regarding the participation of employees in volunteer activities, the company:	( ) does not get involved ( ) supports (X) organizes and encourages	( ) does not get involved ( ) supports (X) organizes and encourages
Total number of consumer complaints and criticism:	to the company 6,096 to Procon 5 to the courts 247	to the company 2,522 to Procon 3 to the courts 443
% of complaints and criticisms resolved:	by the company 68 by Procon 80 by the courts 24.3	by the company 100 by Procon 100 by the courts 31.60
Number of fines and indemnities to clients determined by consumer protection and defense agencies or by court order:	through Procon 0 through the courts 2,786.820	through Procon 800 through the courts 1,919.546
Actions taken by the company to remedy or minimize the causes of the complaints:	We can cite as actions taken by the company: meetings of alignment between the areas to establish the criteria for evaluating applications for restitution, internal audits on subcontractors, training of customer service personnel, preparation of management reports, meeting contractual terms, among others.	Main complaint: objects in the roadway (1,264). Actions: increased frequency of cleaning the highway; orientation of third parties as to the importance of cleaning the highway after the execution of services; and orientation campaigns for truck drivers about the importance of preventive maintenance of vehicles.
Number of labor suits filed:		
brought against the company	180	91
found to have grounds	51	68
found to be without grounds	31	37
<b>Total amount of indemnities and fines paid by court order:</b>	<b>2.761.229</b>	<b>1.050.478</b>
<b>Total value added to be distributed (in R\$ '000):</b>	<b>1.262.172</b>	<b>1.287.794</b>

Distribution of Value Added:	R\$ '000	% of total	R\$ '000	% of total
Government	371.824	29,46	272.524	21,16
Employees	212.373	16,83	131.220	10,19
Shareholders	144.627	11,46	121.071	9,40
Third parties	290.409	23,01	290.011	22,52
Retained	242.939	19,25	472.968	36,73

# GRI TABLE

## GRI 3.12

		C	C+	B	B+	A	A+
<b>REPORT CONTENT</b>	G3 Profile	RESULT	Answer items 1.1 2.1 to 2.10 3.1 to 3.8 3.10 to 3.12 4.1 to 4.4; 4.14 to 4.15	<b>CONTENT OF THE REPORT</b>	Answer all criteria scheduled for Level C plus: 1.2 3.9 and 3.13 4.5 to 4.13, 4.16 to 4.17	<b>CONTENT OF THE REPORT</b>	The same required for Level B
	Information about the form of G3 management	RESULT	Not Required		Information about the form of management for each indicator category		Form of management disclosed for each indicator category
	G3 performance indicators & supplemental performance indicators	RESULT	Answer a minimum of 10 performance indicators, including at least one of the following performance areas: Social, Economic and Environment		Answer a minimum of 20 performance indicators, including at least one of each of the following performance areas: Economic, Environment, Human Rights, Labor Practices, Society and Product Responsibility		Answer an essential minimum of the G3 and the sectorial supplement with due consideration to the principle of materiality in one of the following forms: (a) responding to the indicator; or (b) explaining the reason for omission
							<b>CONTENT OF THE REPORT</b>

Profile	Description	Services	Remarks	Pages
<b>1. Strategy and Analysis</b>				
1.1	Statement by the highest executive of the organization.			14
1.2	Description of key impacts, risks and opportunities.			24, 30 and 59
<b>2. Organization Chart</b>				
2.1	Name of the organization.	Total		Back cover (EcoRodovias)
2.2	Primary brands, products and/or services.	Total		Back cover
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	Total		Back cover
2.4	Location of organization's headquarters.	Total		116
2.5	Number of countries where the organization operates, and names of countries with core operations or that are specifically relevant to the sustainability issues covered in this report.	Total		Back cover (EcoRodovias)
2.6	Nature of ownership and legal form.	Total		Back cover (EcoRodovias)
2.7	Markets served (including breakdown by regions, sectors served and types of customers/beneficiaries).	Total		Back cover
2.8	Scale of the organization that publishes the results.	Total		Back cover
2.9	Significant changes during the reporting period results in relation to the size, structure or property.	Total		Paths taken
2.10	Awards received during the publication of results.	Total		Back cover

## ANNEXES

3. Parameters Disclosure		Services	Remarks	Pages
3.1	Reporting period (e.g. fiscal/calendar) of the information presented.	Total		16
3.2	Date of most recent report (if any).	Total		16
3.3	Cycle disclosures (annual, biennial, etc.)	Total		16
3.4	Contact for questions.	Total		16
3.5	Process of defining the content of the report.	Total		17
3.6	Limits of reporting (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Limits Protocol for further guidance.	Total		16
3.7	Report any specific limitations on the scope of the limit of the report (see completeness principle for explanation of scope).	Total		16
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability period to period and/or between organizations.	Total		16
3.9	Measurement techniques and databases, including assumptions and techniques used in the estimates applied in the compilation of indicators and other information in the report.	Total		16
3.10	Explanation of the effects of any amendments in the information disclosed in previous reports, as well as the reasons for such adjustments (e.g., mergers/acquisitions, change of base years/periods, measurement methods).	Total		16
3.11	Significant changes from previous periods in the scope, boundary or measurement methods applied to the report.	Total		16
3.12	Table identifying the location of standard disclosures in the report.	Total		111
3.13	Current policies and practices in relation to obtaining external confirmation to the report.	Total		16
4. Governance, Commitments and Involvements		Services	Remarks	Pages
4.1	Governance structure of the organization, including committees under the main body of governance, responsible for specific tasks such as setting strategy or organizational oversight.	Total		24
4.2	Indicate whether the president's most important governance body also holds an executive position.	Total		24
4.3	For organizations that have a single board, stating the number of members of the main body governance that are independent and/or non-executive members.	Total		24
4.4	Mechanisms for shareholders and employees to submit recommendations or directions for the main governance body.	Total		25 and 50
4.5	Linkage between compensation for members of the main governance body, senior managers and executives.	Total		24
4.6	Existing processes to the main governance body to ensure conflicts of interest are avoided.	Total		Back cover, 25 and 28
4.7	Process for determining the qualifications and skills of members of the main governance body to guide the organization's strategy on the topics of economic, environmental and social.	Total		24
4.8	Statements of mission or internally developed values, codes of conduct and principles to economic performance, and environmental and social status of their implementation.	Total		Back cover
4.9	Proceedings of the main governance body to oversee the identification and of organizational management of economic, environmental and social performance, including relevant risks and opportunities, and adherence to internationally accepted standards, codes of conduct and compliance with these principles.	Total		24
4.10	Processes for evaluating the actual performance of the main governance body, particularly in relation to economic performance, environmental and social.	Total		24
4.11	Explanation of when and how the approach or the precautionary principle is applied by the organization.	Total		30
4.12	Economic, environmental and social pamphlets externally developed, principles or other initiatives to which the organization complies with or supports.	Total		88
4.13	Member associations (such as industry associations) and/or lobbying organizations national/international.	Total		86
4.14	List of stakeholder groups promoted by the organization.	Total		71
4.15	Basis for identification and selection of stakeholders with whom we engage.	Total		71
4.16	Approach to the relationship with stakeholders, including frequency of engagement by type and by stakeholder group.	Total		17, 71 and 83
4.17	Key topics and issues that have been raised through engagement with stakeholders and how the organization responded to these topics and issues, including for their reports.	Total		17 and 24

## Economic

Management approach: pages 46 and 84

Economic Performance		Services	Remarks	Pages
EC1	Direct economic value generated and distributed, including revenues, operating costs, compensation staff, donations and other community investments, retained earnings, and payments to providers of capital and governments	Total		49
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Total		28 and 93
EC3	Coverage of defined benefit plans of the organization.	Total		74
EC4	Significant financial assistance received from government.	Total		82
Market Presence		Services	Remarks	Pages
EC5	Intervals of multiple starting salaries compared to local minimum wages in significant locations of operation.	Total		108
EC7	Procedures for local hiring and proportion of senior executives hired from the local community at significant locations of operation.	Partial		84
Indirect Economic Impacts		Services	Remarks	Pages
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or <i>pro bono</i> involvement.	Total		62
EC9	Understanding and description of significant indirect economic impacts, including their size.	Total		84

## Environmental

Form of administration: pages 87-89, 92, 93

Materials		Services	Remarks	Pages
EN1	Materials used by weight or volume.	Total		89
EN2	Percentage of materials used that are recycled inputs.	Partial		90
Energy		Services	Remarks	Pages
EN3	Direct energy consumption by primary energy source.	Total		92
EN5	Energy saved by conservation and efficiency improvements.	Partial		91
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Total		93
Water		Services	Remarks	Pages
EN8	Total removal of water by source.	Total		91
EN9	Water sources significantly affected by withdrawal of water.	Total	There are no water sources significantly affected by withdrawal of water.	-
EN10	Percentage and total volume of water recycled and reused.	Total		91
Biodiversity		Services	Remarks	Pages
EN11	Location and size of land owned, leased, managed in protected areas or adjacent to, as well as areas of high biodiversity value outside protected areas.	Total		98
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Total		98 and 102
EN13	Habitats protected or restored.	Partial		98
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Total		98
EN15	Number of species in the IUCN Red List and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Total		102
Emissions, Effluents and Waste		Services	Remarks	Pages
EN16	Total direct and indirect emission of greenhouse gases, by weight.	Total		93
EN17	Other relevant indirect emissions of greenhouse gases, by weight.	Total		93
EN18	Initiatives to reduce emissions of greenhouse gases and reductions achieved.	Total		93
EN22	Total weight of waste by type and disposal method.	Total		90
EN23	Total number and volume of significant spills.	Total		96

## ANNEXES

Products and Services		Services	Remarks	Pages
EN26	Initiatives to mitigate environmental impacts of products and services and scope of such initiatives.	Total		84, 88 and 102
Compliance		Services	Remarks	Pages
EN28	Monetary value of significant fines and total number and non-monetary sanctions for noncompliance with environmental laws and regulations.	Total		105
General		Services	Remarks	Pages
EN30	Spending and total investment in environmental protection, by type.	Total		105
Social: Labor Practices and Decent Work				
Management approach: pages 72-79				
Employment		Services	Remarks	Pages
LA1	Total workforce by employment type, employment contract and region.	Total		72
LA2	Total number and rate of employee turnover by age, gender and region.	Total		79
LA3	Benefits offered to employees that are not offered to temporary or part-time workers, broken down by major operations.	Total		73
Relations between Labor and Management		Services	Remarks	Pages
LA4	Percentage of employees covered by collective bargaining category.	Total		73
Occupational Health and Safety		Services	Remarks	Pages
LA6	Percentage of total workforce represented in formal joint health and safety (workers and managers) to help monitor and advise security programs and occupational health.	Total		76
LA7	Rates of accidents, occupational diseases, lost days, absenteeism, and number of work-related fatalities by region.	Total		76
LA8	Education, training, counseling, prevention and risk control programs in place to assist workforce members, their families or community members regarding serious diseases.	Total		76 and 84
Training and Education		Services	Remarks	Pages
LA10	Average hours of training per year per employee by category.	Total		74 and 75
LA11	Programs for skills management and continuous learning that support employability of the employees and assist in managing the end of their careers.	Total		79
LA12	Percentage of employees receiving regular performance evaluations and career planning	Total		74
Diversity and Equal Opportunities		Services	Remarks	Pages
LA13	Composition of governance and breakdown by category of employee, in relation to gender, age, and other indicators of diversity.	Total		75
LA14	Proportion of basic salary between men and women by category of employee.	Total		73
Social: Human Rights				
Management approach: cover, page 83				
Diversity and Equal Opportunities		Services	Remarks	Pages
HR1	Percentage and total number of significant investment agreements containing human rights clauses or that have undergone human rights analysis.	Total		83
HR2	Percentage of suppliers and contractors that have undergone significant testing of human rights and the measures taken.	Total		83
HR3	Total number of hours of training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of trained workers.	Total		79
Nondiscrimination		Services	Remarks	Pages
HR4	Total number of incidents of discrimination and actions taken.	Total		Back cover, 25 and 79
Freedom of Association and Collective Bargaining		Services	Remarks	Pages
HR5	Operations identified in which the exercise of free association and collective bargaining may be at material risk, and the measures taken to support these rights.	Partial		83
Child Labor		Services	Remarks	Pages
HR6	Operations identified by having significant risk for incidents of child labor and measures taken to help eliminate child labor.	Total		83

Forced and Compulsory		Services	Remarks	Pages
HR7	Operations deemed to have significant risk for incidents of forced or compulsory labor and measures to help eliminate forced or compulsory labor.	Total		83
Security Practices		Services	Remarks	Pages
HR8	Percentage of security personnel trained in the policies or procedures of the organization about aspects of human rights relevant to operations.	Total		83
Social: Society				
Management approach: pages 83-86				
Community		Services	Remarks	Pages
SO1	Nature, scope and effectiveness of any programs or practices that assess and manage impacts of operations on communities, including entry, operations, and exiting.	Total		84
Corruption		Services	Remarks	Pages
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Total		70
SO3	Percentage of employees trained in anticorruption policies and procedures of the organization.	Total		25
SO4	Actions taken in response to incidents of corruption.	Total		Back cover and 25
Public Policy		Services	Remarks	Pages
SO5	Public policy positions and participation in public policy development and lobbying.	Total		82 and 84
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Total		82
Anticompetitive behavior		Services	Remarks	Pages
SO7	Total number of processes for anticompetitive behavior, trust, monopolistic practices and its results.	Total		Back cover and 25
Compliance			Remarks	Pages
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Total		83
Social: Product Liability				
Management approach: pages 80-82				
Health and Consumer Safety		Services	Remarks	Pages
PR1	Stages of life cycle in which the impacts of products and services on health and safety assessments undergo improvement and percentage of significant product categories and services subject to such procedures.	Partial		60
PR2	Total number of incidents of non-compliance with regulations and codes of self-regulation, relating to health and safety impacts of products and services during their life cycles, broken down by type of outcomes.	Total		80
Labelling of Products and Services		Services	Remarks	Pages
PR5	Practices related to customer satisfaction, including results of surveys that measure satisfaction.	Total		80
Marketing Communication		Services	Remarks	Pages
PR6	Programs to fit the laws, standards and codes of self-regulation related to marketing communication, including advertising, promotion and sponsorship.	Total	2.3 and 2.4 do not apply to be a services company.	81
PR7	Total number of incidents of noncompliance with regulations and codes of self-regulation related to marketing communications, including advertising, promotion and sponsorship, by type of outcomes.	Total		81 and 87
Consumer Privacy		Services	Remarks	Pages
PR8	Total number of substantiated complaints relating to invasions of consumer privacy and loss of consumer data.	Total		81
Compliance		Services	Remarks	Pages
PR9	Monetary value of significant fines for non-compliance with laws and regulations relating to the use of products and services.	Total		83

## Corporate Information

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This document contains forward-looking statements concerning the future prospects of our business, which are subject to risks and uncertainties. These statements are based on the beliefs of the management of EcoRodovias and the information available to the company at this time. Forward-looking statements do not constitute guarantees of future performance, and are dependent on economic, market and political conditions, as well as operational factors. Therefore, the actual future results of the Group's companies may differ substantially from those expressed or suggested by such forward-looking statements.



# 2011

**ecorodovias**  
GRUPO



## FINANCIAL STATEMENTS





# 2011 MANAGEMENT REPORT

## Message from Management

The year 2011 was marked by important achievements for EcoRodovias, both in the strategic aspect of market positioning - the Company is one of the most efficient infrastructure logistics groups in the country - and in its constant pursuit of expansion of its activities. With this focus, the group concluded the integration of Elog Sudeste and Elog Sul (formerly Columbia and EADI Sul), which were acquired in 2010 and are now the subsidiaries of Elog, the Company's logistics arm. As a result of this integration, the Company gained efficiency, while the logistics business now accounts for almost 15% of the Group's revenues. EBITDA margin from logistics increased from 5.0% in 2010 to 18.5% in 2011, while EBITDA margin from the highway segment was 74.9% in 2011, up 1.4 p.p. on 2010.

The positive results from logistics can be gauged by market share growth, margin expansion, provision of new services, greater expertise in integrated logistics and growth in investments. In November 2011, Elog signed a Share Purchase Agreement with Maringá Armazéns Gerais Ltda. and Maringá Serviços Auxiliares de Transporte Aéreo Ltda. With this acquisition, the company will also have bonded warehouses predominantly for air cargo, and will expand its integrated logistics operation to the north of State of Paraná.

The highway concession segment registered 200.3 million equivalent paying vehicles in 2011, an 11.3% increase in the group's consolidated traffic compared to 2010.

As a result, the Company's gross revenue increased from R\$1.5 billion to R\$1.9 billion, 29.9% higher than in 2010. Net revenue according to IFRS was 28.0% higher. Net income, excluding the non-recurring events in 2010, was 30.9% higher than in the previous year, totaling R\$387.6 million.

As for new business, the Company continues to monitor the progress of new highway concession bidding processes,

always within the group's strategy of operating in the leading import/export corridors. Proof of this came in January 2012, when it won the concession for BR-101 in the state of Espírito Santo, connecting the north of Rio de Janeiro to the south of Bahia. The contract should be signed in July this year. The new concession, covering a stretch of 475.9 km, is strategically important for regional integration as it connects the southeast and northeast regions, with three important ports - Vitória, Ilhéus and Açu - close to its sphere of influence. With the BR-101 concession, the company now manages over 1,900 km of highways.

The EcoRodovias group also closely looks for opportunities in ports and airports, with the focus always on the profitability of its business, especially maintaining the discipline in capital and a financial structure that enables it to grow in a sustainable manner. This objective is underlined by the fact that EcoRodovias' shares have been included in the 2012 portfolio of the Corporate Sustainability Index (ISE) of BM&FBOVESPA. For EcoRodovias, this is the market's recognition that we are a group that seeks results in a sustainable manner, which permeates the relationship with all its stakeholders.

To conclude, we cannot fail to thank our employees for their dedication and commitment in surpassing the business targets, our shareholders for their constant confidence in the company's management, the board members, who guided us and supported us in making these important achievements happen, and the support of our clients, users, regulatory authorities and other institutions.

## **ADOPTION OF ACCOUNTING PRACTICES**

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the pronouncements issued by the Accounting Pronouncements Committee (CPC).

## OPERATING PERFORMANCE

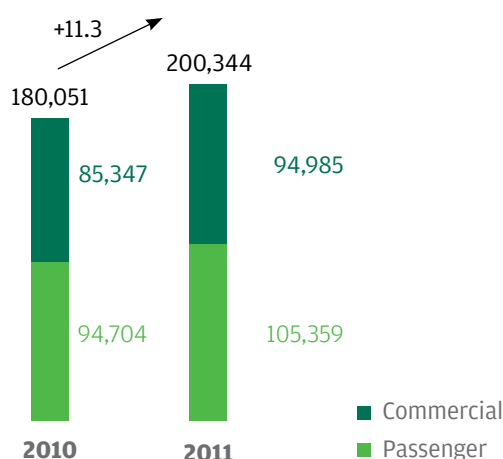
### Highway Concessions

**Evolution of Traffic:** Consolidated traffic in terms of number of equivalent paying vehicles in the concessionaires grew by 11.3% in 2011 compared to 2010. Considering the traffic adjustments for passenger vehicles on both directions of Ecopistas from January 1 to February 17, 2010, consolidated growth came to 9.2% in 2011. The main reasons for this variation are presented below:

**Commercial vehicles:** traffic grew 11.3% in 2011 over the previous year. In São Paulo, cargo transport to the Port of Santos was affected by the drop in exports, of 2.0% (in tons) in 2011 compared with 2010. This decrease was mainly influenced by sugar exports, which declined 12.8% (in tons) in 2011, according to information provided by the Port of Santos. At Ecopistas, the strong traffic growth reflects the movement of cargo in the highway connection between the Vale do Paraíba region and city of São Paulo. In Paraná, commercial traffic growth was driven by the transportation of soybean harvested in the region and that coming from Paraguay through the Paranaguá Port. In Rio Grande do Sul, the Rio Grande Port reached 30,497 thousand tons in 2011, 10.1% more than in 2010, due primarily to the increase in the shipments of soybeans, rice and their respective derivatives, according to data disclosed by the Port.

**Passenger vehicles:** growth in 2011 was 11.3% over 2010 and was driven by the heavy passenger vehicle traffic in the tourist destinations in Brazil's southern and southeastern states. The auto industry recorded 3,425 thousand new licensed light vehicles in 2011, up 3.6% on 2010.

## TRAFFIC VOLUME (EQUIVALENT PAYING VEHICLES - THOUSAND)



### Logistics

EcoRodovias' logistics business is divided into the following segments:

**Primary Zone:** consisting of the Ecopátio Cubatão and CLIA Santos units. Ecopátio Cubatão offers the REDEX, a special customs export terminal, and DEPOT, which offers empty container maintenance and storage services and also has a truck management yard. CLIA Santos offers customs terminal services.

A total of 89,172 containers were handled in the Primary Zone in 2011, 43.8% more than in 2010, thanks to the increase in REDEX (service at Ecopátio Cubatão) and CLIA (service at CLIA Santos).

**Interior Dry Ports:** consisting of the Campinas, Barueri, São Paulo and Curitiba units, these ports offer customs warehousing and terminal services.

The volume handled by these ports in 2011 amounted to US\$5,329.5 million (FOB value), corresponding to 6.0% of the total import volume handled in the States of São Paulo and Paraná.

**Border Dry Ports:** consisting of the Foz do Iguaçu, Uruguaiana, Jaguarão and Santana do Livramento units, these ports offer customs terminal services on Brazil's borders with Uruguay, Argentina and Paraguay.

The volume handled by EcoRodovias' Border Dry Ports in 2011 amounted to US\$16,206.0 million (FOB Value), corresponding to 28.3% of the total trade between Brazil, Uruguay, Argentina, Paraguay and Chile.

**Transport:** corresponds to the provision of highway transport services through own and outsourced fleet, as well as autonomous service providers.

Revenue from transport services accounted for 15% of the logistics revenues in 2011.

**Distribution Centers:** consisting of the Distribution Centers in Alphaville, Cajamar, Curitiba and Ecopátio Imigrantes, which offer inventory management services for clients.

In 2011, occupancy rate was 98% of the total available area of 106,000 m<sup>2</sup>, higher than the 85% considered ideal, which would enable the Company to improve the

operations and productivity of its product handling and storage services.

### STP – Sem Parar/Via Fácil

The total installed tags of the Sem Parar/Via Fácil system reached 3,244 thousand on December 31, 2011, an increase of 26.6% over December 31, 2010. This growth was sustained by the 94% coverage of the network of toll roads and the 111 parking areas that now accept the system. Of the consolidated toll collections at EcoRodovias' concessionaires, 42.3% came from electronic collection in 2011.

## FINANCIAL RESULTS

### CONSOLIDATED GROSS REVENUE

Consolidated gross revenue (excluding Construction Revenues) stood at R\$1,785.7 million in 2011, up 31.9% on 2010.

Considering the Construction Revenues, consolidated gross revenue stood at R\$1,985.7 million in 2011 up 29.9% on 2010.

Gross Revenue (R\$ million)	2011	2010	Chg.
Highway Concessionaires	1,443.5	1,281.4	12.7%
ICPC 01 Construction Revenues	199.4	174.7	14.2%
Logistics	286.7	25.7	N/M
Revenue from Services	55.4	46.4	19.5%
<b>CONSOLIDATED</b>	<b>1,985.1</b>	<b>1,528.2</b>	<b>29.9%</b>
<b>CONSOLIDATED – Excluding Construction Revenues</b>	<b>1,785.7</b>	<b>1,353.5</b>	<b>31.9%</b>

### Highway Concessions

**Toll Revenues:** toll revenues accounted for 70.0% of consolidated gross revenue in 2011. Considering the growth in toll-paying traffic volume and the contractual adjustments of toll tariffs mentioned above, consolidated gross revenue from toll collection amounted to R\$1,389.7 million in 2011, 12.7% more than in 2010.

**Ancillary Revenues:** ancillary revenues of the highway concessionaires are derived from the monitoring of special cargo, advertising boards, occupation of right-of-way and accesses and other services involving the usage and exploration of the right-of-way of highway concessions and services provided by the shared services center. These revenues accounted for 2.7% of the group's gross revenue in 2011.

**Construction Revenues:** as established by ICPC 01 (Interpretation of the Accounting Pronouncements Committee) – Concession Contracts, the works and improvements to the highway infrastructure generated revenue of R\$199.4 million in 2011, 14.2% higher than in 2010. The Company does not book the profit margin in this revenue (margin equal to zero), with the amounts booked corresponding to the same amounts booked in the "Cost of Construction Works" account.

### Logistics (100%)

**Revenue from Primary Zone:** in 2011, revenue came to R\$85.0 million and average tariff reached R\$953.

**Revenue from Interior Dry Ports:** revenue from customs warehousing and terminal operations came to R\$87.0 million in 2011.

**Revenue from Border Dry Ports:** revenue from the customs terminal services on the borders with Uruguay, Argentina and Paraguay came to R\$38.6 million in 2011.

**Revenue from Transport:** revenue from highway transport services reached R\$ 56.0 million in 2011.

**Revenue from Distribution Centers:** revenue from clients' inventory management and warehousing rentals amounted to R\$91.8 million in 2011.

### STP – Sem Parar/Via Fácil

**Revenue from Services:** gross revenue from STP stood at R\$434.8 million in 2011 (up 19.5% over 2010). EcoRodovias holds 12.75% interest in STP, which corresponds to gross revenue of R\$55.4 million in 2011, consolidated in the financial statements.

### CONSOLIDATED NET REVENUE

Consolidated net revenue (excluding Construction Revenues) came to R\$1,627.9 million in 2011, 29.9% more than in 2010. Deductions from gross revenue totaled R\$157.7 million in 2011, representing 8.8% of total gross revenue in the periods, excluding the construction revenues. Considering the Construction Revenues, Consolidated net revenue came to R\$1,827.4 million in 2011, 28.0% more than in 2010

Net Revenue (R\$ million)	2011	2010	Chg.
Highway Concessionaires	1,338.4	1,191.0	12.4%
ICPC 01 Construction Revenues	199.4	174.7	14.1%
Logistics	242.4	23.6	N/M
Revenue from Services	47.1	38.3	23.0%
<b>CONSOLIDATED</b>	<b>1,827.4</b>	<b>1,427.6</b>	<b>28.0%</b>
<b>CONSOLIDATED – Excluding Construction Revenues</b>	<b>1,627.9</b>	<b>1,252.9</b>	<b>29.9%</b>

### CONSOLIDATED OPERATING COSTS AND ADMINISTRATIVE EXPENSES

Consolidated costs of services provided and general and administrative expenses totaled R\$1,038.9 million in 2011, against R\$755.9 million, a 37.4% increase over 2010.

Operating Costs and Administrative Expenses (R\$ million)	2011	2010	Chg.
EcoRodovias Infraestrutura e Logística			
Consolidated Highway Concessionaires	747.2	667.9	11.9%
Consolidated Logistics	223.4	27.7	N/M
Holding and STP	68.3	60.3	13.3%
<b>EcoRodovias Infraestrutura e Logística</b>	<b>1,038.9</b>	<b>755.9</b>	<b>37.4%</b>

The main reasons for the changes in operating costs and administrative expenses in each business segment were:

#### Highway Concessions

Highway concession costs and expenses increased by 11.9% mainly due to: (i) the increase in staff; and (ii) the increase in the provision for future highway maintenance costs and

the cost of construction, both resulting from the adoption of IFRS/ICPC.

#### Logistics

The increase in costs and expenses was basically due to the consolidation of Elog Sudeste and Elog Sul.

## CONSOLIDATED EBITDA AND EBITDA MARGIN

Consolidated adjusted EBITDA reached R\$1,037.6 million in 2011, with margin of 63.7%. The adjusted EBITDA is calculated excluding the construction cost and revenue accounts and the provision for maintenance (introduced

by IFRS). The highlight in the logistics sector was Elog's EBITDA Margin of 18.5% in 2011. Consolidated EBITDA calculated according to the IFRS was R\$957.3 million in 2011, with margin of 52.4%.

EBITDA IFRS (R\$ million)	2011	2010	Chg.
<b>CONSOLIDATED</b>			
Net Income	387.6	594.0	-34.7%
Depreciation/Amortization	168.2	140.4	19.8%
Financial Result	183.1	199.5	-8.2%
Income Tax and Social Contribution	217.6	175.9	23.7%
Non-recurring Operational Results	-	(297.8)	-100.0%
Investments Amortization	0.8	-	-
<b>EBITDA IFRS</b>	<b>957.3</b>	<b>812.0</b>	<b>17.9%</b>
<b>EBITDA Margin (IFRS)</b>	<b>52.4%</b>	<b>56.9%</b>	<b>-4.5 p.p.</b>

EBITDA Adjusted Excluding IFRS (R\$ million)	2011	2010	Chg.
EBITDA IFRS	957.3	812.0	17.9%
Construction Revenues	(199.4)	(174.7)	14.2%
Construction Costs	199.4	174.7	14.2%
Provision for Maintenance	80.3	48.2	66.6%
<b>Adjusted EBITDA</b>	<b>1.037.6</b>	<b>860.2</b>	<b>20.6%</b>
<b>Adjusted EBITDA Margin</b>	<b>63.7%</b>	<b>68.7%</b>	<b>-5.0 p.p.</b>

## CONSOLIDATED FINANCIAL RESULT

Net financial result in 4Q11 was an expense of R\$183.1 million (-8.2%) in 2011, basically due to the reduction in the interest on financing, caused by the payment of short-term loans (Promissory Notes) and the issue of debentures by Ecopistas, as well as the reduction in the monetary restatement of the Concession Rights, mainly on account of the final payment of the fixed concession fee by Ecopistas in December 2010, with only the monetary restatement of the obligations of Ecovias dos Imigrantes for 2011 remaining.

## NET INCOME

In 2011, net income totaled R\$387.6 million, a 30.9% increase on the adjusted net income of R\$297.8 million in 2010, excluding the non-recurring equity income from the sale of interest in Elog. Including this non-recurring income, net income was 34.7% lower in 2011.

## CASH AND CASH EQUIVALENTS AND CONSOLIDATED DEBT

EcoRodovias ended December 2011 with cash and cash equivalents and investments in securities amounting to R\$671.8 million. The Company's gross debt totaled R\$1,676.1 million on December 31, 2011, a 5.4% decrease from December 31, 2010.

Debt (R\$ million)	2011	2010	Chg.
<b>Short-term</b>	<b>541.7</b>	<b>768.6</b>	<b>-29.5%</b>
Borrowings, Loans and Finance Lease	163.1	451.6	-63.9%
Debentures	378.6	317.0	19.4%
<b>Long-term</b>	<b>1,134.4</b>	<b>1,002.7</b>	<b>13.1%</b>
Borrowings, Loans and Finance Lease	189.8	125.0	51.8%
Debentures	944.6	877.7	7.6%
<b>Total Debt</b>	<b>1,676.1</b>	<b>1,771.3</b>	<b>-5.4%</b>
<b>Disposal Cash</b>	<b>671.8</b>	<b>872.6</b>	<b>-23.0%</b>
<b>Net Debt</b>	<b>1,004.3</b>	<b>898.7</b>	<b>11.8%</b>

## CONSOLIDATED CAPEX

Consolidated CAPEX at EcoRodovias in 2011 was R\$381.5 million, 14.9% more than in 2010.

CAPEX in the highway concession segment totaled R\$299.8 million, up 2.4% on 2010. The main changes were due to the contractual investments in Ecovias dos Imigrantes, Ecocataratas and Ecosul, and the increased investments in EcoRodovias Concessões to upgrade and improve the operating and administrative systems. In the logistics segment, CAPEX in 2010 totaled R\$60.0 million, due to the infrastructure built in Ecopátio Cubatão and the improvements at Elog Sudeste and Elog Sul.

CAPEX (R\$ million)	2011			2010			Chg. 2011x 2010 Total
	Intangible/ PP&E	Maintenance Cost	Total	Intangible/ PP&E	Maintenance Cost	Total	
<b>Highway Concessionaires</b>							
Ecovias dos Imigrantes	75.3	41.2	116.5	52.2	41.2	93.4	24.7%
Ecopistas	67.4	-	67.4	107.3	-	107.3	-37.2%
Ecovia Caminho do Mar	28.2	-	28.2	25.8	9.3	35.1	-19.7%
Ecocataratas	10.6	22.6	33.2	3.8	22.6	26.4	25.8%
Ecosul - Rodovias do Sul	33.1	4.3	37.4	19.1	4.3	23.4	59.8%
EcoRodovias Conc. e Serviços	17.1	-	17.1	7.2	-	7.2	137.5%
<b>Total</b>	<b>231.7</b>	<b>68.1</b>	<b>299.8</b>	<b>215.4</b>	<b>77.4</b>	<b>292.8</b>	<b>2.4%</b>
<b>Logistics</b>							
Ecopátio Logística Cubatão	28.6	-	28.6	6.9	-	6.9	N/M
Ecopátio Imigrantes	11.3	-	11.3	10.3	-	10.3	9.7%
Elog	12.7	-	12.7	13.4	-	13.4	-5.2%
Elog Sudeste/ElogSul	18.8	-	18.8	-	-	-	N/M
<b>Total</b>	<b>60.0</b>	<b>-</b>	<b>60.0</b>	<b>30.6</b>	<b>-</b>	<b>30.6</b>	<b>N/M</b>
<b>Holding and STP</b>							
Holding and STP	10.3	-	10.3	8.7	-	8.7	18.4%
<b>CONSOLIDATED</b>	<b>313.4</b>	<b>68.1</b>	<b>381.5</b>	<b>254.7</b>	<b>77.4</b>	<b>332.1</b>	<b>14.9%</b>



## **DIVIDENDS**

In 2011, the Company paid dividends totaling R\$285.6 million, of which R\$145.5 million was complementary dividend related to fiscal year 2010 and R\$140.1 million is interim dividend related to fiscal year 2011. Dividend distribution for 2011 is subject to approval by the Annual Shareholders' Meeting.

## **CORPORATE GOVERNANCE**

EcoRodovias is committed to adopting corporate governance best practices, marked by efficiency and transparency in management and the firm proposition of creating value for its shareholders, since the objective is to take decisions based on the best interests of the company over the long-term.

We follow the practices recommended by the "Code of Best Practices in Corporate Governance" of the Brazilian Institute of Corporate Governance (IBGC), notably: the Code of Business Conduct approved by the Board of Directors; transparency in the disclosure of results; the positions of chairman of the board of directors and chief executive officer held by different people; the hiring of independent auditors to audit the balance sheets and financial statements; the use of the arbitration chamber to resolve corporate conflicts; and a policy for the disclosure and confidentiality of information.

The Board of Directors consists of eight members, of whom two are independent, with unified terms of two years. The Board is advised by the statutory Committees on Audit, People Management, and Governance, and by the non-statutory committees on Ethics and Sustainability.

The Company's management is not related to the controlling shareholders and exercises a professional and shared management in its systematic pursuit of consensus among all members, underlining the concept of a collective decision-making body.

## **PERSONAL MANAGEMENT**

In 2011, the EcoRodovias Group won the right to remain for one more year in the select group of companies that stand out in the market for their excellence in people management. For the third straight year, it is among the 150 best companies to work for in Brazil, according to a survey conducted by *Exame/Você S.A.* magazines, one of the 50 best companies in Organizational Human Development Index (IDHO), and in the ranking of the 100 Best Companies to Work, published by *Época* magazine and Great Place to Work. The Human Resources area gives priority to programs aimed at the well-being of employee. The Leader Development Program, aimed at developing the skills of employees, is worth mention.

## **SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**

The social and environmental policy of EcoRodovias guides the decisions taken towards sustainable growth. For this, guidelines have been drawn up in both the internal and external ambits, as well as with the support of the social responsibility committees in each of the highway concessionaires, where issues are raised and resolved in order to reach a growing level of social and environmental efficiency. Ecoviver, the social and environmental responsibility program targeted at the environmental education of children and youth, includes lectures for school teachers, training them on how to address the issue of trash in the classroom, as well as events that disseminate the concept of “3Rs” (Reduce, Reuse and Recycle). Since 2006, when it was launched, the project has already served around 224,000 children in more than 24 cities in the states where EcoRodovias operates. Apart from Ecoviver, EcoRodovias has other social and environmental responsibility programs, such as: Papai Noel Existe (Santa Claus Exists) - a campaign for donating toys to underprivileged kids; Ecological Asphalt Workshop - which produces rubber asphalt that reuses old tires that would otherwise be discarded and harm the environment; the Seedling Nursery - maintained by persons with special needs, it produces 30 thousand seedlings a year, which are used in replanting programs, as well as in campaigns on reducing accidents and improving the health of highway users.

## **RELATIONSHIP WITH THE AUDITORS**

In accordance with CVM Rule No. 381/2003, we inform that in the fiscal year ended December 31, 2011, Deloitte Touche Tohmatsu Auditores Independentes provided the following services: Audit of the individual and consolidated financial statements prepared in accordance with generally accepted accounting practices in Brazil, review of internal controls, special review of the Quarterly Information prepared in accordance with generally accepted accounting practices in Brazil; and accounting audit of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

São Paulo, March 15, 2012

The Management



# BALANCE SHEETS

AS AT DECEMBER 31, 2011 AND 2010

(IN THOUSANDS OF BRAZILIAN REAIS - R\$)

ASSETS	Note	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
		12/31/2011	12/31/2010	12/31/2011	12/31/2010
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	87,066	370,287	604,551	872,654
Marketable securities	6	-	-	30,106	29,800
Trade accounts receivable	7	-	-	176,505	127,722
Recoverable taxes	8	13,620	12,288	27,403	21,851
Dividends and interest on capital		133,157	4,787	-	-
Prepaid expenses	9	96	-	8,503	6,995
Other receivables		259	884	30,564	9,460
Total current assets		234,198	388,246	877,632	1,068,482
<b>NON-CURRENT ASSETS</b>					
Marketable securities	6	-	-	37,201	-
Deferred taxes	16.a	-	-	68,444	72,937
Escrow deposits	10	9,116	8,398	25,242	14,528
Indemnity assets	11	-	-	2,870	2,870
Related parties - customers	22	36	33	-	260
Other receivables		-	-	6,383	3,882
Prepaid expenses	9	-	-	410	1,378
Investments:					
In subsidiaries	12	1,407,312	1,155,488	10	-
Goodwill	12	246,040	246,848	-	-
Investment properties	13	-	-	51,603	43,599
Property, plant and equipment	14	4,932	2,657	287,933	218,694
Intangible assets	15	92	88	2,798,709	2,739,146
Total non-current assets		1,667,528	1,413,512	3,278,805	3,097,294
<b>TOTAL ASSETS</b>		<b>1,901,726</b>	<b>1,801,758</b>	<b>4,156,437</b>	<b>4,165,776</b>

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
		12/31/2011	12/31/2010	12/31/2011	12/31/2010
<b>CURRENT LIABILITIES</b>					
Trade accounts payable		2,088	1,229	131,851	97,202
Accounts payable - acquisition of companies	18	-	-	-	88,025
Loans and financing	19	-	-	161,120	450,241
Leasing	20	-	-	2,016	1,344
Debentures	21	-	-	378,634	316,995
Taxes, rates and contributions payable	17	316	25	21,566	21,757
Social security charges	26	5,505	4,849	30,354	28,663
Tax Debt Refinancing Program (REFIS)		-	-	259	281
Related parties - suppliers	22	-	-	1,787	400
Concession fees payable	25	-	-	17,082	15,205
Income tax and social contribution payable		-	-	20,152	15,266
Dividends payable		-	3,310	-	3,310
Provision for maintenance	23	-	-	38,286	24,337
Provision for future construction work	24	-	-	12,527	10,143
Other accounts payable		9,080	8,365	46,296	39,802
<b>Total current liabilities</b>		<b>16,989</b>	<b>17,778</b>	<b>861,930</b>	<b>1,112,971</b>
<b>NON-CURRENT LIABILITIES</b>					
Loans and financing	19	-	-	189,187	123,505
Leasing	20	-	-	641	1,549
Debentures	21	-	-	944,565	877,686
Tax Debt Refinancing Program (REFIS)		-	-	2,710	3,286
Other accounts payable		-	-	4,952	6,769
Deferred taxes	16.a	2,677	2,777	24,430	17,629
Provision for tax, labor and civil contingencies	27	-	-	52,634	47,679
Provision for maintenance	23	-	-	133,259	120,517
Provision for future construction work	24	-	-	1,929	6,886
Concession fees payable	25	-	-	55,099	59,432
<b>Total non-current liabilities</b>		<b>2,677</b>	<b>2,777</b>	<b>1,409,406</b>	<b>1,264,938</b>
<b>SHAREHOLDERS' EQUITY</b>					
Capital	28.a	1,320,549	1,320,549	1,320,549	1,320,549
Earnings reserve - legal	28.e	90,751	71,600	90,751	71,600
Recognition of earnings reserve - capital budget	28.f	388,105	215,747	388,105	215,747
Earnings reserve - additional dividends proposed	28.g	51,431	142,158	51,431	142,158
Capital reserve - stock-option plan	28.i	31,224	31,149	31,224	31,149
Attributable to Company's owners		1,882,060	1,781,203	1,882,060	1,781,203
Noncontrolling interests		-	-	3,041	6,664
<b>Total shareholders' equity</b>		<b>1,882,060</b>	<b>1,781,203</b>	<b>1,885,101</b>	<b>1,787,867</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,901,726</b>	<b>1,801,758</b>	<b>4,156,437</b>	<b>4,165,776</b>

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

# INCOME STATEMENT

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(IN THOUSANDS OF BRAZILIAN REAIS - R\$, EXCEPT BASIC/DILUTED EARNINGS PER SHARE)

	Note	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
		12/31/2011	12/31/2010	12/31/2011	12/31/2010
NET REVENUE	30	-	-	1,827,371	1,427,608
COST OF SERVICES	31	-	-	(810,823)	(623,618)
GROSS PROFIT		-	-	1,016,548	803,990
OPERATING INCOME (EXPENSES)					
General and administrative expenses	31	(41,393)	(38,046)	(228,100)	(132,323)
Equity in subsidiaries	12	401,588	344,979	(180)	-
Other income (expenses), net		52	239,399	-	297,778
OPERATING INCOME BEFORE FINANCIAL INCOME (EXPENSES)		360,247	546,332	788,268	969,445
FINANCIAL INCOME (EXPENSES)					
Financial income	32	30,350	59,078	107,329	90,551
Financial expenses	32	(3,129)	(1,956)	(290,409)	(290,011)
OPERATING INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		387,468	603,454	605,188	769,985
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	16.c	(4,551)	(10,382)	(207,794)	(165,140)
Deferred	16.c	100	(2,777)	(9,828)	(10,806)
		(4,451)	(13,159)	(217,622)	(175,946)
NET INCOME FOR THE YEAR		383,017	590,295	387,566	594,039
ATTRIBUTABLE TO					
Company's owners		383,017	590,295	383,017	590,295
Noncontrolling interest		-	-	4,549	3,744
		383,017	590,295	387,566	594,039
EARNINGS PER SHARE (R\$) - BASIC	33	0.69	1.12	0.69	1.12
EARNINGS PER SHARE (R\$) - DILUTED	33	0.68	1.12	0.68	1.12

Comprehensive income (loss):

The Company does not have transactions which would require the presentation of the statement of comprehensive income for the current and prior years.

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(IN THOUSANDS OF BRAZILIAN REAIS – R\$, EXCEPT FOR VALUE PER SHARE)

	Note	Attributable to subsidiary's shareholders				Retained earnings	Shareholders' equity of controlling shareholders (BR GAAP)	Noncontrolling interest shareholders' equity of subsidiaries	Consolidated shareholders' equity (IFRS and BR GAAP)
		Capital	Earnings reserves		Capital budget				
			Capital reserve	Legal					
		Stock-option plan							
BALANCES AS AT DECEMBER 31, 2009		466,699	-	44,203	150,099	-	618,644	3,088	621,732
Effect of noncontrolling interests		-	-	-	-	-	-	(168)	(168)
Capital increase		874,000	-	-	-	-	874,000	-	874,000
Funding costs		(20,150)	-	-	-	-	(20,150)	-	(20,150)
Stock-option plan		-	324	-	-	-	324	-	324
Realization of retained earnings reserve:									
Dividends distributed (R\$0.21 per share)		-	-	-	(119,989)	-	(119,989)	-	(119,989)
Dividends distributed (R\$0.06 per share)		-	-	-	(30,110)	-	(30,110)	-	(30,110)
Net income		-	-	-	-	590,295	590,295	3,744	594,039
Allocation of net income:									
Capital reserve		-	30,825	-	-	(30,825)	-	-	-
Legal reserve		-	-	27,397	-	(27,397)	-	-	-
Recognition of earnings reserve - capital budget		-	-	-	-	215,747	-	-	-
Recognition of reserve for dividends		-	-	-	142,158	(142,158)	-	-	-
Interim dividends paid (R\$0.21 per share)		-	-	-	-	(117,327)	(117,327)	-	(117,327)
Interest on capital (R\$0.02 per share)		-	-	-	-	(11,174)	(11,174)	-	(11,174)
Additional mandatory dividends (R\$0.01 per share)		-	-	-	-	(3,310)	(3,310)	-	(3,310)

	Note	Attributable to subsidiary's shareholders					Shareholders' equity of controlling shareholders (BR GAAP)	Noncontrolling shareholders' equity of subsidiaries	Consolidated shareholders' equity (IFRS and BR GAAP)	
		Capital	Earnings reserves		Retained earnings					
			Capital reserve	Stock-option plan	Legal	Additional dividends proposed				Capital budget
BALANCES AS AT DECEMBER 31, 2010		1,320,549	31,149	71,600	142,158	215,747	-	1,781,203	6,664	1,787,867
Effect of noncontrolling interests in subsidiaries		-	-	-	-	-	-	-	(8,172)	(8,172)
Treasury shares	28.h	-	(2,011)	-	-	-	-	(2,011)	-	(2,011)
Stock-option plan	28.h	-	2,086	-	-	-	-	2,086	-	2,086
Dividends distributed (R\$0.25 per share)	28.f	-	-	-	(142,157)	-	-	(142,157)	-	(142,157)
Net income		-	-	-	-	-	383,017	383,017	4,549	387,566
Allocation of net income:										
Legal reserve	28.e	-	-	19,151	-	-	(19,151)	-	-	-
Recognition of earnings reserve - capital budget	28.g	-	-	-	-	172,358	(172,358)	-	-	-
Interim dividends paid (R\$0.25 per share)	28.g	-	-	-	-	-	(140,078)	(140,078)	-	(140,078)
Recognition of dividends reserve	28.g	-	-	-	51,430	-	(51,430)	-	-	-
BALANCES AS AT DECEMBER 31, 2011		1,320,549	31,224	90,751	51,431	388,105	-	1,882,060	3,041	1,885,101

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

# STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(IN THOUSANDS OF BRAZILIAN REAIS - R\$)

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Income before income tax and social contribution	387,468	603,454	605,188	769,985
Adjustments to reconcile net income before income tax and social contribution with net cash provided by (used in) operating activities:				
Depreciation and amortization	999	850	168,230	140,445
Goodwill amortization	295	221	-	-
Stock based compensation	2,086	324	2,086	324
Write-off of property, plant and equipment, intangible assets and investment property	-	-	5,096	5,511
Financial charges and inflation variation on loans, financing and debentures	-	-	236,280	223,755
Inflation variation with Concession Grantor	-	-	9,548	29,773
Recognition of provision for tax, labor and civil contingencies, escrow deposits and inflation adjustment	-	-	27,868	20,984
Recognition of provision for maintenance and provision for construction	-	-	80,192	64,153
Inflation adjustment of the provision for maintenance and provision for construction	-	-	16,304	17,568
Income on securities	-	-	(1,673)	(1,624)
Goodwill in subsidiary	-	-	-	(239,015)
Investments in subsidiaries	-	(569,452)	-	-
Equity income	(401,588)	(344,979)	-	-
Deferred taxes	-	-	1,466	-
(Increase) decrease in operating assets:				
Trade accounts receivable	-	-	(48,783)	(17,022)
Related parties - customers	(3)	-	260	-
Recoverable taxes	(1,332)	(8,003)	(5,552)	(14,917)
Prepaid expenses	(96)	118	(1,508)	60
Escrow deposits	(718)	(532)	(10,714)	(577)
Indemnity assets	-	-	-	(18,272)
Other receivables	622	(681)	(23,605)	17,583
Increase (decrease) in operating liabilities:				
Trade accounts payable	859	838	34,649	6,930
Social security charges	656	693	1,691	3,037
Taxes, rates and contributions payable	291	(198)	(191)	5,851
Related parties - customers	-	-	1,387	(3,738)
Payment of provision for tax, labor and civil contingencies	-	-	(22,913)	(6,526)
Payment of maintenance and construction	-	-	(72,478)	(96,852)
Other accounts payable	715	269	4,677	7,631
Income tax and social contribution paid	(4,546)	(10,383)	(202,908)	(166,124)
Interest paid	-	-	(183,802)	(199,746)
Net cash provided by (used in) operating activities	(14,292)	(327,461)	620,795	549,177

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Dividends received	21,406	105,080	-	-
Assets received on new acquisitions - Elog Sudeste and Elog Logística Sul	-	-	-	(116,307)
Acquisition of investment properties	-	-	(9,042)	(10,293)
Elog assignment	-	-	-	13,497
Purchase of property, plant and equipment and intangible assets	(2,765)	(104)	(301,091)	(244,389)
Noncontrolling interest	-	-	-	(168)
Investment in subsidiary - Ecoporto Holding S.A.	(13)	-	-	-
Net cash provided by (used in) investing activities	18,628	104,976	(310,133)	(357,660)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Capital increase	-	874,000	-	874,000
Funding costs from public offering	-	(20,150)	-	(20,150)
Assignment creditor	-	-	(12,004)	(336,994)
Marketable securities	-	-	(35,834)	1,894
Lease, loans, financing and debentures - third parties	-	-	544,465	990,889
Payment of lease, loans, financing and debentures	-	-	(691,041)	(943,487)
Payment of treasury shares	(2,011)	-	(2,011)	-
Payment of acquisition of Elog Sudeste and Elog Sul	-	-	(88,025)	-
Tax Debt Refinancing Program (REFIS)	-	-	(598)	-
Payment of minority dividends	-	-	(8,171)	-
Payment of dividends and interest on capital	(285,546)	(278,600)	(285,546)	(278,600)
Net cash provided by (used in) financing activities	(287,557)	575,250	(578,765)	287,552
Net cash effect from acquisition of new companies	-	-	-	4,061
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS, NET	(283,221)	352,765	(268,103)	483,130
Cash and cash equivalents at beginning of year	370,287	17,522	872,654	389,524
Cash and cash equivalents at end of year	87,066	370,287	604,551	872,654
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS, NET	(283,221)	352,765	(268,103)	483,130

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

# STATEMENTS OF VALUE ADDED

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(IN THOUSANDS OF BRAZILIAN REAIS - R\$)

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
<b>REVENUES</b>				
Toll	-	-	1,389,658	1,233,260
Construction	-	-	199,435	174,700
Other	-	-	396,020	120,287
<b>INPUTS ACQUIRED FROM THIRD PARTIES</b>				
Cost of services	-	-	(530,066)	(368,198)
Deductions and discounts	-	-	-	(4,062)
Materials, electric power, outside services and other	(19,741)	(17,780)	(131,796)	(116,077)
Other	-	-	(795)	-
<b>GROSS VALUE ADDED (CONSUMED)</b>	(19,741)	(17,780)	1,322,456	1,039,910
<b>DEPRECIATION AND AMORTIZATION</b>	(999)	(850)	(168,230)	(140,445)
<b>WEALTH CREATED (CONSUMED) BY THE COMPANY, NET</b>	(20,740)	(18,630)	1,154,226	899,465
<b>WEALTH RECEIVED IN TRANSFER</b>				
Financial income	30,350	59,078	107,329	90,551
Equity in subsidiaries	401,588	344,979	-	-
Other revenues, net	52	239,399	617	297,778
	431,990	643,456	107,946	388,329
<b>WEALTH FOR DISTRIBUTION</b>	411,250	624,826	1,262,172	1,287,794
<b>DISTRIBUTION OF WEALTH</b>	411,250	624,826	1,262,172	1,287,794
<b>Personnel:</b>				
Direct compensation	20,653	19,416	212,373	131,220
Benefits	19,076	17,964	210,794	110,903
Benefits	1,083	998	1,083	15,666
Severance pay fund (FGTS)	494	454	496	4,651
<b>Taxes, rates and contributions:</b>				
Federal	4,451	13,159	371,824	272,524
State	4,451	13,159	320,241	238,325
State	-	-	3,214	-
Municipal	-	-	48,369	34,199
<b>Debt:</b>				
Interest	3,129	1,956	290,409	290,011
Interest	-	-	188,002	175,121
Other	3,129	1,956	102,407	114,890
<b>Capital:</b>				
Dividends	383,017	590,295	387,566	594,039
Dividends	140,078	117,327	140,078	117,327
Noncontrolling interests	-	-	4,549	3,744
Withholding income tax for the year	242,939	472,968	242,939	472,968

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

(AMOUNTS IN THOUSANDS OF BRAZILIAN REAIS - R\$, UNLESS OTHERWISE STATED)

## 1. GENERAL INFORMATION

EcoRodovias Infraestrutura e Logística S.A. (“EcoRodovias” or “Company”) is a corporation headquartered in São Paulo, listed on São Paulo Stock Futures and Commodities Exchange (BM&FBOVESPA S.A.). The Company started operations on November 7, 2000 and is engaged in operating intermodal logistics assets, by operating highway concessions, and operating logistics activities, such as backup areas, bonded warehouses, distribution centers, port terminals, etc., and holding interests in other companies engaged in services related to its core business. The Company’s headquarter is located at Rua Gomes de Carvalho, 1,510 - blocks 31/32. The Company’s shares are traded in the capital market.

The Company’s direct and indirect subsidiaries are listed in Note 4.

## 2. PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Declaration of conformity

The Company’s financial statements comprise:

- a) The consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil, identified as Consolidated - IFRS and BR GAAP.
- b) The Company’s individual financial statements prepared in accordance with the accounting practices adopted in Brazil, identified as Parent Company - BR GAAP.

The accounting practices adopted in Brazil comprise those included in the Brazilian Corporate Law and the technical pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM).

In the individual financial statements, investments in subsidiaries, joint ventures and associates are stated under the equity method of accounting in accordance with the legislation prevailing in Brazil. Therefore, these individual financial statements do not comply with IFRSs, which requires that these investments be stated at fair value or cost in the Parent Company’s separate financial statements.

As there is no difference between the consolidated equity and the consolidated profit attributable to the owners of the Parent Company, disclosed in the consolidated financial statements prepared in accordance with IFRSs and the accounting practices adopted in Brazil, and the Company’s equity and profit disclosed in the individual financial statements prepared in accordance with accounting practices adopted in Brazil, the Parent Company opted for presenting these individual and consolidated financial statements in a single set, side by side.

### 2.2. Basis of preparation

The financial statements have been prepared based on the historical cost, except if otherwise stated, as described in the accounting practices below. The historical cost is generally based on the fair value of the payments made for the assets.

### 2.3. Functional and reporting currency

Items included in the financial statements of the Parent Company and each one of the subsidiaries included in the consolidated financial statements are measured using the currency of the main economic environment in which the companies operate (“functional currency”). The consolidated financial statements are presented in Brazilian reais (R\$), which is the Company’s functional currency.

## 2.4. Segment reporting

Reporting on operating segments is consistent with the internal report provided to the provided to the chief operating decision maker. The chief operating decision maker, responsible for allocating resources to the operating segments and assessing their performance, is the Board of Directors, also responsible for the Company's strategic decision making.

## 2.5. Basis of consolidation and valuation of investments

- a) Investments in subsidiaries (Parent Company)  
In the individual financial statements (Parent Company), the Company measures and states investments in subsidiaries under the equity method.
- b) Investments in subsidiaries (Consolidated)  
The Company fully consolidated the financial statements of all subsidiaries. Control is evidenced when the Company holds directly or indirectly the majority of the voting rights of an entity at the Annual Shareholders' Meeting or has the power to establish the financial and operating policies of an entity so as to obtain the benefits from its activities. In situations where the Company substantially holds the control over other entities established for a specific purpose, although it does not hold the majority of the voting rights, these entities are consolidated under the full consolidation method. The interest of third parties in the subsidiaries' shareholders' equity and net income is presented as a component of the consolidated shareholders' equity and in the consolidated income statement in line item "Non-controlling interest", respectively.
- c) Investments in jointly controlled entities and joint ventures  
Jointly controlled entities and joint ventures are those where the control is exercised by the Company and one or more shareholders or partners. Investments in jointly controlled entities are recognized under the proportionate consolidation method, when the joint control is acquired. Under this method, financial investments in jointly controlled entities are recognized in the consolidated balance sheet, proportionally to the Company's assets, liabilities and net income.

- d) Recognition of investment at fair value due to loss of control

When the Company loses the control over a subsidiary, the gain or loss from the disposal of control is calculated based on the difference between: (i) the sum of the fair value of considerations received and the fair value of the residual interest; and (ii) the prior-year balance of the subsidiary's assets (including goodwill) and liabilities and non-controlling interests, if any. The fair value of any investment in the former subsidiary on the date of loss of control is considered as the fair value on initial recognition to be subsequently accounted for, or, when applicable, as cost on initial recognition of an investment in an affiliate or jointly-owned subsidiary.

The assets, liabilities, shareholders' equity and revenue and expenses of joint ventures Ecopátio CLB Imigrantes Empreendimentos Imobiliários S.A. and Serviços de Tecnologia de Pagamentos S.A. - STP of R\$163,934, R\$124,491, R\$56,411 and R\$40,365, respectively, have been included proportionately to the Company's interests in these joint ventures capital, taking into consideration that shared control was obtained under shareholders' agreements entered into by the Company with its partners in these companies, and none of the parties has the power to unilaterally define their financial and operating policies.

## 2.6. Business combination

### Acquisitions as at or after January 1, 2009

For acquisitions made as at or after January 1, 2009, the Company measures goodwill as the fair value of the consideration transferred, including the recognized amount of any interest in the acquired company, less the net recognized amount (fair value) of identifiable assets and liabilities, all measured as at the acquisition date:

- Deferred tax assets or liabilities and assets and liabilities relating to employee benefit agreements are recognized and measured in accordance with IAS 12 - Income Taxes and IAS 19 - Employee Benefits (equivalent to CPC 32 and CPC 33), respectively.

- Liabilities or equity instruments related to an acquiree's share-based payment awards or the Company's share-based payment awards for replacement of an acquiree's share-based payment awards are measured in accordance with IFRS 2 - Share-based Payment (equivalent to CPC 10 (R1)) at the acquisition date.
- Assets (or group of assets for sale) classified as held for sale in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations (equivalent to CPC 31) are measured in accordance with such standard.

The goodwill is measured based on the exceeding amount arising from the sum up of the amount transferred, the interest in the acquiree and the fair value of the acquirer's interest previously held in the acquiree (if any) on the net amounts on the date of acquisition of the identifiable assets acquired and liabilities assumed. If, after measurement, the net amounts of identifiable assets acquired and liabilities assumed on acquisition date are higher than the sum of the consideration transferred, interests in the acquiree and the fair value of the acquirer's interest previously held in the acquiree (if any), the gain is immediately recognized in profit or loss.

#### Individual financial statements

The Company applies to its individual financial statements the criteria set out in technical interpretation ICPC 09, which requires that any amount exceeding the acquisition cost over the Company's interest in the net fair value of the acquiree's assets, liabilities and contingent liabilities on the acquisition date be recognized as goodwill. Goodwill is added to the carrying amount of the investment. Any amount of the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities that exceeds cost, after remeasurement, is immediately recognize in profit or loss for the year. The considerations transferred, as well as the net fair value of the assets and liabilities are measured by using the same criteria applicable to the consolidated financial statements, as described above.

#### **2.7. Goodwill (assets with indefinite useful lives)**

Goodwill was allocated, for impairment test purposes, to each of the Company's Cash-Generating Units (CGU) or groups of Cash-Generating Units, provided that they do not exceed the operating segments that will benefit from the business combination synergies. The Cash-Generating Units to which goodwill was allocated are annually tested for impairment or more frequently when there are indications that a CGU may be impaired. If the recoverable value of a Cash-Generating Unit is lower than its carrying amount, impairment losses are firstly allocated to write down the carrying amount of any goodwill of the Cash-Generating Units and subsequently to the other assets of the CGU, prorated to the carrying amount of each of its assets.

Impairment losses on goodwill are directly recorded in income statement for the year. Impairment losses may not be reversed in subsequent periods.

#### **2.8. Financial assets**

Financial assets are classified in the following categories: financial assets measured at fair value through profit or loss; held-to-maturity financial assets; available-for-sale financial assets; and loans and receivables. Classification is made according to the nature and purpose of the financial assets and is determined upon initial recognition.

##### a) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified by the Company as receivables comprise mainly cash, banks, short-term investments, restricted securities, trade accounts receivable and other receivables and escrow deposits. These assets are measured at amortized cost using the effective interest method, less impairment losses. Interest income is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

For classification as cash and cash equivalents, the Company considers and evaluates instruments, whose balances do not materially differ from fair values,

redeemable in up to 90 days from the investment date or highly-liquid or convertible into a known amount of cash, subject to immaterial risk of change in value, which are recorded at cost plus income earned through the balance sheet dates, not exceeding market or realizable values.

b) Impairment of financial assets

Financial assets are tested for impairment on each balance sheet date to identify if they are impaired. They are considered as impaired if there is evidence that one or more events occurred after the initial recognition of the financial asset, with an impact on the estimated future cash flows of the financial asset.

## 2.9. Property, plant and equipment

Land is not depreciated. Buildings, furniture and fixtures, and machinery and equipment are stated at cost, less accumulated depreciation and impairment losses, when applicable.

Depreciation is recognized under the straight-line method, based on the lower of the estimated useful life of each asset and the concession term. The estimated useful life, the residual values and the depreciation methods are annually reviewed on each balance sheet date and the effects from any change in the estimates are recorded on a prospective basis.

An item of property, plant and equipment is offset upon disposal or when there is no future economic benefits resulting from its continuous use. Any gain or loss from the sale or offset of an item of property, plant and equipment is determined by the difference between the sales amount received and the carrying value of the asset sold, recognized in the income statement.

## 2.10. Investment property

Investment property is represented by land, buildings and construction in progress held to earn rentals and/or for capital appreciation, as disclosed in Note 13.

Investment property is stated at acquisition or construction cost, less accumulated depreciation, calculated on the

straight-line basis at rates that take into consideration the estimated economic useful lives of assets.

Costs on investment properties in use, such as maintenance, repair, insurance and property taxes, are recognized as cost in the income statement for the year to which they refer.

The investment property is written off after sale or when it is permanently unavailable for use and there are no future economic benefits arising from the sale. Any gain or loss from the write-off of the property (calculated as the difference between net revenue from sales and the carrying amount of the asset) is recognized in income for the year in which the property is written off.

The Company and its subsidiaries engage yearly specialized and independent experts to determine the fair value of the investment property based on the assumptions described previously.

## 2.11. Intangible assets

The Company recognizes an intangible asset arising from the service concession arrangement when it has the right to charge for the use of the concession infrastructure. The intangible asset received as compensation for the provision of construction or improvement services in a service concession arrangement is measured at the fair value, upon its initial recognition. After initial recognition, the intangible asset is measured at cost, which includes, when applicable, the costs of capitalized borrowings, less accumulated amortization and impairment losses.

The amortization of intangible assets arising from the concession rights is recognized in income through the projected traffic curve for the concession period as from the date in which they are available for use, since this method best reflects the future economic benefit consumption pattern incorporated to the asset.

Goodwill allocated to concession rights, as well as those related but not directly allocated to the concession or other assets and liabilities, and whose economic benefit is

limited to the time (defined term) in view of the concession right with definite useful life, comprising the balance of intangible assets are amortized based on the same criteria described in the preceding paragraph.

Software systems are stated at acquisition cost and amortization is recorded for a period of up to five years on a straight-line basis.

## **2.12. Allowance for impairment of long-lived assets**

Management reviews the carrying amount of long-lived assets, especially property, plant and equipment and intangible assets with long-lived assets (mainly represented by intangible assets in connection with concession agreements), to be held and used in the Company's operations, to determine and assess whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets might not be recovered.

Analyses are performed in order to identify circumstances that could require testing long-lived assets for impairment and measure potential impairment losses. Assets are grouped and tested for impairment based on expected future discounted cash flows over the estimated remaining useful lives of the assets, based on new developments or circumstances. In this case, an impairment loss would be recognized based on the amount by which the carrying amount exceeds the probable recoverable value of a long-lived asset.

## **2.13. Financial liabilities**

### Other financial liabilities

The Company's and its subsidiaries' financial liabilities are represented mainly by trade accounts payable, finance lease and loans and financing, including debentures (refer to Notes 19, 20 and 21). These are stated at cost plus contractual financial charges, which comprise interest and inflation adjustment or exchange rate change. These are recognized at fair value, less transaction costs incurred, when applicable, and subsequently measured at amortized cost under the effective interest rate method.

They are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## **2.14. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which necessarily take a substantial amount of time to be ready for the intended use or sale, are added to the cost of such assets until the date they are ready for the intended use or sale.

Income earned on temporary investments of specific borrowings not yet spent on a qualifying asset is deducted from borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss when incurred.

## **2.15. Taxation**

### a) Current taxes

The provision for income tax and social contribution is based on taxable income for the year. Taxable income differs from net income stated in the consolidated comprehensive statement of income because it excludes income or expenses taxable or deductible in other years, as well as permanently nontaxable or nondeductible items. The provision for income tax is calculated by each EcoRodovias Group company, based on the rates effective at year-end.

### b) Deferred taxes

Deferred income tax ("deferred tax") is recognized on temporary differences at the end of each reporting year between the asset and liability balances recorded in the financial statements and the respective tax basis adopted for the calculation of taxable income, including tax losses, when applicable. Deferred tax liabilities are usually recognized on all temporary taxable differences and deferred tax assets are recognized on all temporary deductible differences, only when it is probable that the Company will present future taxable income in a sufficient amount so that these deductible temporary differences can be utilized. Deferred tax assets or

liabilities are not recognized on temporary differences of other assets and liabilities in a transaction that does not affect taxable or book income.

The recovery of the deferred tax asset balance is reviewed at the end of each reporting year-end, when it is no longer probable that future taxable income will be available to allow the recovery of all or part of assets, the asset balance is adjusted based on the expected recoverable amount.

Deferred tax assets and liabilities are measured based on the rates applicable for the period on which the liability is expected to be offset or the asset is expected to be realized, based on the rates set forth in the tax legislation effective at the end of each reporting year, or upon approval of a new legislation. The measurement of deferred tax assets and liabilities reflects the tax effects expected by the EcoRodovias Group, at the end of each reporting year, to recover or offset the carrying amount of these assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities are related to the taxes managed by the same tax authorities, and when EcoRodovias Group has the intention to settle the net amount of its current tax assets and liabilities.

- c) Service revenues are subject to cumulative Services Tax (ISS), Social Integration Program (PIS) and Tax on Revenue (COFINS). PIS and COFINS are recorded as a deduction from gross operating revenue in the statement of income and ISS is recorded as a deduction from costs and services, except for the indirect subsidiary Ecovias, in which ISS is recorded as cost of services.

## 2.16. Provisions

Recognized based on actual obligations (legal or presumed) from past events, based on which the amounts can be reasonably determined and the settlement of which is probable.

The amount recognized as provision is the best estimate of the amounts required to offset the obligations at the balance sheet date, considering the risks and uncertainties inherent in such obligations. When the provision is measured based on the cash flows estimated to offset the obligations, its carrying value is equivalent to the present value of these cash flows.

When some or all of the economic benefits required to settle a provision is expected to be reimbursed by another party, the asset will be recognized when, and only when, it is virtually certain that reimbursement will be received and the amount can be reliably measured.

The bases for and nature of the reserves for tax, civil, and labor contingencies are described in Note 27.

### Allowance for doubtful accounts

A significant portion of trade accounts receivable derives from Serviços de Tecnologia de Pagamentos S.A. (STP), a direct subsidiary of EcoRodovias Infraestrutura e Logística S.A. which provides administration services, namely, management of Sem Parar automatic payment system for tolls and parking fees. The allowance for loan losses is recognized, if necessary, based on loss estimates.


## 2.17. Other current and non-current liabilities

Stated at known or estimated amounts, plus the related charges, inflation adjustments and exchange rate changes, when applicable, incurred through the balance sheet date.

## 2.18. Benefits to employees – stock-option plan

The Company and its subsidiaries offer employees stock-option plans, settled with the shares of the Company and its subsidiaries, under which the Company receives services in exchange for the stock options granted.

The stock option plan for Company's employees is measured at the fair value of equity instruments on the grant date. The details on the fair value of these plans are described in Note 28.h.



The fair value of options granted set on grant date is recognized on a straight-line basis as expenses in income for the year over the vesting period, based on the Company's estimates on which options granted will become eventually vested, with a corresponding increase in shareholders' equity. At the end of each reporting year, the Company reviews its estimates on the number of equity instruments that will be acquired. The impact of the review of the original estimates, if any, is recognized in income (loss) for the year, so that the accumulated expense reflects the estimates reviewed including the corresponding adjustment to shareholder's equity under the line item "Capital reserve - stock option plan" that recorded the benefit to employees.

### **2.19. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, less any expected cancellations, and revenues and expenses are determined on the accrual basis, including:

- a) Toll revenues are recognized as users pass through the toll plaza, and logistics revenues are recognized when trucks use the courtyard or when empty containers are handled, stored or repaired.
- b) Revenues from advance sales of toll coupons are recorded as "Deferred revenue" in current liabilities under the caption "Other payables" and are recognized as revenue in income as users pass through the toll plaza.
- c) Revenue related to improvements or construction works under the service concession arrangement is recognized based on the percentage of completion of the construction performed. Revenues from operation or construction are recognized over the period in which services are provided by the Company. When the Company provides more than one service under a service concession arrangement, the compensation received is allocated by reference to the fair values of the services delivered.

### **2.20. Financial income (expenses)**

Refer to interest, inflation adjustments and exchange rate fluctuations arising on short-term investments, escrow deposits, loans and financing, debentures and concession fee obligations, as shown in Note 32.

### **2.21. Dividends and interest on capital**

The proposed distribution of dividends and interest on capital made by the Company's management that does not exceed mandatory minimum dividends is recognized as liability in line item "Dividends and interest on capital payable" as it is considered a legal obligation under the Company's bylaws.

For corporate and accounting purposes, interest on capital is stated as allocation of income directly in shareholders' equity.

### **2.22. Basic and diluted earnings per share**

Basic earnings per share is calculated by dividing net income for the year attributable to shareholders by the weighted average of outstanding shares during the year.

### **2.23. Statement of value added**

This statement is intended to disclose the wealth created by the Company and its distribution during a certain period and is presented by the Company, as required by Brazilian corporate law, as part of its individual financial statements and as supplemental information to the consolidated financial statements, since it is not either provided for or mandatory under IFRSs.

The statement of value added was prepared using information obtained in the same accounting records used to prepare the financial statements and pursuant to the provisions of CPC 09 - Statement of Value Added. The first part of the statement of value added presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied on sales, other revenues and the effects of the allowance for doubtful accounts), inputs purchased from third parties (cost of sales and purchases of materials, energy and services from third parties, including the taxes included upon purchase, the effects of impairment and recovery of assets, and depreciation and amortization) and the value added received from third parties (share of profits or losses of subsidiaries, financial income and other income). The second part of the statement of value added presents the distribution of wealth among personnel, taxes and contributions, lenders and lessors, and shareholders.

## 2.24. New standards, amendments and interpretations of standards

### New and revised IFRS adopted with no material effect on the individual and consolidated financial statements

The new and revised IFRSs below were also adopted in the individual and consolidated financial statements. The adoption of these new and revised IFRSs did not materially impact the amounts reported and/or disclosed for the current and prior years. It, however, may affect the recognition of future transactions or agreements.

- Amendments to IAS 1 – Presentation of Financial Statements (as part of the Improvements to IFRS issued in 2010): address that an entity can elect to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements.
- IAS 24 – Related Party Disclosures (already adopted by CPC). IAS 24 (revised in 2009): changed two aspects: (a) IAS 24 (revised in 2009) introduces the partial exemption from the disclosure requirements for government entities; and (b) IAS 24 (revised in 2009) changed the definition of related party.
- Amendments to IAS 32 – Classification of Rights Issues: address the classification of certain rights denominated in foreign currency as equity instruments or financial liabilities.
- Amendments to IFRIC 14 – Prepayments of Minimum Funding Requirements: establish, among others, when refunds of or deductions from future contributions are available pursuant to IAS 19.58.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments: provides guidance on how to account for an extinguished financial liability by issuing equity instruments.
- Amendments to IFRS 3 Business Combinations: explain that the option to measure noncontrolling interests on the date of acquisition will be available only for interests, representing the current noncontrolling interests, granting their holders the right to proportional interest in the entity's net assets in case of liquidation. The other types of noncontrolling interests are measured at fair value on the date of acquisition, unless other

standards require the use of another measurement basis. In addition, IFRS 3 was amended to provide more information on the accounting for the share-based compensation proportionately to the shares held by the acquiree's employees.

### New and revised standards and interpretations issued but not yet adopted

- Amendments to IFRS 7 – Disclosures – Transfer of Financial Assets (1): increase disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency for exposures to risks when a financial asset is transferred but the transferor retains some level of exposure in the asset. The amendments also require disclosure when the transfer of financial assets is not proportionately distributed over the period.
- IFRS 9 – Financial Instruments (2): introduces new requirements for the classification, measurement, and derecognition of financial assets and financial liabilities. The most significant impact of the new standard refers to the accounting of changes in fair value of a financial liability (designated at fair value through profit or loss) attributable to changes in such liability's credit risk. Accordingly, the change in fair value of a financial liability attributable to changes in such liability's credit risk is recognized in "Other comprehensive income", unless the recognition of the effects of changes in the liability credit risk in that line item results in or increases the accounting mismatch in profit or loss.
- IFRS 10 – Consolidated Financial Statements (2): supersedes parts of IAS 27 – Consolidated and Separate Financial Statements that address the consolidated financial statements. SIC-12 – Consolidation – Special-Purpose Entities was superseded by IFRS 10. Under IFRS 10, there is one single basis of consolidation, i.e., control. Additionally, IFRS 10 provides a new definition of control.
- IFRS 11 – Joint Arrangements: supersedes IAS 31 – Interests in Joint Ventures and addresses the classification of a joint arrangement in which two or more parties have joint control.
- IFRS 12 – Disclosure of Interests in Other Entities (2): is a disclosure standard applicable to entities holding



interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements under IFRS 12 are more comprehensive than those in the current standards.

- IFRS 13 - Fair Value Measurement (2): sets out a single framework for measuring fair value and disclosing fair value measurements. The standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements.
- Amendments to IAS 1 - Presentation of Other Comprehensive Income (3): allow the presentation of income and other comprehensive income in a single statement or in two separate and consecutive statements. However, the amendments to IAS 1 require additional disclosures in the other comprehensive income section so that other comprehensive income items are grouped in two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on other comprehensive income items will be similarly recognized.
- IAS 19 (revised in 2011) - Employee Benefits (2): changes the recognition of defined benefit plans and termination benefits.
- IAS 27 (revised in 2011) - Separate Financial Statements (2): reflects the changes in the recognition of noncontrolling interests and addresses mainly the recognition of changes in interest in subsidiaries made after control was obtained, accounting for loss of control in subsidiaries and allocation of income or loss to interest in parent companies and noncontrolling interests in a subsidiary.
- IAS 28 (revised in 2011) - Investments in Subsidiaries and Joint Ventures (2): the objective of the amendments introduced to IAS 28 was to clarify that: (a) investment in a related company should be treated as a single asset for impairment purposes according to IAS 36 - Impairment of Assets; (b) any impairment loss to be recognized should not be allocated to specific assets (specifically goodwill); and (c) impairment reversals are recognized as an adjustment to the carrying amount of the related company provided that and to the extent that the recoverable amount of the investment increases.

(1) Effective for reporting periods beginning on or after July 1, 2011.

(2) Effective for annual periods beginning on or after January 1, 2013.

(3) Effective for reporting periods beginning on or after July 1, 2012.

Management evaluated the new standards and, except for the application of IFRS 10 and IFRS 11, it does not anticipate significant impacts on the amounts reported. With the adoption of IFRS 10 and IFRS 11, it is possible that the Company may not consolidate some of its subsidiaries on a proportionate basis. However, Management has not yet completed the detailed analysis on the impact from the application of these standards and, accordingly, it has not yet quantified possible effects on the financial statements.

### 3. USE OF ESTIMATES AND JUDGMENT

The preparation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and IFRS issued by IASB requires Management to make judgments, estimates and assumptions that affect the application of the accounting practices and the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

The information on uncertainties about assumptions and estimates that have a significant risk of resulting in a material adjustment in the next year are mainly related to the following aspects: determination of present value discount rates used to measure certain short- and long-term assets and liabilities; of amortization rates of intangible assets obtained through traffic projection economic studies; of accruals for maintenance; of provisions for future investments arising from concession agreements whose economic benefits are diluted in current tolls, reserves for tax, labor and civil contingencies, losses on trade accounts receivable and preparation of projects for realization of deferred income tax and social contribution, which, although reflecting the judgment of the best estimate by the Company's and its subsidiaries' management concerning the likelihood of future events may eventually present variations related to data and real results.

Estimates and assumptions are reviewed on a continuous basis. Reviews related to the accounting estimates are recognized in the period in which estimates are reviewed and in any affected future periods.

#### Accounting for concession arrangements

In accounting for concession arrangements, the Company makes analyses involving Management's judgment mainly on the application of the interpretation of concession arrangements, determination and classification of improvement and construction costs as intangible or financial asset and assessment of future economic benefits in order to determine when intangible assets generated under concession arrangements are recognized. The disclosures on each of the Company's concession arrangement and its characteristics are described in Note 38.

#### Recognition of intangible assets

Intangible assets are recognized based on the economic features of the concession arrangement. Any additions to the existing intangible assets will only be accounted for upon completion of services related to infrastructure construction or expansion that have potential to generate additional revenue. In these cases, the construction obligation is not recognized when the concession arrangement is executed but at the time of the construction, against the related intangible asset.

#### Determination of the annual amortization expense of intangible assets arising from concession arrangements

The Company recognizes the effect of amortization of intangible assets arising from concession arrangements based on the concession term. The calculation is made based on the expected pattern of benefit consumption, which normally arises from the traffic curve. Accordingly, the amortization rate is determined through economic studies seeking to reflect the projected highway traffic growth and future economic benefits arising from each concession arrangement.

The Company makes use of econometric models to project traffic, which are periodically revaluated by analyzing independent projection variables, such as macroeconomic variables (Gross Domestic Product (GDP), Extended Consumer Price Index (IPCA), General Market Price Index (IGP-M), U.S. dollar, export and import, fuel indices, consumer confidence indices and Consumer Price Index (IPC)), sectorial indices (manufacturing and sale of cars and commercial vehicles, farming GDP, industrial GDP, service GDP and ABCR index), commodities (sugar, soybean and soybran, WTI and Brent oil price, loading/unloading of corn cargo, soybean and fertilizers in Paranaguá Port), weather (pluviometry and temperature), seasonality (months, number of holidays and date in the week of holiday) and structural variables (new lanes and toll booths). The Company uses models to study and project traffic in highways under its concession. These projections do not take into account the potential growth in traffic arising from future construction work.

#### Determination of construction revenue

When the concessionaire provides construction services it must recognize the related revenue at fair value and the related costs transformed into expenses related to the construction service provided, thus, and consequently, calculate the profit margin. In accounting for construction profit margins, Management assesses issues related to the primary responsibility for the provision of construction services, even in the cases in which services are outsourced; costs on works management and/or monitoring; and the EcoRodovias Group's company that performs construction services. All the described assumptions are used for the purpose of determination of the fair value of construction activities. The Company's management understands that construction revenues are accounted for at fair value.

#### Provision for maintenance under concession arrangements

The accounting for the provision for maintenance, repair and replacements in highways is calculated based on the best estimate of the expense to settle the present obligation at

the balance sheet dates, as a contra entry to maintenance expenses in the year or recovery of infrastructure at a specified level of operationality. Liabilities, at present value, are progressively recorded and accrued to meet the disbursements to be made during maintenance.

#### Adjustment to present value of certain assets and liabilities

The effects of the adjustment to present value on certain assets and liabilities comprising the Company's operations are evaluated and recognized based on the time value of money and the related uncertainties. As at December 31, 2011 and 2010, assets and liabilities adjusted to present value, as well as the main assumptions used by Management to measure and recognize them, are as follows:

a) Provision for maintenance and future construction work arising from estimated disbursements to meet the concession contractual obligations whose economic benefits are already accrued by the Company, and provision for maintenance arising from estimated costs to meet the concession contractual obligations concerning the use and maintenance of highways at predefined use levels. The measurement of present values of provisions was calculated based on the projected cash flow method on the dates in which the outflow of funds is estimated to occur, to meet the related obligations (estimated over the concession term), and discounted through the application of the discount rate varying from 9.62% to 11.56% per annum. The discount rate used by Management is based on the weighted average of funding in the period (see Notes 23 and 24).

b) Concession fees obligations arising from obligations incurred by the Company concerning the concession right. The measurement and criteria of related amounts are described in Note 25.

#### Impairment of assets with finite useful life

In preparing the financial statements, the Company analyzes if there is evidence that the carrying amount of assets will not be recovered. If such evidence is identified, the Company estimates the asset recoverable value. The recoverable value of an asset is the higher of: (a) its fair value less costs to sell; and (b) its value-in-use. The value-in-use is equivalent to discounted cash flows (before taxes) arising from the continuous use of the asset up to the end of its useful life. When the residual amount of the asset exceeds its recoverable value, the Company recognizes an impairment loss. The impairment of assets stated at cost is recorded in net income for the year. If the impairment of an individual asset cannot be determined, the Company tests for impairment the Cash-Generating Unit to which the asset belongs. The Company did not identify any circumstances that would require the recognition of a provision as at December 31, 2011 and 2010.

#### **4. CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements comprise the Company and its fully-owned subsidiaries and interests in entities in which the Company is considered as the primary beneficiary, i.e., the holder of the main risks and rewards (even if the Company does not hold the majority of voting shares).

The interests held in the consolidated subsidiaries are as follows:

	12/31/2011	12/31/2010
<b>Direct subsidiaries:</b>		
EcoRodovias Concessões e Serviços S.A.	100.00%	100.00%
Elog S.A.	80.00%	80.00%
Ecoporto Holding Ltda.	100.00%	100.00%
Serviços e Tecnologia de Pagamentos S.A. (STP)	12.75%	12.75%
EILO1 Participações Ltda.	100.00%	100.00%
Rodovia das Cataratas S.A. (Ecocataratas)	100.00%	100.00%
<b>Indirect subsidiaries:</b>		
<b>EcoRodovias Concessões e Serviços S.A.:</b>		
Concessionária Ecovias dos Imigrantes S.A.	100.00%	100.00%
Concessionária Ecovia Caminho do Mar S.A.	100.00%	100.00%
Empresa Concessionária de Rodovias do Sul S.A. (Ecosul)	90.00%	90.00%
Concessionária das Rodovias Ayrton Senna e Carvalho Pinto S.A. (Ecopistas)	100.00%	100.00%
<b>Elog S.A.:</b>		
Ecopátio CLB Imigrantes Empreendimentos Imobiliários S.A.	50.00%	50.00%
Ecopátio Logística Cubatão Ltda.	100.00%	100.00%
ELG-01 Participações Ltda.	100.00%	100.00%
Elog Sudeste S.A.	100.00%	100.00%
Elog Logística Sul Ltda.	100.00%	100.00%
Anish Empreendimentos e Participações Ltda.	100.00%	100.00%
Paquetá Participações Ltda.	100.00%	100.00%
Bodner S.A.	-	100.00%

The activities of direct and indirect subsidiaries are as follows:

#### Direct subsidiaries

- EcoRodovias Concessões e Serviços S.A., formerly EcoPorto Participações Ltda., was incorporated on May 16, 2007, and is engaged in holding interests in other companies as partner or shareholder. After the merger of ECSC - Centro de Serviços Corporativos Ltda. ("ECSC") and ECSE - Centro de Serviços de Engenharia Ltda. ("ECSE"), services, including administrative, financial, human resources, IT, engineering and procurement, started to be provided.
- Elog S.A. - On February 19, 2010, the Company approved the investment made in Elog S.A. by Logística Brasil -

Fundo de Investimento em Participações through the subscription and payment by Logística Brasil - Fundo de Investimento em Participações of new shares representing 20% of the total and voting capital of Elog, plus one share, representing a total investment of R\$92,000. Therefore, the Company became the holder of 80% of the shares issued by Elog S.A. The underlying Shareholders Agreement was signed on March 31, 2010 covering the operation of activities such as warehousing, storage and transportation of goods and holding equity interests in other companies as a partner or shareholder.

- Serviços e Tecnologia de Pagamentos S.A. (STP) is engaged in providing automated toll and parking Sem Parar, Via Fácil and Onda Livre payment services. STP, responsible for implementing the Automated Vehicle Identification (IAV) system in Brazil, operates in 242 toll

plazas in Brazil, in the States of São Paulo, Rio de Janeiro, Rio Grande do Sul, Paraná, Minas Gerais and Santa Catarina. The Company holds 12.75% of the capital of STP on a shared control basis, as set forth in the respective Shareholders Agreement.

- Ecoporto Holding Ltda. is engaged in holding interests in other entities, as partner or shareholder.
- EIL01 Participações Ltda. is engaged in holding interests in other entities, as partner or shareholder.
- Rodovia das Cataratas S.A. (Ecocataratas) was incorporated on November 3, 1997 to operate Lot 003 of BR-277 highway, which is a 387.1-km stretch located between the city of Guarapuava, central region of the State of Paraná, and the city of Foz do Iguaçu, in the west end of the same State, as provided for in the concession agreement entered into on November 14, 1997, resulting from the international bid 003/96 DER/PR, granted by the Paraná State.

#### Indirect subsidiaries

- Concessionária Ecovias dos Imigrantes S.A. started operations on May 29, 1998 and is engaged only in operating the Anchieta-Imigrantes highway system under the public service concession terms granted by the São Paulo State Government.
- Concessionária Ecovia Caminho do Mar S.A., established on October 21, 1997, is engaged in operating, on a concession basis, Lot 006 of the Highway Concession Program of the State of Paraná.
- Concessionária das Rodovias Ayrton Senna e Carvalho Pinto S.A. (Ecopistas), incorporated on April 27, 2009, started operations on June 18, 2009 and is engaged in operating, through the collection of tolls and subsidiary revenues within the terms and limits set out in the concession agreement, the Ayrton Senna-Carvalho Pinto highway system.
- Concessionária de Rodovias do Sul S.A. (Ecosul) was incorporated on January 19, 1998 and started operations on March 1, 2001, and is engaged only in operating, on a concession basis, certain stretches included in the so-called Pelotas Hub.
- ELG-01 Participações Ltda., incorporated on November 27, 2009, is engaged in holding interests in other entities, as partner or shareholder.

- Elog Sudeste S.A. formerly Armazéns Gerais Columbia S.A., is engaged in providing general warehousing services, through own or leased equipment for the safeguarding and upkeep of domestic or imported goods, including in establishments in customs areas, set forth in the customs regulation, and specific logistics services, consisting of the transportation of goods to places set out by its customers.
- Elog Logística Sul Ltda. formerly EADI Sul Terminal de Cargas Ltda., is engaged in providing general warehousing services, through own or leased equipment for the safeguarding and upkeep of domestic or imported goods, including in establishments in customs areas, set forth in the customs regulation, and specific logistics services, consisting of the transportation of goods to places set out by its customers.
- Ecopátio CLB Imigrantes Empreendimentos Imobiliários S.A. was incorporated in 2007, mainly to operate in the market of commercial and industrial properties in Brazil, including the development of build to suit projects.
- Anish Empreendimentos e Participações Ltda. is engaged in developing real estate projects, managing properties on own account and holding interests in other civil or commercial entities, as partner, holding company or shareholder.
- Paquetá Participações Ltda. is engaged in managing own assets, including, but not limited to, marketable securities and financial assets of any nature and holding direct or indirect interest, as partner or shareholder in any entity.

#### Spin-off

- On December 29, 2010, the Extraordinary Shareholders' Meetings of EcoRodovias Concessões e Serviços S.A. and Rodovia das Cataratas S.A. - Ecocataratas, direct and indirect subsidiaries, respectively, approved the partial spin-off of EcoRodovias Concessões, and subsequent mergers of the spun-off net equity and spun-off net assets into Ecocataratas, entered into on the same date among EcoRodovias Concessões, Ecocataratas and the Company, as the intervening consenting party. The carrying amount of the spun-off net equity of EcoRodovias Concessões transferred to Ecocataratas was evaluated at R\$249,619, based on the deduction of

the group of shares of Ecocataratas at the amount of R\$23,168, previously held by EcoRodovias Concessões.

- Due to the partial spin-off, the capital stock of EcoRodovias Concessões was reduced to R\$205,005, through the cancellation of 272,786,976 shares, which was solely supported by the Company. The capital stock of Ecocataratas was increased to R\$291,468, through the issuance of 249,619,261 new shares of the capital stock of Ecocataratas. These shares were subscribed and paid in with the spun-off net equity of EcoRodovias Concessões merged into Ecocataratas and solely attributable to the Company.
- In light of the transaction described above, Ecocataratas became the direct subsidiary of the Company.

#### Business combination

On May 7, 2010, direct subsidiary Elog S.A. entered into a Share Purchase and Sale Agreement to acquire the control of Elog Sudeste S.A., Elog Logística Sul Ltda., and EADI Sul Terminal de Cargas Ltda., respectively.

The total purchase price paid was R\$274,666. A deposit of R\$50,000 (R\$40,000 corresponding to the 80% interest held by the Company) was made when the Agreement was executed, and the amount of R\$205,414 (R\$164,331 corresponding to the 80% interest held by the Company) was settled when the conditions precedent were fulfilled, especially, but not limited to, the approval of the transaction by the Brazilian Revenue Service. Of the settlement amount, R\$19,252 (R\$15,401 corresponding to the 80% interest held by

the Company) was deducted from the sellers as guarantee for possible reserves for tax, labor and civil contingencies.

The logistics activities of Elog Sudeste S.A., and Elog Logística Sul Ltda., are currently conducted in 11 sites comprising a total area of about 1.1 million square meters, including 210.6 thousand square meters of warehouses, with cargo handling in Distribution Centers and Customs Areas.

In these units, the following activities are performed:

- Customs warehousing, both import and export, by implementing several customs regimes.
- Distribution centers by performing, besides warehousing, inventory management, kit assembling, packaging, labeling, reverse logistics services, among others.
- Highway container and cargo transportation, under regular and customs regime. The base value of the transaction is subject to regular contractual adjustments, and for purposes of calculation of the net assets acquired balance sheets at December 28, 2010, whose acquired assets and liabilities are stated below, were taken into account:

	Balances at 12/28/2010
Cash and cash equivalents	5,076
Other current assets	52,433
Property, plant and equipment	32,724
Total liabilities	(57,775)
Goodwill on acquisition	77,043
Total acquisition cost	274,666

The Company made a preliminary estimate of the fair value of the assets acquired and liabilities assumed; these assets and liabilities are as follows:

	Book value	Acquisition adjustments	Fair value at acquisition date	EcoRodovias' 80% interest
Net assets (liabilities) acquired:				
Cash and cash equivalents	5,076	-	5,076	4,061
Trade accounts receivable	24,509	-	24,509	19,607
Inventories	9	-	9	7
Other receivables	14,626	-	14,626	11,701
Escrow deposits	1,429	-	1,429	1,143
Deferred taxes	6,718	-	6,718	5,374
Indemnity assets	-	3,587	3,587	2,870
Property, plant and equipment	32,582	5,262	37,844	30,275
Intangible assets	5,284	161,988	167,272	133,818
Goodwill	-	66,288	66,288	53,030
Trade accounts payable	(8,923)	-	(8,923)	(7,138)
Loans and financing	(10,247)	-	(10,247)	(8,198)
Provision for tax, labor and civil contingencies	(8,670)	5,083	(3,587)	(2,870)
Other payables	(29,935)	-	(29,935)	(23,948)
Purchase price	32,458	242,208	274,666	219,732

The Company measured the fair values of property, plant and equipment, intangible assets and goodwill.

#### Loss of control over investments

In 2010, Logística Brasil - Fundo de Investimentos em Participações paid in the capital of Elog S.A., then the Company's wholly-owned subsidiary, by R\$92,000, representing 20% of total voting capital. An agreement whereby the control of Elog S.A. was shared among shareholders was concurrently executed.

As a result of the loss of control, the remaining investment of 80% was remeasured at fair value on the transaction date, resulting in a gain of R\$239,236, recognized in net income for the year under line item "Other operating revenue, net", with a contra entry on the following identifiable assets and liabilities:

Property, plant and equipment	3,582
Intangible assets	5,003
Goodwill	230,847
Loans and financing	(196)
	239,236

## 5. CASH AND CASH EQUIVALENTS

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Cash and banks in local currency	83	56	33,378	19,267
Short-term investments:				
Exclusive funds (a)	78,917	346,565	374,612	597,758
Bank certificates of deposit (CDB) (b)	8,066	23,666	196,561	255,629
	87,066	370,287	604,551	872,654

a) Fund organized as an exclusive investment fund, classified as “fixed income”, pursuant to the prevailing regulation, whose investment policy’s main risk factor is the changes in the domestic interest rate or price index, or both, and whose goal is to seek the appreciation of its units through the investment of funds in a conservative portfolio. In order to fulfill its goals, the Fund should have at least 80% of the asset portfolio directly related to its main conservative risk, basically comprised of government bonds and private companies’ securities, the balances are immediately convertible into a known cash amount, subject to an insignificant risk of change in value and can be immediately redeemed by the Company.

The Fund’s portfolio is represented by fixed-income securities of prime banks and Financial Treasury Bills (LFT), being:

- 52.81% of repurchase transactions with yield tied to the interbank deposit rate (CDI) of prime local financial institutions.
- 16.95% of CDB with fixed yield tied to the CDI.
- 30.24% of LFTs.

In case the security receives different classifications, the most conservative one will prevail.

The Fund may not carry out speculative transactions, or transactions that expose the fund to liabilities higher than its shareholders’ equity.

In addition, the Fund may not be exposed to certain assets, such as shares, share indices and derivatives indexed by them, except for transactions that use these instruments to produce a pre-determined yield.

The Fund’s portfolio of securities is as follows:

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
CDB	13,376	133,961	63,497	231,057
Repurchase transaction	41,676	182,629	197,833	315,000
LFTs	23,865	29,975	113,282	51,701
	78,917	346,565	374,612	597,758



b) Unrestricted funds refer substantially to short-term investments in CDB, with yield rates ranging from 100% to 102% of the CDI, without risk of significant changes in value. Redemption periods range from one to three months, on average. Such funds are highly liquid and can be immediately redeemed by the Company.

## 6. RESTRICTED SECURITIES – CONSOLIDATED (IFRS AND BR GAAP)

Securities are temporary short-term investments represented by highly-liquid securities.

	12/31/2011	12/31/2010
CDB	67,307	29,800
Current	30,106	29,800
Noncurrent	37,201	-

Investments consisting of CDB and yielding rates ranging from 101.0% to 105.31% of CDI, which reflect the market conditions at the balance sheet dates. Although highly liquid, they were classified as securities because they are pegged to the settlement of yield of the debentures of indirect subsidiary Concessionária Ecovias dos Imigrantes S.A. as guarantee of the funds required to pay interests and principal (see Note 21).

## 7. TRADE ACCOUNTS RECEIVABLE – CONSOLIDATED (IFRS AND BR GAAP)

These amounts are broken down as follows:

	12/31/2011	12/31/2010
National (a)	187,760	135,474
International (b)	1,246	1,342
	189,006	136,816
Allowance for doubtful accounts (c)	(12,501)	(9,094)
	176,505	127,722

a) Represented basically by electronic tolls receivable relating to services provided by the direct subsidiary Serviços de Tecnologia de Pagamentos S.A. (STP), Sem Parar system management company, and logistics receivables, lease of billboards and highway land,

accesses and other services arising from use and lease of land along the highways.

b) Refers to trade accounts receivable from the activities of the Customs Logistics Industrial and Center (CLIA) of indirect subsidiary Elog Sudeste S.A.

c) Refers to the recognition of the allowance for doubtful accounts, mainly arising from the activities of direct subsidiary Serviços e Tecnologia de Pagamentos S.A. (STP), recognized in an amount considered sufficient by Management to cover possible losses on the collection of receivables.

The aging list of trade accounts receivable is as follows:

	12/31/2011	12/31/2010
Current	170,718	134,723
Past due:		
Up to 30 days	2,264	859
31 to 90 days	1,996	1,097
91 to 180 days	14,028	137
	18,288	2,093
	189,006	136,816

The changes in the allowance for doubtful accounts are as follows:

	12/31/2011	12/31/2010
Balance at beginning of year	9,094	5,805
Amounts written off in the year as uncollectible	5,205	4,928
Amounts recovered in the year	(1,798)	(1,639)
Balance at end of year	12,501	9,094

To determine the collectability of a receivable, the Company takes into consideration any change in the customer's creditworthiness from the date the credit was originally granted through the end of the reporting period. The credit risk concentration is limited because the customer base is comprehensive and there is no relationship between customers.

## 8. RECOVERABLE TAXES

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Recoverable taxes	13,531	11,233	27,331	19,646
Other	89	1,055	72	2,205
	13,620	12,288	27,403	21,851

Refer to Withholding Income Tax (IRRF) on short-term investments and estimated monthly payments of income tax and social contribution, whose balance will be used to offset the balance of IRPJ and CSLL, PIS, COFINS, IRRF and withholding PIS/COFINS/CSLL liabilities.

## 9. PREPAID EXPENSES – CONSOLIDATED (IFRS AND BR GAAP)

The balance of R\$8,913 (R\$8,373 as at December 31, 2010) refers mainly to unearned insurance premiums, rentals and municipal real estate tax (IPTU). For details on the insurance contracted, see Note 37.

## 10. ESCROW DEPOSITS – CONSOLIDATED (IFRS AND BR GAAP)

Escrow deposits representing restricted assets of the Company are related to amounts deposited in escrow and held in court until the related litigation is resolved.

The unfavorable outcome of their lawsuits, individually or in the aggregate, will not have a material adverse effect on the financial position or business of the Company, through its subsidiaries.

	12/31/2011	12/31/2010
Balance at beginning of year	14,528	11,350
Balances received on acquisition of new companies (*)	-	1,143
Additions	12,350	3,507
Write-offs	(4,463)	(2,398)
Inflation adjustment	2,827	926
Balance at end of year	25,242	14,528
Noncurrent	25,242	14,528

(\*) Balances received due to the acquisition of Elog Sudeste S.A., and Elog Logística Sul by the direct subsidiary Elog S.A.

## 11. INDEMNITY ASSETS – CONSOLIDATED (IFRS AND BR GAAP)

On May 7, 2010, direct subsidiary Elog S.A. entered into a Share Purchase and Sale Agreement to acquire the control of Elog Sudeste S.A. e da Elog Logística Sul Ltda. The fair value of liabilities assumed specifically relating to contingencies was R\$18,272, for which there is a contractual reimbursement clause in the amount of R\$15,402, totaling R\$2,870 (R\$2,870 as at December 31, 2010).

## 12. INVESTMENTS – PARENT COMPANY (BR GAAP)

	Amounts of investees 12/31/2011		Percentage of direct interest		Investment		Equity in subsidiaries	
	Shareholders' equity	Income (loss) for the year	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Elog S.A.	301,668	(15,876)	80.00	80.00	241,334	254,101	(12,701)	48,954
EcoRodovias Concessões e Serviços S.A.	857,341	369,033	100.00	100.00	857,341	627,750	369,033	288,948
Serviços de Tecnologia de Pagamentos S.A. (STP)	136,212	114,612	12.75	12.75	17,367	12,537	14,613	11,127
Ecoporto Holding S.A.	1	(8)	100.00	100.00	1	(4)	(8)	(5)
ELG-01 Participações Ltda.	-	-	100.00	100.00	-	1	-	-
Rodovia das Cataratas S.A. (Ecocataratas)	298,617	30,324	100.00	100.00	298,617	268,777	30,324	(4,372)
Unrealized earnings – Ecopátio Logística Cubatão Ltda.	-	-	-	-	(7,348)	(7,674)	327	327
					1,407,312	1,155,488	401,588	344,979

Movimentação dos investimentos no exercício findo em 31 de dezembro de 2011:

	12/31/2010	Dividends and interest on capital	Capital contribution	Reclassification of equity	Stock-option plan	Equity in subsidiaries	12/31/2011
Elog S.A.	254,101	-	-	(66)	-	(12,701)	241,334
EcoRodovias Concessões e Serviços S.A.	627,750	(139,553)	-	-	111	369,033	857,341
Serviços de Tecnologia de Pagamentos S.A. (STP)	12,537	(9,784)	-	-	-	14,614	17,367
Ecoporto Holding S.A.	(4)	-	13	-	-	(8)	1
EILO1 Participações Ltda.	1	(1)	-	-	-	-	-
Rodovias das Cataratas S.A. (Ecocataratas)	268,777	(543)	-	-	59	30,324	298,617
Unrealized earnings – Ecopátio Logística Cubatão Ltda.	(7,674)	-	-	-	-	326	(7,348)
	1,155,488	(149,881)	13	(66)	170	401,588	1,407,312

The balances of goodwill in the Parent Company (reclassified to intangible assets in the consolidated) are as follows:

	12/31/2010	Amortization	12/31/2011
Goodwill - Ecosul	7,833	(513)	7,320
Goodwill - Elog	239,015	(295)	238,720
	246,848	(808)	246,040

### 13. INVESTMENT PROPERTIES - CONSOLIDATED (IFRS AND BR GAAP)

The investment property is represented by land, buildings and construction in progress held to earn rentals and/or for capital appreciation.

At cost

	Land and buildings
Balance as at December 31, 2009	42,728
Loss on equity interest (20% to BRZ)	(8,546)
Additions	10,293
Depreciation	(876)
Balance as at December 31, 2010	43,599
Additions	9,042
Write-offs	(65)
Depreciation	(973)
Balance as at December 31, 2011	51,603

Fair value considering the type of property

	12/31/2011	12/31/2010
Buildings	83,916	69,736

The fair value of the investment property was estimated by specialized, independent appraisers, who adopted the basic methodology supported by NBR-14653 - Brazilian Asset Valuation Standard of the Brazilian Association of Technical Rules (ABNT), in parts 1: General Procedure and 2: Urban Real Estate.

The Urban Real Estate Valuation Standard - 2005 version, published by the Brazilian Institute of Engineering Valuation and Inspection (IBAPE), São Paulo Department, was also used.

All calculations are based on the analysis of the physical specifications of the real estate under analysis and various information gathered at the market, which are adequately addressed to be used in determining the value of the related real estate.

The Company and its subsidiaries engage yearly specialized and independent experts to determine the fair value of the investment property based on the assumptions described previously.

As at December 31, 2011, R\$9,280 was recognized in "Net revenue" and R\$7,751 in "Costs and expenses".

The Company has absolute right and ownership on its investment property.

## 14. PROPERTY, PLANT AND EQUIPMENT

a) Parent Company (BR GAAP)

	Hardware and equipment	Machinery and equipment	Furniture and fixtures	Buildings	Other	Total
Balance as at December 31, 2009	273	123	273	1,729	472	2,870
Additions	54	-	3	-	36	93
Depreciation	(113)	(23)	(41)	(76)	(53)	(306)
Balance as at December 31, 2010	214	100	235	1,653	455	2,657
Additions	157	34	56	-	2,476	2,723
Transfers	(22)	-	-	-	22	-
Depreciation	(108)	(25)	(43)	(76)	(196)	(448)
Balance as at December 31, 2011	241	109	248	1,577	2,757	4,932
Annual depreciation rates - %	20.0	10.0	10.0	3.7	10.0	-

b) Consolidated (IFRS and BR GAAP)

	Hardware and equipment	Machinery and equipment	Furniture and fixtures	Land	Buildings	Construction in progress	Improvements	Other	Total
Balance as at December 31, 2009	42,855	11,868	3,962	3,361	112,615	2,298	1,386	12,456	190,801
Assets received on new acquisitions	2,126	2,786	1,034	-	129	1,621	3,980	14,084	25,760
Assignment - Elog S.A.	(289)	(685)	(31)	-	(19,784)	(460)	-	(376)	(21,625)
Additions	21,574	3,284	1,955	9,100	2,985	4,695	506	4,074	48,173
Write-offs	(519)	(404)	(10)	-	-	(1,602)	-	(1,429)	(3,964)
Transfers	1,359	892	94	-	1,261	(882)	(281)	(434)	2,009
Depreciation	(13,433)	(2,118)	(686)	-	(4,543)	-	(211)	(1,469)	(22,460)
Balance as at December 31, 2010	53,673	15,623	6,318	12,461	92,663	5,670	5,380	26,906	218,694
Additions	26,923	3,734	2,048	1,405	6,674	27,370	5,451	23,404	97,009
Write-offs	(228)	(59)	(8)	-	-	-	-	(2,478)	(2,773)
Transfers	1,761	411	1,004	-	17,064	(15,499)	2,366	2,423	9,530
Depreciation	(18,659)	(2,600)	(1,062)	-	(4,821)	-	(1,699)	(5,686)	(34,527)
Balance as at December 31, 2011	63,470	17,109	8,300	13,866	111,580	17,541	11,498	44,569	287,933
Annual depreciation rates - %	20.0	10.0	10.0	-	4.1	-	3.7	10.7	-

The Company's management periodically analyzes the remaining economic useful lives of property, plant and equipment and did not identify significant differences in the economic useful lives of the assets comprising the Company's and its subsidiaries' property, plant and equipment.

Additionally, the Company's property, plant and equipment comprises the balance of the property, plant and equipment of indirect subsidiaries Elog Sudeste S.A. e Elog Logística Sul Ltda., both acquired on December 28, 2010, whose amounts were measured at their fair values on the acquisition date, on a temporary basis. After obtaining all information necessary for calculation of the fair values, whose term should not exceed 12 months as of the acquisition date, the temporary amounts can be adjusted on a retrospective basis.

## 15. INTANGIBLE ASSETS

### a) Parent Company (BR GAAP)

	Third-party software	Other	Total
Balance as at December 31, 2009	103	4	107
Additions	11	-	11
Amortization	(28)	(2)	(30)
Balance as at December 31, 2010	86	2	88
Additions	42	-	42
Amortization	(36)	(2)	(38)
Balance as at December 31, 2011	92	-	92
Annual amortization rates - %	20.0	-	-

### b) Consolidated (IFRS and BR GAAP)

	Concession agreements	Goodwill Ecosul	Software	In progress	Goodwill - Elog Sudeste	Goodwill Ecopátio Cubatão	Goodwill Elog	Others	Total
Balance as at December 31, 2009	2,200,126	8,347	14,951	6,514	-	4,711	-	14	2,234,663
Assets received on new acquisitions	-	-	4,093	-	-	-	-	134	4,227
Assignment - Elog	-	-	(199)	-	-	(942)	239,015	-	237,874
Additions	129,250	-	8,924	53,816	-	-	-	-	191,990
Addition - Elog Sudeste	129,423	-	-	-	61,634	-	-	-	191,057
Write-offs	(349)	-	(67)	(1,131)	-	-	-	-	(1,547)
Transfers	50,988	-	(146)	(52,851)	-	-	-	-	(2,009)
Amortization	(111,247)	(514)	(5,347)	-	-	-	-	(1)	(117,109)
Balance as at December 31, 2010	2,398,191	7,833	22,209	6,348	61,634	3,769	239,015	147	2,739,146
Additions	164,351	-	10,617	29,114	-	-	-	-	204,082
Write-offs	(855)	-	-	(1,403)	-	-	-	-	(2,258)
Transfers	20,097	-	-	(25,418)	(4,210)	-	-	-	(9,531)
Amortization	(122,214)	(513)	(7,640)	-	(1,947)	-	(296)	(120)	(132,730)
Balance as at December 31, 2011	2,459,570	7,320	25,186	8,641	55,477	3,769	238,719	27	2,798,709
Annual amortization rates - %	(*)	-	20.0	-	-	-	-	-	-

(\*) The amortization of intangible assets arising from the concession rights is recognized in income through the projected traffic curve for the concession period as from the date in which they are available for use, since this method best reflects the future economic benefit consumption pattern incorporated to the asset. The amortization rates ranged from 2.05% to 6.41% (2.02% to 6.20% as at December 31, 2010).

The items relating to the concession arrangement comprise the highway infrastructure, the concession right and other rights.

## 16. INCOME TAX AND SOCIAL CONTRIBUTION

### a) Deferred taxes

Deferred income tax and social contribution are recorded in order to reflect the future tax effects attributed to temporary differences between the tax basis of assets and liabilities and their carrying amounts.

Deferred income tax and social contribution have been recognized using the aggregate tax rate of 34% in effect and are as follows:

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Provision for tax, labor and civil contingencies	-	-	17,896	9,924
Effect of accounting for concession arrangements	-	-	24,675	36,499
Goodwill (tax benefit from the merger of Ecosul Participações)	-	-	4,190	4,484
Tax loss carry forwards	-	-	-	4,802
Goodwill - Elog	(2,677)	(2,777)	(2,677)	(2,777)
Other	-	-	(70)	2,376
	(2,677)	(2,777)	44,014	55,308
Deferred assets	-	-	68,444	72,937
Deferred liabilities	(2,677)	(2,777)	(24,430)	(17,629)
	(2,677)	(2,777)	44,014	55,308

Management prepared a technical study on the likelihood of the future realization of deferred tax assets, considering the probable ability of the companies to generate future taxable income, using the main variables applicable to their businesses, which are, therefore, subject to changes.

Deferred income tax and social contribution liabilities arise from goodwill, which is an intangible asset with indefinite useful life, recognized by subsidiary Elog S.A., arising on

the acquisition of Elog Sudeste S.A., subsequently merged, rendering goodwill deductible for income tax and social contribution purposes. Intangible assets with indefinite useful lives cannot be amortized; however, this goodwill is being amortized for tax purposes, writing down the related tax base. Deferred income tax and social contribution amounting to R\$294 were recognized on the amount amortized for tax purposes.



b) Income tax and social contribution in income

The following current and deferred income tax and social contribution amounts were recognized in income for the year:

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Changes in:				
Current income tax	(3,340)	(7,634)	(152,234)	(121,143)
Deferred income tax	74	(2,777)	(7,050)	(7,720)
	(3,266)	(10,411)	(159,284)	(128,863)
Changes in:				
Current social contribution	(1,211)	(2,748)	(55,560)	(43,997)
Deferred social contribution	26	-	(2,778)	(3,086)
	(1,185)	(2,748)	(58,338)	(47,083)

c) Reconciliation of income tax and social contribution expense

The following current and deferred income tax and social contribution amounts were recognized in income for the year:

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Income before income tax and social contribution	387,468	603,654	605,188	769,985
Tax rate	34%	34%	34%	34%
Income tax and social contribution expense at statutory tax rates	(131,739)	(205,242)	(205,764)	(261,795)
Adjustments to effective tax rate:				
Valuation of investment at fair value - goodwill - Elog	-	78,488	-	78,488
Amortization of goodwill on investments	-	-	(100)	-
Equity in subsidiaries	136,540	117,293	-	-
Other	(9,252)	(3,698)	(11,758)	7,361
Income tax and social contribution expenses	(4,451)	(13,159)	(217,622)	(175,946)

## 17. TAXES, RATES AND FEES PAYABLE

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Taxes on billings:				
ISS	-	-	7,744	6,948
COFINS	161	-	5,698	4,656
PIS	35	-	1,235	1,009
Withholding ISS	4	1	1,167	628
Other	116	24	5,722	8,516
	316	25	21,566	21,757

## 18. TRADE ACCOUNTS PAYABLE – ACQUISITION OF COMPANIES – CONSOLIDATED (IFRS AND BR GAAP)

On January 3, 2011, the Company settled the remaining balance at December 31, 2010 in the amount of R\$88,025 relating to trade accounts payable assumed by the direct subsidiary Elog S.A. arising from the acquisition of Elog Sudeste S.A. and Elog Logística Sul Ltda.

## 19. BORROWINGS AND FINANCING – CONSOLIDATED (IFRS AND BR GAAP)

Lender	Final maturity	Average interest rate	12/31/2011	12/31/2010
In local currency:				
BNDES	06/15/2021	TJLP + 2.40% p.a.	131,871	42,410
BNDES	06/15/2021	TJLP + 2.45% p.a.	343	-
Working capital	04/07/2011	107.50% of CDI	-	20,338
Working capital	05/24/2012	107.70% of CDI	6,213	11,692
Working capital	11/23/2011	110.20% of CDI	35,461	35,434
Working capital	10/28/2014	CDI + 2.03% p.a.	39,567	35,110
Working capital	11/25/2012	109.00% of CDI	80,883	-
Working capital	12/16/2013	TJLP + 3.90% p.a.	116	-
Equipment	03/26/2012	CDI + 2.60% p.a.	-	421
Real estate credit note	02/08/2020	IPCA + 7.20% p.a.	34,203	34,505
Equipment	10/15/2015	14.53% p.a.	3,410	4,131
CDB	11/28/2014	14.51% p.a.	353	-
Promissory notes	04/12/2011	CDI + 1.20% p.a.	-	373,337
			332,420	557,378
In foreign currency - currency:				
Equipment - US\$	01/20/2014	9.00% p.a. + exchange rate change	576	764
Equipment - EUR	09/25/2013	9.00% p.a. + exchange rate change	564	780
Equipment - EUR	10/15/2013	8.60% p.a. + exchange rate change	389	-
Working capital - US\$	12/04/2015	LIBOR + 4.20% p.a.	13,421	11,917
Equipment - US\$	03/15/2014	Exchange rate change + 9.25% p.a.	756	2,907
Equipment - EUR	10/09/2015	Exchange rate change + 5.82% p.a.	411	-
Equipment - EUR	04/10/2015	Exchange rate change + 7.25% p.a.	1,067	-
Equipment - EUR	11/30/2015	Exchange rate change + 8.60% p.a.	703	-
			17,887	16,368
			350,307	573,746
Current			161,120	450,241
Noncurrent			189,187	123,505

Maturities of non-current portions are as follows, by year:

	12/31/2011
2013	38,826
2014	37,545
2015	23,885
2016	20,051
2016 and thereafter	68,880
	189,187

Description of the main current bank loan and financing agreements:

On December 8, 2010, the indirect subsidiary Concessionária das Rodovias Ayrton Senna e Carvalho Pinto S.A. (Ecopistas) conducted the fifth public distribution of commercial promissory notes, with the subscription

and payment of ten single series, promissory notes, with unit face value of R\$37,100, totaling R\$371,000, which mature within 120 days from issuance and bear interest corresponding to the CDI plus 1.20% per annum. The promissory notes were settled on March 18, 2011.

On March 8, 2010, Ecopátio CLB Imigrantes issued 90 Certificates of Real Estate Receivables (CRIs), with face value of R\$1,000, totaling R\$90,000 on issuance date (R\$89,210, less issuance costs), and maturing within 119 months. Ecopátio CLB Imigrantes issued two (2) split mortgage loan notes, designated as Mortgage Loan Notes (CCI), representing all receivables. The agreement does not require compliance with any financial ratios (“covenants”).

In March 2007, indirect subsidiary Ecopátio Logística Cubatão Ltda. entered into a R\$73,308 agreement with the National Bank for Economic and Social Development (BNDES) to finance improvement and enlargement of support facilities. Three installments totaling R\$63,507 have been disbursed and amortization in 96 installments started in May 2009. This borrowing has a letter of guarantee issued by the Company. The contract requires compliance with financial ratios (“covenants”), corresponding to the net equity and total liabilities ratio, after the project implementation phase, and the ratio required beginning 2010 through the termination of the contract is 0.30. The financial ratios (“covenants”) as of December 31, 2011 have been met.

As at December 31, 2010, indirect subsidiary Ecopátio Cubatão Ltda. has a foreign currency-denominated financing with Citibank N.A. to acquire equipment to be used in its operations, representing notional amounts of US\$8,939 and maturing in December 2015. The swap transaction contracted on December 31, 2011 consists of the swap of the LIBOR variation plus 4.20% per annum for a fixed rate of 6.00% per annum, and is recorded in line item “Financial expenses”, totaling R\$17 as at December 31, 2011.

In February 2011, the indirect subsidiary Ecopistas entered into an agreement with the National Bank for Economic and Social Development (BNDES) in the amount of R\$355,396, divided in 12 subtranches, for investments in

the recovery, special upkeep, improvement and expansion of capacity, in the corridor comprising Ayrton Senna and Carvalho Pinto highways. The first subtranche in the amount of R\$79,200 was released, and repayment will be made on a monthly basis from January 2012 to September 2021, in 114 installments. As a collateral for the loan, the indirect subsidiary Ecopistas assigned all receivables, either present and future, arising from the operation, upkeep and construction of the toll plazas in the highway system and all ancillary revenues associated with or arising from the concession of the Ayrton Senna/Carvalho Pinto corridor, including, without limitation, the toll revenues and any and all indemnities to be received under the collaterals and insurance policies for loss of profits contracted under the concession agreement. The financial ratios (“covenants”) as at December 31, 2011 have been met.

The borrowing refers to the raising of funds for working capital by subsidiaries Ecocataratas, Concessionária Ecovia Caminho do Mar S.A., Ecosul and Ecopátio Logística Cubatão Ltda., which does not require the compliance with financial ratios (“covenants”). Collaterals were pledged by EcoRodovias Concessões to EcoRodovias Infraestrutura e Logística S.A. and Ecopátio.

Guarantees by the direct subsidiary EcoRodovias Concessões e Serviços S.A. and the assignment of receivables from tolls were offered to collateralize borrowings, if payment of promissory notes is not made.

On November 11, 2011, the indirect subsidiary Ecovia entered into a Bank Credit Note agreement for working capital purposes in the amount of R\$44,000. Ecovia, under a contractual amendment, had the maturity of the borrowing in the amount of R\$35,000 extended to November 2012. The agreement does not include covenants requiring the maintenance of any specific financial ratios.

In November 2011, the indirect subsidiary Ecosul entered into an agreement for working capital purposes in the amount of R\$36,000, maturing in November 2012, with EcoRodovias Concessões e Serviços as the guarantor.

The maintenance of financial ratios (“covenants”) is required for Ecosul’s borrowing. The net debt and EBITDA ratio should be lower than or equivalent to 1.5, and the EBTIDA and net debt service ratio should be higher than or equivalent to 1.5. The financial ratios (“covenants”) as at December 31, 2011 have been met.

## 20. FINANCE LEASE – CONSOLIDATED (IFRS AND BR GAAP)

Lease obligations are effectively guaranteed, since the leased asset is reversed to the lessor in case of default.

Financial obligations are broken down as follows:

	12/31/2011	12/31/2010
Gross finance lease obligations - minimum leasing payments		
Less than a year	1,958	1,257
More than a year and less than five years	641	1,549
	2,599	2,806
Future financing charges on finance lease	58	87
Finance lease obligations - accounting balance	2,657	2,893
Current	2,016	1,344
Noncurrent	641	1,549

The contra entry of the balance of finance leases is recorded under “Property, plant and equipment” and amounts to R\$7,208 and R\$2,022 as at December 31, 2011 and 2010, respectively, and refers to equipment and trucks.

## 21. DEBENTURES – CONSOLIDATED (IFRS AND BR GAAP)

Debentures are summarized as follows:

	12/31/2011	12/31/2010
Adjusted principal	1,291,215	1,175,944
Yield (interest)	52,058	30,275
Debentures issuance costs	(20,074)	(11,538)
	1,323,199	1,194,681
Current	378,634	316,995
Noncurrent	944,565	877,686

- The direct subsidiary Elog S.A. concluded, on December 20, 2010, the issuance in the amount of R\$170,000 (R\$136,000 concerning the 80% interest of Elog S.A.) of 170 single series debentures, with maturity in 11 semiannual


installments; the first installment will fall due on December 20, 2012 and the last on December 20, 2017.

Series one, offered to the local market, bears interest corresponding to 100% of CDI, plus 2.20% per year, paid semiannually, and was priced using concepts set out in CVM Instruction No. 404/04.

In the year ended December 31, 2011, the Company paid interest totaling R\$23,160.

This transaction was rated AA- by Fitch.

- On December 23, 2009, the direct subsidiary of EcoRodovias Concessões e Serviços completed the issuance of R\$600,000 in debentures in three series, series one amounting to R\$460,750, amortizable in 42 months and maturity on May 15, 2013, and series two and three amounting to R\$69,625 each, amortizable in 66 and 72 months, and with maturities on May 15 and November 15, 2015, respectively.



Series one, offered to the local market, bears interest corresponding to 100% of CDI, plus 1.5% per year, paid semiannually, and was priced using concepts set out in CVM Instruction No. 404/04.

Series two and three, also offered to the local market, bear interest pegged to the IPCA fluctuation and interest rate of 8.75% per year, paid annually with a six-month interval between the two series.

In the year ended December 31, 2011, the Company paid R\$184,300 related to the first series debentures.

This transaction was rated brA+ by Standard & Poors.

- On December 21, 2006, indirect subsidiary Ecovias dos Imigrantes completed the issuance of R\$450,000 in debentures in three series, series one amounting to R\$135,000, amortizable in 84 months and with maturity on November 1, 2013, and series two and three amounting to R\$157,500 each, amortizable in 90 and 96 months, and with maturity on May 1 and November 1, 2014, respectively.

Series one, offered to the local market, bears interest corresponding to 104% of CDI, paid semiannually, and was priced using concepts set out in CVM Instruction No. 404/04.

Series two and three, also offered to the local market, bear interest pegged to IGP-M fluctuation and interest rate of 9.5% per year, paid annually with a six-month interval between the two series.

In 2011, the Company paid R\$162,566 (R\$161,500 as at December 31, 2010), out of which R\$65,816 (R\$64,750 as at December 31, 2010) relates to interest on the first, second and third series debentures, and R\$96,750 (R\$96,750 as at December 31, 2010) relates to the principal of the first, second and third series debentures.

This transaction was rated brAA- by Standard & Poors.

- On January 15, 2011, the indirect subsidiary Ecopistas completed the issuance of R\$370,000 in debentures in four series, series one amounting to face value of R\$92,500, amortizable in 145 months and maturity on January 15, 2023, series two amounting to face value of R\$92,500, amortizable in 136 months and maturity on April 15, 2022, series three amounting to R\$92,500, amortizable in 139 months and maturity on July 15, 2022, and series four amounting to R\$92,500, amortizable in 142 months and maturity on October 15, 2022.

Series one, offered to the local market, bears interest corresponding to IPCA + 8.25%, paid semiannually, and was priced using concepts set out in CVM Instruction No. 404/04.

The Company did not recognize payments of principal and interest for the debentures of the indirect subsidiary Ecopistas in the year ended December 31, 2011.

The main features of the debentures issued are as follows:

Description	EcoRodovias Concessões e Serviços	Ecovias	Elog S.A.	Ecopistas
Method and convertibility	Registered, book-entry, simple, nonconvertible into shares	Registered, book-entry, simple, nonconvertible into shares	Registered, book-entry, simple, nonconvertible into shares	Registered, book-entry, nonconvertible into shares
Number issued	600,000 (in three series)	45,000 (in three series)	170 (single series)	370 (in four series)
Unit face value on the issuance date	R\$1,000.00	R\$10.00	R\$1,000,000.00	R\$1,000,000.00
Unit face value adjusted on December 31, 2011	Series 1 - not adjustable Series 2 - R\$1.20 Series 3 - R\$1.15	Series 1 - not adjustable Series 2 - R\$8.77 Series 3 - R\$8.37	Not adjustable	Series 1 - R\$1,062.74 Series 2 - R\$1,062.74 Series 3 - R\$1,062.74 Series 4 - R\$1,062.74
Unit face value adjustment factor	Series 1 - not adjustable Series 2 and 3 - IPCA	Series 1 - not adjustable Series 2 and 3 - IGP-M	Not adjustable	Series 1, 2, 3 and 4 - inflation adjustment annulled by IPCA fluctuation
Yield (interest and inflation adjustment)	Series 1 - 100% of CDI + 1.5% per year Series 2 and 3 - 8.75% per year (252 days) on the adjusted unit face value	Series 1 - 104% of CDI Series 2 and 3 - 9.5% per year (252 days) on the adjusted unit face value	CDI + 2.20% per year (252 days) on the adjusted unit face value	Series 1, 2, 3 and 4 - compensatory interest to be established in book-building procedure, with maximum rate corresponding to NTN-B 2017 coupon + 2.20% per year
Yield maturity (interest and inflation adjustment)	Series 1 - semiannual installments (05/15/010 to 11/15/13) Series 2 - annual installments (05/15/11 to 05/15/15) Series 3 - annual installments (11/15/10 to 11/15/15)	Series 1 - semiannual installments (05/01/2007 to 05/01/2013) Series 2 - annual installments (05/01/08 to 05/01/14) Series 3 - annual installments (11/01/07 to 11/01/14)	Semiannual installments (06/20/11 to 12/20/17)	Series 1 - 11 annual installments (01/15/13 to 01/15/23) Series 2 - 11 annual installments (04/15/12 to 04/15/22) Series 3 - 11 annual installments (07/15/12 to 07/15/22) Series 4 - 11 annual installments (10/15/12 to 10/15/22)
Repayment maturity	Series 1 - semiannual installments (05/15/11 to 12/15/13) Series 2 - annual installments (05/15/13 to 05/15/15) Series 3 - annual installments (11/15/13 to 11/15/15)	Series 1 - semiannual installments (05/01/10 to 11/01/13) Series 2 - annual installments (05/01/10 to 05/01/14) Series 3 - annual installments (11/01/10 to 11/01/14)	Semiannual installments (12/20/12 to 12/20/17)	Series 1: 11 annual installments (Jan 1, 2013 to Jan 15, 2023) Series 2: 11 annual installments (Apr 15, 2012 to Apr 15, 2022) Series 3: 11 annual installments (Jul 15, 2012 to Jul 15, 2022) Series 4: 11 annual installments (Oct 15, 2012 to Oct 15, 2022)

Description	EcoRodovias Concessões e Serviços	EcoVias	Elog S.A.	Ecopistas
Reserve for repayment and yield (interest and inflation adjustment)	Not applicable	Retention in a restricted deposit account (investment) of 50% of amounts credited to bank account from the 6 <sup>th</sup> day of each month until reaching amount equivalent to installment of estimated amount due in applicable month	Not applicable	<p>a) For each TJLP-pegged subloan granted by BNDES through the BNDES Agreement until maturity of the first amortization installment, the amount equivalent to three times the amount of the first falling-due installment of the debt amortization and charges; and after the payment of the first installment, the amount corresponding to three times the amount of the sum of the last past-due installment of the debt amortization and charges (up to 15 days from the date of the last past-due installment)</p>
				<p>b) For each IPCA-pegged subloan granted by BNDES through the BNDES Agreement until maturity of the first amortization installment, the amount corresponding to 1/3 of the disbursement made, divided by the total number of the subloan installments; and after payment of the first installment of the debt amortization and charges, the amount corresponding to 1/4 of the amount of the last past-due installment of the principal amortization and subloan charges (up to three months prior to the maturity of each installment)</p>

Description	EcoRodovias Concessões e Serviços	EcoVias	Elog S.A.	Ecopistas
Debenture depository	Itaú Corretora de Valores S.A.	Banco Bradesco S.A.	SLW Corretora de Valores e Câmbio Ltda.	Itaú Unibanco S.A.
Place of payment	CETIP and CBLC	CETIP and CBLC	CETIP	CETIP and/or BOVESPAFIX
Reserve account bank	Not applicable	Itaú Unibanco S.A.	SWL Corretora Ltda.	Itaú Unibanco S.A.
Trustee	Pavarini Distrib. de Títulos e Valores Mobiliários Ltda.	Oliveira Trust DTVM S.A.	Itaú BBA	Planner Trustee DTVM Ltda.

Maturities of noncurrent portions are as follows, by year:

	12/31/2011		12/31/2010	
	Portion	Cost	Total	Total
2012	-	-	316,267	(2,814)
2013	332,042	(3,566)	285,862	(2,569)
2014	206,143	(2,246)	159,962	(1,389)
2015	113,139	(1,596)	74,124	(691)
2016	60,474	(1,387)	59,087	(260)
2017	248,144	(6,582)	241,562	(260)
	959,942	(15,377)	944,565	(7,983)



The contract of the indirect subsidiary Ecovias requires compliance with the net debt to EBITDA ratio below or equal to 2.2 points and an EBITDA to debt service ratio (payment of interest and repayment of principal for the period) ratio higher than or equal to 1.3 points, based on the financial statements. Maintenance of such ratios is checked quarterly based on the past 12 months. The financial ratios (“covenants”) as at December 31, 2011 were met.

The contract of the direct subsidiary EcoRodovias Concessões requires compliance with the net debt to EBITDA ratio lower than or equal to 2.75 points and an EBITDA to net financial expenses ratio higher than or equal to 3.0 points, and unconsolidated net debt equal or lower than R\$800,000, based on the financial statements. Maintenance of such ratios is checked quarterly based on the past 12 months. The financial ratios (“covenants”) as at December 31, 2011 have been met.

The Company, as the guarantor, expects to obtain a debt to EBITDA ratio equal or lower than 3.0 points for the past 12 months on a consolidated basis.

The contract of the direct subsidiary Elog S.A. requires compliance with the net debt to EBITDA ratio lower than 2.5 points, EBITDA higher than R\$130,000 and an EBITDA to debt service ratio higher than 1.2 points. The ratios will be calculated semiannually based on the Issuer’s consolidated balance sheet over four consecutive six-month periods. The debentures were guaranteed by EcoRodovias Infraestrutura e Logística S.A. Covenants are required after the financial ratios are achieved based on the financial statements for four consecutive semiannual periods.

The contract of indirect subsidiary Ecopistas requires compliance with a net debt to EBITDA ratio lower than 4.0 points, obtained by the net debt to adjusted EBITDA ratio of the last 12 months, and higher than 1.2. Maintenance of such ratios is checked quarterly based on the past 12 months. The financial ratios (“covenants”) as at December 31, 2011 have been met.

The table below shows the Internal Return Rate (TIR) of these transactions:

Issuer	Series	Date	Face value	Issuance expenses	Net amount	Interest rate	TIR
Elog S.A. (*)	Single series	12/20/10	136,000	(1,685)	134,315	CDI + 2.20%	14.60%
EcoRodovias Concessões e Serviços	Debentures - Series 1	12/21/09	460,750	(6,308)	454,442	CDI + 1.50%	CDI + 2.00%
	Debentures - Series 2	12/21/09	69,625	(953)	68,672	8.75% + IPCA	9.39% + IPCA
	Debentures - Series 3	12/21/09	69,625	(953)	68,672	8.75% + IPCA	9.37% + IPCA
Ecovias	Debentures - Series 1	11/01/06	135,000	(2,677)	132,323	104.00% of CDI	107.00% of CDI
	Debentures - Series 2	11/01/06	157,500	(3,124)	154,376	9.50% + IGP-M	10.32% + IGP-M
	Debentures - Series 3	11/01/06	157,500	(3,124)	154,376	9.50% + IGP-M	10.35% + IGP-M
			1,186,000	(18,824)	1,167,176		

(\*) The total amount raised from debentures issued by direct subsidiary Elog S.A. was R\$170,000 (R\$136,000 concerning 80% interest of EcoRodovias).

## 22. RELATED PARTIES

The Company and its subsidiaries engage services from their shareholders or from companies related to them, both directly or through consortiums, for the performance of upkeep, improvement and expansion services in the highway system and consulting services.

As at December 31, 2011 and 2010, related-party balances are as follows:


	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
<b>Noncurrent assets:</b>				
Concessionárias de Rodovias do Sul S.A. (Ecosul)	36	33	-	-
Consórcio Serra do Mar	-	-	-	260
	36	33	-	260
<b>Liabilities:</b>				
Consórcio Planalto (a)	-	-	-	7
SBS Engenharia e Construções Ltda. (b)	-	-	260	-
Consórcio Serra do Mar (c)	-	-	1,090	-
CR Almeida S.A. Engenharia e Obras (d)	-	-	-	87
TB Transportadora Betumes Ltda. (f)	-	-	66	35
CBB Indústria e Comércio de Asfaltos e Engenharia Ltda. (f)	-	-	371	271
	-	-	1,787	400
<b>Income (loss):</b>				
SBS Engenharia e Construções Ltda. (b)	-	-	367	-
Empresa Concessionária de Rodovias do Sul S.A. (Ecosul) (e)	-	384	-	-
CBB Indústria e Comércio de Asfaltos e Engenharia Ltda. (f)	-	-	30	-
TB Transportadora Betumes Ltda. (f)	-	-	24	-
	-	384	421	-

Related-party transactions are broken down as follows:

a) Consórcio Planalto, comprised of related parties of indirect subsidiary EcoRodovias: CR Almeida Engenharia e Obras S.A. and Cigla Construtor Impregilo Associados S.A. and of Impregilo SPA, indirect parent company of EcoRodovias, provides Nova Marginal Tietê avenue expansion services, recovery of Ayrton Senna highway flexible pavement and contracting of emergency wall containment construction services. The overall price agreed to deliver the services contracted by the Company and Consórcio Planalto is R\$54,625, including the contractual addendum. Out of this total, R\$54,282 were incurred and R\$343 is to be incurred

on this contract. The outstanding balance payable falls due within 45 days and is not subject to the payment of interest or inflation adjustment. No collaterals were offered to lenders.

b) SBS Engenharia e Construções Ltda. holds a 10% equity interest in Ecosul and provides paving and engineering services in the highway system, and upkeep services in the highways operated by subsidiaries Ecosul and Ecovia. The overall price agreed to deliver the services contracted by Ecosul and SBS Engenharia e Construções Ltda. is R\$40,985 and by Ecovia and SBS Engenharia e Construções Ltda. is R\$44,000, including the contractual addendum



to both contracts. Out of this total, R\$35,547 were incurred and R\$8,453 is to be incurred on this contract. The outstanding balance payable falls due within 45 days and is not subject to the payment of interest or inflation adjustment. No collaterals were offered to lenders and emergency wall containment construction services.

c) Consórcio Serra do Mar, comprised of related parties of the indirect subsidiary EcoRodovias: CR Almeida Engenharia e Obras S.A. and Cigla Construtor Impregilo Associados S.A. and of Impregilo SPA provides construction services in operating lanes, emergency areas, crossing in the third lane of the Padre Manoel da Nóbrega highway, construction of bypasses in the Cônego Domênico Rangoni highway, paving of the Anchieta-Imigrantes system highways, and at the toll plazas of subsidiary Ecovias. The overall price agreed to deliver the services contracted by the indirect subsidiary Ecovias and Consórcio Serra do Mar is R\$229,957, including the contractual addendum. Out of this total, R\$183,224 were incurred and R\$46,733 is to be incurred on this contract. The outstanding balance payable falls due within 45 days and is not subject to the payment of interest or inflation adjustment. No collaterals were offered to lenders.

d) CR Almeida Engenharia de Obras S.A., a related party of EcoRodovias, provides highway flexible pavement recovery services in the Ayrton Senna and Carvalho Pinto highways. The overall price to deliver the services contracted by the concessionaire and CR Almeida is R\$7,517. The contract was terminated in February 2010 and there is a balance of R\$286 to be incurred with this contract. The outstanding balance payable falls due within 45 days and is not subject to the payment of interest or inflation adjustment. No collaterals were offered to lenders and emergency wall containment construction services.

e) Refers to the rental of the real estate where Ecosul's head office is located; the monthly rent amount is R\$36.

f) CBB Indústria e Comércio de Asfaltos e Engenharia

Ltda. and TB Transportadora de Betumes Ltda., comprised of the related parties of indirect subsidiary EcoRodovias: CR Almeida Engenharia e Obras S.A. and Cigla Construtor Impregilo Associados S.A. and of Impregilo SPA, indirect subsidiary of EcoRodovias Infraestrutura e Logística S.A., provide asphalt material supply and transportation services to Concessionária Ecovia Caminho do Mar S.A. and Concessionárias das Rodovias Ayrton Senna e Carvalho Pinto S.A. - Ecopistas and of Rodovias das Cataratas S.A. (Ecocataratas). The overall price agreed to deliver the services contracted by the Company and CBB Indústria e Comércio de Asfaltos e Engenharia Ltda. and TB Transportadora de Betumes Ltda. is R\$24,019, including the contractual addendum. Out of this total, R\$3,230 were incurred and R\$20,789 is to be incurred on this contract. The outstanding balance payable falls due within 45 days and is not subject to the payment of interest or inflation adjustment. No collaterals were offered to lenders.

g) EcoRodovias Concessões e Serviços S.A., a direct subsidiary of EcoRodovias Infraestrutura e Logística S.A., provides administrative, financial, human resources, information technology, engineering and corporate procurement services. The annual amount of the contracts agreed between the service companies is R\$114,204, effective for 12 months as from January to December of each year.

#### Management compensation

Management members are the persons with authority and responsibility for the planning, steering and controlling of the Company's and its subsidiaries' activities, either directly or indirectly, including any officer (executive or other).

For the year ended December 31, 2011, management received short-term benefits (wages, salaries, profit sharing, health care, housing, free or Company-subsidized products or services) accounted for in "General and administrative expenses".

No amounts were paid in the period relating to: (a) post-employment benefits (pension, other retirement benefits, post-employment life insurance and post-employment health care plan); (b) long-term benefits (leave of absence for length of service and long-term disability benefits); (c) severance benefits; and (d) stock option plan.

The Annual and Extraordinary Shareholders' Meeting set management's annual overall compensation for 2011 at R\$12,515 (R\$10,476 for fiscal year 2010).

Compensation paid to management for the year is as follows:

	Parent Company (BR GAAP)	
	12/31/2011	12/31/2010
Salaries and wages	6,032	4,960
Stock option plan (see Note 28.h)	2,086	-
Direct and indirect benefits	4,397	5,516
	12,515	10,476

### 23. PROVISION FOR MAINTENANCE - CONSOLIDATED (IFRS AND BR GAAP)

The amounts recorded as provision for maintenance refer to the upkeep of the highway infrastructure, adjusted to present value based on rates from 9.62% to 11.73% per annum. The amounts are accrued by highway stretch, and interventions occur over an average of five years.

Changes and balances are as follows:

	12/31/2010	Addition	Write-off	Financial effect	12/31/2011
Recognition of the provision for maintenance	338,606	98,186	-	-	436,792
Effect of present value on the recognition of the provision	(79,351)	-	-	(18,094)	(97,445)
Realization of the maintenance	(146,572)	-	(68,040)	-	(214,612)
Adjustment to present value - realized	32,171	-	-	14,639	46,810
	144,854	98,186	(68,040)	(3,455)	171,545
Current	24,337				38,286
Noncurrent	120,517				133,259

## 24. PROVISION FOR FUTURE CONSTRUCTION WORK – CONSOLIDATED (IFRS AND BR GAAP)

The provision for future construction work arises from the amounts to be disbursed to comply with the contractual concession obligations, whose economic benefits are already recognized by the Company as a contra entry to intangible assets.

The amounts are adjusted to present value based on rates from 9.62% to 11.73% per annum.

Changes and balances are as follows:

	12/31/2010	Write-off	Financial effect	12/31/2011
Recognition of the provision for future construction work	21,078	-	-	21,078
Effect of present value on the recognition of the provision	(10,011)	-	-	(10,011)
Realization of the construction	-	(4,238)	-	(4,238)
Adjustment to present value - realized	5,962	-	1,665	7,627
	17,029	(4,238)	1,665	14,456
Current	10,143			12,527
Noncurrent	6,886			1,929

## 25. CONCESSION FEE OBLIGATIONS – CONSOLIDATED (IFRS AND BR GAAP)

	12/31/2011	12/31/2010
Fixed installments	69,390	72,050
Variable installments	2,791	2,587
	72,181	74,637
Current	17,082	15,205
Noncurrent	55,099	59,432

The highway concession agreement of the indirect subsidiary Ecovias, dated May 27, 1998, subdivides fixed fees into 240 fixed consecutive monthly installments, maturing from the first month of collection, adjustable annually based on IGP-M fluctuation. As of December 31, 2011, 76 installments remain unpaid and payments made correspond to 68.33% of total (62.92% as at December 31, 2010).

The highway concession agreement of the indirect

subsidiary Ecopistas, dated June 18, 2009, subdivides fixed fees into one cash installment of 20% and the remaining balance into 18 fixed consecutive equal monthly installments, adjusted based on IPCA-IBGE fluctuation. As of December 31, 2010, all installments had been paid.

The variable installment is calculated monthly at 3% of the revenue collected by the indirect subsidiaries Ecovias and Ecopistas, and 1% of the revenue collected by Ecosul.

The indirect subsidiaries Ecovias and Ecopistas have insurance to guarantee an effective and comprehensive coverage of the risks incidental to the development of all activities involved in the concession. All insurance policies include the Concession Grantor and the Company as co-insurers and are effective for at least 12 months. The insurance covers shall be effective until the agreement for the definitive return of the highway system is signed. In addition to the insurance required by the applicable legislation, the companies will also contract and maintain during the whole concession period insurance to cover operational risks, engineering risks and civil liability of highway concessionaires.

Maturities of noncurrent portions are as follows, by year:

	12/31/2011	12/31/2010
2012	-	11,553
2013	12,477	10,842
2014	11,394	9,901
2015	10,406	9,042
2016	9,503	8,258
2017 and thereafter	11,319	9,836
	55,099	59,432

The Concession Grantor prepared and indirect subsidiary Ecovias approved the Modifying Addendum (“TAM”) on December 15, 2011, which provided for the replacement of the toll adjustment index, from the General Market Price Index (IGP-M) to the Extended Consumer Price Index (IPCA). However, the other adjustments used by the Concession will continue to be made using IGP-M. If case of economic unbalance, the balance can be restored in favor of the Company or the Concession Grantor can be determined by changing the concession term or upon other criteria mutually agreed upon between the parties. This change still has to be approved by the State Logistics and Transportation Department.

## 26. PAYROLL AND RELATED TAXES

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Salaries and other related taxes	4,005	3,351	10,630	16,739
INSS payable	175	173	2,537	1,958
FGTS payable	63	60	966	567
IRRF payable	262	259	1,324	988
Accrued vacation	741	741	10,529	6,113
Union dues	1	-	59	25
Charges on accruals	258	265	4,309	2,273
	5,505	4,849	30,354	28,663

Accrued payroll and charges were recorded in the Company’s statement of income under “Cost of services” and “General and administrative expenses”, according to the employee’s assignment.

## 27. PROVISION FOR TAX, LABOR AND CIVIL CONTINGENCIES – CONSOLIDATED (IFRS AND BR GAAP)

The Company and its subsidiaries are parties to several ongoing tax, labor and civil lawsuits arising in the normal course of their operations. The provisions for tax, labor and civil contingencies have been recognized for lawsuits whose likelihood of loss was considered probable, based on the opinion of the Company’s legal counsel.

Changes and the balances in the year ended December 31, 2011 and 2010 are as follows:

Type	12/31/2009	Additions	Balances received on acquisition of new companies (*)	Payments	Inflation adjustment	12/31/2010
Civil (a)	14,304	16,032	1,521	(2,334)	1,745	31,268
Tax (b)	1,340	503	337	(1,362)	45	863
Labor (c)	9,183	2,980	5,078	(2,830)	1,137	15,548
	24,827	19,515	6,936	(6,526)	2,927	47,679

(\*) Balances received due to the acquisition of Elog Sudeste S.A. and Elog Logística Sul.

Type	12/31/2010	Additions	Payments	Inflation adjustment	12/31/2011
Civil (a)	31,268	5,372	(11,958)	5,252	29,934
Tax (b)	863	2,027	(221)	105	2,774
Labor (c)	15,548	13,009	(10,734)	2,103	19,926
	47,679	20,408	(22,913)	7,460	52,634

#### a) Civil lawsuits

Refer mainly to claims for compensation for damages and losses due to highway accidents. The Company and its subsidiaries have other provisions for civil contingencies totaling R\$19,799 as at December 31, 2011 (R\$10,990 as at December 31, 2010), whose likelihood of loss is assessed by the Company's legal counsel and Management as possible; accordingly, no reserve was recognized.

The logistics operation mainly comprises lawsuits involving indemnity claims for damages or losses arising from losses in the logistics operation. The Company recognized a provision for lawsuits whose likelihood of loss is considered as probable in the total amount of R\$790.

- Ecopátio Logística - civil class action  
Refers to the civil class action filed by the Public Prosecution Office of the State of São Paulo against Ecopátio, Clermont Silveira Castor, Markom - Comércio e Participações Ltda. and the City of Cubatão, under no 2007.002117-7 (August 31, 2007), assigned to the 2<sup>nd</sup> Civil Court of the District of Cubatão - SP.

When considering the merits of the cause, the discussion relates to: (i) the declaration of non-payment as set out in the agreement involving the parties of the previous concession (Markom); (ii) the declaration of the need for a public tender relating to the concession of Ecopátio; and (iii) the declaration of invalidity of the transfer and amendment of the concession agreement relating to the right to use the real estate located in Cubatão - SP.

On May 29, 2007, the injunction was partially granted by the Court to establish the termination of the activities in that location, which was subject to fine. The injunction mentioned above was partially revoked by the Court of Justice.

On October 18, 2010, a request was issued requiring the recognition of the effects of the civil class action decision filed by José Pereira and, consequently, requiring its extinguishment. The Court did not accept the extinguishment request, but revoked the injunction previously granted, allowing the realization of all investments provided for in the concession agreement.

The Company filed a bill of review of this decision (on July 6, 2011). On December 14, 2011, Ecopátio received a favorable decision, which determined the extinguishment of the civil class action, without considering the merits of the case, taking into consideration that the final and unappealable decision of the civil class action filed by José Pereira was already given in similar lawsuits. The final decision is pending publication, after which, the period to file an appeal by the Prosecutor's Office will start.

The likelihood of loss is remote.

#### b) Tax lawsuits

As at December 31, 2011, there are also other tax lawsuits totaling R\$12,944 (R\$12,465 as at December 31, 2010), which were assessed as possible losses by the Company's legal counsel and Management and, therefore, no reserve was required. The main tax lawsuits are as follows:

- i) Tax administrative proceeding challenging the tax assessment notice issued by the Receita Federal (Brazilian tax authority) in São Bernardo do Campo - SP, because tax auditors disregarded the cash method used to recognize foreign exchange gains and, as result, required the payment of related income tax and social contribution. The defense arguments filed were examined in December 2009, and the administrative court issued a decision partially favorable to Ecovias that reduces the originally claimed amount of R\$81,000 to R\$11,400, for which no reserve was recognized, based on the opinion of the legal counsel in charge of the proceeding, who considers the likelihood of an unfavorable outcome regarding the payment of the taxes and 75% fine as remote, and regarding the imposition of proportional interest as possible.
- ii) Tax administrative proceedings challenging the tax assessment notice issued by the Brazilian tax authority in Pelotas - RS, for the nonpayment of income tax and social contribution on profit sharing paid to the management of Ecosul, and the challenging of the depreciation rate of

improvements made in concession properties, whose likelihood of an unfavorable outcome was considered by the legal counsel as possible.

The logistics operations comprise other tax lawsuits totaling R\$446, whose likelihood of loss was considered as possible by the Company's legal counsel and Management; accordingly, no reserve was recognized. The main tax lawsuit is as follows:

- iii) Administrative proceeding arising from a tax assessment notice filed by the Brazilian tax authority imposing rates of 50% of Import Duty (II) and 50% of Federal VAT (IPI) on the tax base, by alleging generic description of products, in addition to misplacement or consumption of goods imported by third parties, fully unrelated to and separated from the Company, a simple warehousing service provider without any relationship with the import from these third parties. The estimated amount is R\$15,357. The procedure is being analyzed by the Tax Appeal Council and no reserve was recognized since the legal counsel in charge of the lawsuit understands that the likelihood of loss is remote.

#### c) Labor lawsuits

Refer mainly to claims for compensation for occupational injuries and overtime pay claims. There are no lawsuits involving an individual significant amount. As at December 31, 2011, there are other labor lawsuits totaling R\$13,709, out of which R\$10,967 (80% corresponding to the Company's interest) relating to logistics operation (R\$18,883 as at December 31, 2010), whose likelihood of loss was considered by the Company's legal counsel and Management as possible; accordingly, no reserve was recognized.

The Company is party to a joint-liability action on a labor lawsuit filed against Qualix Serviços Ambientais S.A., a Sideco Group company (former shareholder of the Company). The lawsuit was considered with grounds by the lower court against the defendants, and the adjusted award amount as at December 31, 2011 is R\$5,192 (R\$5,192 as at December 31, 2010). In light of



the purchase and sale agreement entered between Sideco S.A. and indirect subsidiary EcoRodovias Infraestrutura e Logística S.A., the former shareholders are required to pay indemnity in case of loss. The legal counsel and Management assessed this lawsuit as a possible loss and, therefore, no reserve was recognized. As at August 1, 2011, Ecocataratas granted a letter of guarantee by which Banco Bradesco S.A. guaranteed the enforcement amount of R\$6,439.

## 28. SHAREHOLDERS' EQUITY - CONSOLIDATED (IFRS AND BR GAAP)

### a) Capital

As at December 31, 2011, the subscribed and fully paid-in capital of R\$1,320,549 is represented by 558,699,080 common shares without par value.

### b) Authorized capital

In accordance with its bylaws, the Company is authorized to increase its capital to up to R\$2,000,000 after a Board of Directors' resolution, subject to the statutory terms and conditions for issuance and exercise of preemptive rights.

### c) Public offering of shares

On April 6, 2010, capital of R\$874,000 was paid in through the public offering of 92,000,000 registered, book-entry common shares, without par value and unit value of R\$9.50. As a result, the Company' capital increased from R\$466,699 to R\$1,320,549 through the issuance of 92,000 common shares.

Description	2011
Primary shares	92,000
Issuance price - R\$	9.50
Capital increase	874,000
Secondary shares	33,220
Over allotment - secondary shares	18,783

Under the Adhesion Agreement entered into with BMF&BOVESPA, the Company complied with the requirement that 25% of its shares be outstanding in the market.

On April 30, 2010, the Lead Underwriter exercised the exclusive option granted by the Company and its shareholder Primav Construções e Comércio S.A. to distribute an over allotment of shares ("Share Over allotment"), and placed 18,783,000 shares held by Primav Construções e Comércio S.A. (secondary shares), under the same terms and conditions and price of the initial public offering of shares. This over allotment was used exclusively to meet the excess demand. The offering totaled R\$1,368,028.

### d) Funding costs

Costs incurred on the public offering of shares. The costs incurred totaled R\$20,150 (R\$20,150 as at December 31, 2010), net of tax effects.

### e) Earnings reserve - legal

Recorded at 5% of adjusted net income for the year, limited to 20% of capital.

As at December 31, 2011, the balance is R\$90,751.

### f) Revenue retention reserve - capital budget

The earnings retention reserve in 2011 was recognized in conformity with article 196 of Law No. 6,404/76, in order to implement the Company's Investment Programs, provided for in the capital budget to be submitted to the Annual Shareholders' Meeting, and in order to pay for the proposed additional dividends.

A capital budget reserve of R\$172,358 and a dividends reserve of R\$51,430 were recognized.

g) Proposed dividends

Under the Company's Bylaws, shareholders are entitled to mandatory minimum dividends calculated at the rate of 25% of net income for the year after recognition of the legal reserve and bylaws reserve.

Dividend circulation is as follows:

	2011
Net income	383,017
Legal reserve (5%)	(19,151)
Dividend tax base	363,866
Management proposal:	
Minimum mandatory dividends - 25%	90,967
Interim dividends paid	140,078
Capital budget	172,358
Proposed additional dividends - classified as earnings reserve	51,430

h) Capital reserve - stock option plan

The Extraordinary Shareholders' Meeting (AGE) held on August 31, 2010 approved the Company's Stock Option Plan to management and employees. The Board of Directors is responsible for establishing and managing this plan.

The purpose of the stock option plan is to allow beneficiaries to become the Company's shareholders and participate directly and actively in bringing positive results to the Company. The Company's and its subsidiaries' members of the Board of Directors, management and key employees that are not statutory managers are eligible to the plan.

The option grant should not exceed 2% of the Company's common shares, which shall be only treasury shares.

The Board of Directors will set out the terms and conditions of each option in a Stock Option Agreement (the "Agreement"), to be signed by the Company and each beneficiary.

The price of options will correspond to the Company's share price, adjusted for inflation based on the IPCA or another similar index selected at the Company's Annual Shareholders' Meeting.

The Board of Directors made 1,897,809 common shares available for the plan, as follows:

	1 <sup>st</sup> grant 08/31/2010	2 <sup>nd</sup> grant 03/21/2011
Number of stock options	685,764	1,212,045
Strike price per share - R\$	9.95	12.80
Adjustment index	IPCA	IPCA

The Company recognizes in income, during the period services are provided, the vesting period and the costs of compensation paid to beneficiaries based on the fair value of the options on grant date, using the Black-Scholes pricing model to measure the fair values of the options. In the period ended December 31, 2011, R\$2,086 was recorded under "Stock option premium".

The Company will settle this stock option plan by delivering its own shares, which will be held in treasury up to the actual exercise of the options by the beneficiaries.

Changes in the number of stock options are as follows:

	1 <sup>st</sup> grant	2 <sup>nd</sup> g rant	Total
Balance as at December 31, 2010	685,764	-	685,764
Granted	-	1,212,045	1,212,045
Exercised	(21,942)	-	(21,942)
Cancelled	(17,553)	-	(17,553)
Balance as at December 31, 2011	646,269	1,212,045	1,858,314

The fair value of stock options was estimated on the option grant date by using the Black-Scholes pricing model.

On 2011, 21,942 common shares were exercised by the average price of R\$13.46 per share.

The right to exercise the option will be vested as follows:

Year	Average strike price per share - R\$	Number of shares	Option average fair value - R\$	Total	Exercise term
2011	10.73	171,441	2.16	370	11 months
2012	12.07	474,452	4.42	2,097	23 months
2013	12.07	474,452	5.79	2,747	35 months
2014	12.07	474,452	6.98	3,312	47 months
2015	13.41	303,012	3.66	1,109	59 months
		1,897,809	4.60	9,635	

The conditions for the exercise of the options are as follows:

Conditions	Term
25% of the options (out of 1,897,809 shares)	After 12 months of service
25% of the options (out of 1,897,809 shares)	After 24 months of service
25% of the options (out of 1,897,809 shares)	After 36 months of service
25% of the options (out of 1,897,809 shares)	After 48 months of service

i) Capital reserve

As at August 31, 2010, the Board of Directors approved a share buyback program. The buyback will take place without capital reduction and with the use of reserves, for cancellation or holding in treasury, as well as for resale, placement in the market or as collateral for the Company's stock option plans, in compliance with: (1) the standards issued by the CVM and other applicable legal provisions, especially article 30, paragraph 1 of Law No. 6,404, of December 15, 1980 (amended by CVM Instruction No. 10);

(2) article 14, item XIV of the Company's Bylaws; and  
(3) the terms and conditions below:

- Term: 365 days from August 31, 2010.
- Number of outstanding shares in the market: 144,003,000 outstanding common shares in the market.
- Number of shares to be purchased: at the most, 4,000,000 common shares.
- The Company holds 149,302 common shares in treasury calculated based on their average quotation on the last

trading session as at December 31, 2011, in the amount of R\$2,011. The total amount of these shares, based on the trading session average quotation as at December 29, 2011, is R\$2,045.

The Company recognized a reserve for future purchase of shares under the stock option plan in the amount of R\$31,224, which was transferred to line item “Capital reserve”, as prescribed in the bylaws.

j) Noncontrolling interests

	12/31/2011	12/31/2010
Balance at beginning of year	6,664	3,088
Profit sharing	4,549	3,744
Effect of noncontrolling interests	(8,172)	(168)
Balance at end of the year	3,041	6,664

## 29. SERVICE TAX (ISS)

### Ecovias

In 1999, the highway operation services were included in the list of services taxed by ISS. The indirect subsidiary started negotiations with the Concession Grantor to obtain financial rebalance of the agreement since this tax was not considered in the toll. In 2001, the Company started to pay ISS to the municipalities served by the Anchieta-Imigrantes System, in accordance with these municipalities’ regulations (except for the Municipality of São Paulo, which did not regulate the tax in that year).

As this tax was not considered in the concession proposal, the Company, based on the principles of economic and financial rebalance of the contract and approval by the Concession Grantor, for the year ended December 31, 2011, offset R\$32,455 paid to the municipalities against amounts of the payment for concession. From the beginning of the economic and financial rebalancing to December 31, 2011, the amount offset totaled R\$241,659 (R\$200,368 as at December 31, 2010).

## 30. NET REVENUE

	Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010
Toll revenue:		
Toll in cash	664,295	643,863
Toll by electronic equipment (a)	586,058	459,179
Toll tickets and coupons	135,868	127,321
Other	3,437	2,897
	1,389,658	1,233,260
Construction revenues	199,435	174,700
Revenue from logistics and other services (b) and (d)	342,185	72,103
Accessory revenues (c)	53,835	48,184
Gross revenue	1,985,113	1,528,247
Sales deductions	(157,742)	(100,639)
Net revenue	1,827,371	1,427,608

a) Refers to revenue from services from the jointly-owned subsidiary Serviços e Tecnologia de Pagamentos S.A. (STP) relating to electronic toll adhesion and maintenance fees.

b) Refers to the revenue from logistics companies relating to the truck parking yard, container warehousing and repair and special customs export terminal (REDEX).

c) Refer to other revenues of highway concessionaires, such as the lease of area for fiber optics, use of highway land, sales of advertising, implementation and concession of accesses and others.

d) Refers to revenues from administrative, financial, human resources, information technology, engineering and procurement services.

### 31. OPERATING COSTS AND EXPENSES – PER NATURE

	Parent Company (BR GAAP)	
	12/31/2011	12/31/2010
Personnel	20,653	19,416
Upkeep and maintenance	548	478
Outside services	14,596	12,888
Insurance	111	512
Depreciation and amortization	999	850
Rental	1,759	1,339
Other	2,727	2,563
	41,393	38,046
Classified as:		
General and administrative expenses	41,393	38,046

	Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010
Personnel	212,373	131,220
Upkeep and maintenance	69,697	66,481
Outside services (*)	143,755	81,480
Insurance	13,090	12,153
Depreciation and amortization	168,230	140,445
Concession grantor	48,363	37,598
Other	61,285	51,976
Rental	42,383	11,704
Provision for maintenance	80,312	48,184
Construction costs	199,435	174,700
	1,038,923	755,941
Classified as:		
Cost of services provided	810,823	623,618
General and administrative expenses	228,100	132,323
	1,038,923	755,941

(\*) Outside services are composed basically of ambulance, paramedical and removal services, consulting services, and cleaning services.

### 32. FINANCIAL INCOME (EXPENSES)

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Financial income:				
Income from short-term investments	28,663	57,215	95,586	86,307
Inflation adjustment on borrowings and financing	-	-	6,355	1,216
Other	1,687	1,863	5,388	3,028
	30,350	59,078	107,329	90,551
Financial expenses:				
Interest on debentures	-	-	(153,756)	(112,188)
Interest on borrowings and financing	-	(2)	(34,246)	(62,933)
Inflation adjustment on debentures	-	-	(49,918)	(46,276)
Inflation adjustment on concession fee	-	-	(9,548)	(29,773)
Amortization of costs on issuance of debentures	-	-	(4,715)	(3,574)
Banking expenses	(40)	(364)	(2,669)	(3,802)
Adjustment to present value - technical interpretation ICPC 01	-	-	(16,304)	(17,568)
Other	(3,089)	(1,590)	(19,253)	(13,897)
	(3,129)	(1,956)	(290,409)	(290,011)
Financial income (expenses), net	27,221	57,122	(183,080)	(199,460)

### 33. EARNINGS PER SHARE

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Basic earnings per share from continuing operations	0.68	1.12	0.68	1.12
Diluted earnings per share from continuing operations	0.68	1.12	0.68	1.12

#### a) Basic earnings per share

The income and weighted average number of common shares used to calculate basic earnings per share are as follows:

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Income for the year attributable to the Company's owners used to calculate basic earnings per share	383,017	590,295	383,017	590,295
Weighted average number of common shares used to calculate basic earnings per share	560,420	528,718	560,420	528,718

b) Diluted earnings per share

The income used to calculate diluted earnings per share is as follows:

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Income used to calculate basic and diluted earnings per share	383,017	590,295	383,017	590,295

The weighted average number of common shares used to calculate diluted earnings per share is reconciled with the weighted average number of common shares used to calculate basic earnings per share, as follows:

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Weighted average number of common shares used to calculate basic earnings per share	558,699	528,032	558,699	528,032
Options of employees	1,721	686	1,721	686
Weighted average number of common shares used to calculate diluted earnings per share	560,420	528,718	560,420	528,718

### 34. PROFIT SHARING

The policy of the Company and its subsidiaries is to manage their employees' profit sharing, linked to specific goals and targets, which are established and paid in conformity with the collective labor agreement entered into with employees' union. In the year ended December 31, 2011, the profit sharing was R\$7,055 (R\$4,403 as at December 31, 2010), which was allocated to income under line items "Cost of services" and "General and administrative expenses".

### 35. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - CONSOLIDATED (IFRS AND BR GAAP)

Ecovias Group, in which the Company operates, manages its capital to ensure that the companies operating in the group can continue as going concerns and at the same time maximizes the return of all their stakeholders by optimizing the balance debt and equity. The Company's overall strategy remains unchanged since 2010.

The Company's equity structure consists of its net debt (borrowings detailed in Notes 19, 20 and 21, less cash and cash equivalents) and shareholders' equity (which

includes issued equity, reserves, retained earnings and noncontrolling interests, as stated in Note 28).

The Company is not subject to any external capital requirement.

The Company semiannually reviews its capital structure. As part of this review, Management considers the cost of capital and risks associated to each class of capital.

As at December 31, 2011 and 2010, the Company and its subsidiaries do not have any derivatives.

#### Market risk

a) Exposure to foreign exchange risks

The Company and its direct and indirect subsidiaries did not record foreign currency-denominated assets and liabilities.

b) Exposure to interest rate risks

The Company, by means of its subsidiaries, is exposed to normal market risks arising from changes in the TJLP, IPCA, IGP-M and CDI relating to borrowings, financing and

debentures in Brazilian reais. Interest rates on short-term investments are linked to CDI variation.

Gains and losses on these transactions are consistent with the policies and strategies designed by the Management of the Company and its subsidiaries.

#### General considerations

- The Management of the Company and its subsidiaries elects the financial institutions where short-term investments can be made and sets the limits of the fund allocation percentages and amounts to be invested in each financial institution. Short-term investments are defined as held-for-trading assets.
- Short-term investments and restricted securities: investments consisting of CDB and yielding rates ranging

from 100.00% to 105.31% of CDI, which reflect the market conditions at the balance sheet dates.

- Customers: arise directly from the Company's operations, are classified as loans and receivables and are recorded at original amounts, less allowance for doubtful accounts losses and discount to present value, when applicable.
- Borrowings, financing, finance lease and debentures: classified as other financial liabilities; therefore, not measured at fair value, and accounted for based on the contractual amounts established for each transaction, as shown in Notes 19, 20 and 21.

#### Debt ratio

Debt ratios are as follows:

	Parent Company (BR GAAP)		Consolidated (IFRS and BR GAAP)	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Debt (a)	-	-	1,676,162	893,634
Cash, cash equivalents and securities - restricted	(87,066)	(370,287)	(671,858)	(902,454)
Net debt	(87,066)	(370,287)	1,004,304	(8,820)
Shareholders' equity (b)	1,882,060	1,781,203	1,882,060	1,781,203
Debt ratio, net	(0.05)	(0.21)	0.53	(0.005)

(a) Debt is defined as current and non-current borrowings, as detailed in Notes 19, 20 and 21.

(b) Shareholders' equity includes all the Company's capital and reserves, managed as capital.



The carrying amounts and fair values of the main consolidated financial instruments of the Company and its subsidiaries as at December 31, 2011 are as follows:

	Classification	Account balance	Fair value
<b>Assets:</b>			
Cash and cash equivalents	Loans and receivables	33,378	33,378
Customers (a)	Loans and receivables	176,505	176,505
Short-term investments and securities (b)	Loans and receivables	638,480	638,480
<b>Liabilities:</b>			
Trade accounts payable (a)	Other financial liabilities	131,851	131,851
Borrowings and financing (c)	Other financial liabilities	350,307	347,306
Finance lease	Other financial liabilities	2,657	2,657
Debentures (d)	Other financial liabilities	1,323,199	1,329,219
Concession fee obligations (d)	Other financial liabilities	72,181	89,945

- a) Balances of trade accounts receivable and payable mature substantially in up to 45 days, therefore, approximating the fair value expected by the Company.
- b) Balances of short-term investments and securities approximate the fair value at the balance sheet date.
- c) Calculated through discounted cash flow, based on installments falling due.
- d) Calculated based on the repurchase or early redemption clauses included in the debenture prospectuses and according to unit price adjusted as at December 31, 2011.
- e) Calculated excluding the adjustment to present value of the fixed installments of line item "Concession fee obligations".

The determination of the fair value of financial assets and financial liabilities presenting standard terms and conditions and that are traded in active markets is determined based on prices observable in such markets.

a) Currency risk

The Company's interest rate risk arises from short-term investments and current and non-current borrowings indexed to changes in the inflation indices. This risk is managed by the Company through the maintenance of borrowings at fixed and floating interest rates.

The currency risk arises from the possible fluctuation of the foreign exchange rates of foreign currencies used by

the indirect subsidiary Ecopátio Logística Cubatão Ltda., with which foreign currency-denominated equipment financing contracts are entered into.

As at December 31, 2011, indirect subsidiaries Ecopátio Logística Cubatão Ltda., Elog Logística Sul Ltda. and Elog Sudeste S.A. have the following agreements denominated in foreign currency:

Lender	12/31/2011	
	R\$	Currency
Nordea Bank Finland PLC	576	US\$
Nordea Bank Finland PLC	3,889	€
Citibank	13,421	US\$

b) Interest rate risk

The Company's and its subsidiaries' interest rate risk arises from short-term investments and short- and long-term borrowings bearing interest according to floating interest rates, which may be pegged to fluctuations in inflation rates. This risk is managed by the Company through the maintenance of borrowings at fixed and floating interest rates.

The Group's exposure to the interest rates of financial assets and financial liabilities is described in item "Liquidity risk" below.

Pursuant to its financial policies, the Company and its subsidiaries have maintained their short-term investments at prime banks and have not entered into transactions with financial instruments for speculative purposes.

c) Credit risk

Credit risk concentration

Financial instruments that potentially expose the Company to credit risk concentration and consist, primarily, cash and banks, short-term investments and trade accounts receivable.

The Company maintains bank accounts and short-term investments with prime financial institutions approved by Management according to objective criteria for diversification of credit risks.

As at December 31, 2011, the Company has receivables from Serviços de Tecnologia de Pagamentos S.A. (STP)

amounting to R\$58,360 (R\$44,481 as at December 31, 2010), arising from toll revenues collected by the electronic payment system (Sem Parar), recognized in line item “Trade accounts receivable”.

d) Liquidity risk

The Company has ultimate responsibility for the management of the liquidity risk and has an appropriate liquidity risk management model to manage funding requirements and short-, medium- and long-term liquidity management. The Company manages the liquidity risk by maintaining adequate reserves, bank and other credit facilities to raise new borrowings that it considers appropriate, based on the continuous monitoring of budgeted and actual cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

Contractual maturity is based on the most recent date when the Company and its subsidiaries should settle the related obligations:

Type	Effective interest rate (weighted average) - % p.a.	2012	2013	2014	2015 and thereafter
BNDDES	TJLP + 7.40% p.a.	17,311	16,022	15,907	82,974
Working capital	CDI + 2.03% p.a.	13,358	12,971	13,238	-
Working capital	108.99% of CDI	122,556	-	-	-
Working capital	TJLP + 3.90% p.a.	59	59	-	-
FINAME	TJLP + 5.46% p.a.	806	830	819	955
Real estate credit note	14.51% p.a.	159	94	100	-
Real estate credit note	IPCA + 7.20% p.a.	2,066	3,983	3,401	24,754
Equipment (foreign currency)	Exchange rate change + 8.22% p.a.	1,628	1,463	865	509
Working capital (foreign currency)	LIBOR + 4.20% p.a.	3,177	3,414	3,414	3,417
Debentures	IGP-M + 9.50% p.a.	117,748	125,625	92,493	-
Debentures	IPCA + 8.50% p.a.	248,260	178,403	86,956	338,829
Debentures	CDI + 2.20% p.a.	12,626	24,448	24,448	73,363
Concession fee obligations	IGP-M	16,233	12,477	11,394	31,228
Finance lease	17.36% p.a.	2,016	576	65	-

## Sensitivity analysis

### Risk of changes in interest rates

The sensitivity analysis was determined based on the exposure to interest rates of non-derivative financial instruments at the end of the year. For floating rate liabilities, the analysis is prepared assuming that the

amount of the liability outstanding at the end of the year was outstanding during the entire year.

The sensitivity analysis was developed considering exposure to CDI, TJLP, IPCA and IGP-M fluctuations, the main indices of debentures contracted by the Company and its subsidiaries:

Transaction	Risk of loss	Interest to be incurred		
		Scenario I - probable	Scenario II - 25%	Scenario III - 50%
Interest on series 1 debentures	CDI increase	13,157	15,524	17,862
Interest on series 2 and 3 debentures	IGP-M increase	51,139	55,851	60,560
Interest on series 1, 2 and 3 debentures	IPCA increase	95,148	109,407	123,566
Interest on series 1, 2, 3 and 4 debentures	IPCA increase	328,555	355,984	396,522
Interest on debentures - single series	CDI increase	65,587	78,934	92,111
Loans and financing	CDI increase	10,840	13,056	15,263
Loans and financing	TJLP increase	8,338	10,422	12,506

Borrowings in foreign currency outstanding on December 31, 2011 are subject to fixed interest rate and were measured at amortized cost.

In compliance with CVM Instruction No. 475/08, the Company and its subsidiaries are presenting the probable scenario defined based on Management's expectations and two other scenarios with 25% and 50% deterioration in the risk variable considered, presented in accordance with the regulations as scenario II and scenario III, respectively.

### Risk of changes in exchange rates

Transaction	Risk of loss	Interest to be incurred		
		Scenario I - probable	Scenario II - 25%	Scenario III - 50%
Loans and financing	US\$ increase	1,640	1,848	2,048
Loans and financing	EUR increase	504	568	581

The rates were as follows:

Indicators	Scenario I - probable	Scenario II - 25%	Scenario III - 50%
CDI (a)	11.60%	14.50%	17.40%
IGP-M (b)	5.10%	6.38%	7.65%
IPCA (c)	6.50%	8.13%	9.75%
TJLP (d)	1.97%	2.46%	2.96%
US\$ (e)	1.8758	2.3448	2.8137
EUR (f)	2.4342	3.0428	3.6513

(a) Refers to CDI rate as at December 31, 2011.

(b) Refers to IGP-M rate as at December 31, 2011.

(c) Refers to IPCA rate as at December 31, 2011.

(d) Refers to TJPL rate as at December 31, 2011.

(e) Refers to the U.S. dollar rate as at December 31, 2011.

(f) Refers to euro rate as at December 31, 2011.

Gains and losses on these transactions are consistent with the policies and strategies designed by the Management of the Company and its subsidiaries.

### 36. PENSION PLAN - CONSOLIDATED (IFRS AND BR GAAP)

The Private Pension Plan was implemented in June 2006, under the defined contribution category, whose costs are fairly determinable and can be controlled and managed, for which the Company and the employee contribute the same amounts for salaries above R\$2.6, up to 8% of the nominal salary, and, for salaries below such amount, the Company contributes 1% of the employee's nominal salary. In the year ended December 31, 2011, the Company and its subsidiaries contributed R\$1,080 (R\$1,044 as at December 31, 2010), recorded in line item "General and administrative expenses".

### 37. INSURANCE - CONSOLIDATED (IFRS AND BR GAAP)

The Company and its subsidiaries have insurance coverage considered sufficient by management based on the risks associated with their operations. Concession agreements require concessionaires to write insurance and maintain umbrella insurance coverage to maintain and guarantee their regular operations. Policies cover civil

liability, according to the related concession agreement, operational engineering risks, including problems faced during the construction stage, geological changes, fire and natural disasters (floods and landslides), property damages, and loss of revenue due to blockage of highways.

As at December 31, 2011, the Company's insurance coverage by insurance line is as follows:

Type	Coverage
Warranty insurance	R\$583 million
Forklifts and equipment	R\$2.5 million
All Risk - civil liability	R\$1.5 million
All Risk - property and property damage	R\$5.3 million
Head office insurance	R\$5 million
All Risk - loss of revenue	R\$1.3 million
Vehicles	FIPE Table
All Risk - engineering risk	R\$146 million

### 38. CONCESSION AGREEMENTS - CONSOLIDATED (IFRS AND BR GAAP)

Concessionária Ecovia Caminho do Mar S.A.

Concessionária Ecovia Caminho do Mar S.A., established on October 21, 1997, is engaged in operating, on a concession basis, Lot 006 of the Highway Concession Program of the State of Paraná, totaling 136.7 km, comprised of: (a) BR-277 highway stretch between the City of Curitiba and the Port of Paranaguá, which is 85.7 km long; (b) PR-508 highway stretch linking the BR-277 highway and the City of Matinhos, which is 32 km long; and

(c) PR-407 highway stretch linking the BR-277 Highway and Praia de Leste, which is 19 km long. The purpose of the concession is the recovery, improvement, maintenance, operation and development of highways during a 24-year period - concession effective until November 2021 - upon collection of toll and alternative sources of revenue, which may include activities related to the use of the highway and highway land, access roads, or service and leisure areas, including advertising and excess weight tickets.

The subsidiary has assumed the following commitments arising on the concession:

- a) Payment of the annual inspection fee in 12 monthly installments during the agreement term, which is R\$60 per month from the beginning to the 11<sup>th</sup> year and R\$66 per month from the 12<sup>th</sup> year to the end of the agreement.
- b) Payment of the fee to equip the Highway Patrol. The fee is designed to equip and upgrade Highway patrol equipment and will be R\$10 per month until the 11<sup>th</sup> year and R\$11 per month from the 12<sup>th</sup> year to the end of the agreement.
- c) Renovation, routine maintenance, and upkeep of pavement in highway access roads, as follows (except operation):
  - 2.6 km of the PR-804 highway stretch between BR-277 and PR-408.
  - 13.2 km of the PR-408 highway stretch between Morretes and BR-277.
  - 9.6 km of the PR-408 highway stretch between PR-340 and Morretes.
  - 13 km of the PR-411 Highway stretch between PR-410 (São João da Graciosa) and Morretes.

The above-mentioned amounts are adjusted proportionally to and on the same adjustment date as the tolls.

The concession agreement of Ecovia was classified as intangible asset. The intangible asset is recognized to the extent it has the right to charge from users the public services.

Construction costs and revenue are recognized pursuant to the concession agreement as follows:

	12/31/2011	12/31/2010
Construction revenue	23,632	22,195
Construction costs	(23,632)	(22,195)

Pursuant to the concession agreement, Ecovia has no future commitments; construction work was performed for purposes of maintenance of the highway system.

#### Concessionária Ecovias dos Imigrantes S.A.

Concessionária Ecovias dos Imigrantes S.A. started operations on May 29, 1998 and is engaged only in operating the Anchieta-Imigrantes highway system under the public service concession terms granted by the São Paulo State Government.

The Anchieta-Imigrantes highway system, which is 176.8 km long, consists basically of the following highways: (a) Anchieta highway (SP-150 - from km 9.7 to km 65.6); (b) Imigrantes highway (SP-160 - from km 11.5 to km 70.0); (c) Planalto road link (SP-041 - 8-km long); (d) Baixada road link (SP-059 - 1.8-km long); (e) Padre Manoel da Nóbrega highway (SP-055/170 - from km 270.6 to km 292.2); and (f) Cônego Domênico Rangoni highway (SP-055/248 - from km 0 to km 8.4 and km 248.0 to km 270.6).

The 20-year toll concession comprises maintenance and improvement of operation systems, building the downward lanes of Imigrantes highway, recovery of existing highways, building lateral lanes, implementation of traffic control and user service systems, preventive maintenance, and implementation of electronic management and toll collection systems.

The concession period granted to the subsidiary was extended by additional 70 months, as a rebalancing measure of the economic and financial terms of the concession agreement, on December 21, 2006, under Amendment 10. The concession agreement is effective until March 2024.

The subsidiary has assumed the following commitments arising on the concession:

a) Main extension:

- Widening of Imigrantes highway between km 41.0 and km 58.0 (downward lanes), initially estimated to be completed in the first half of 2003. This commitment was completed in advance on December 17, 2002, upon delivery of the construction project.

b) Payment of:

- Concession right in monthly installments in amounts to be set throughout the concession period, totaling R\$87,000 (R\$44,857 adjusted to present value), plus adjustment based on the IGP-M variation.
- 33% of the revenues derived from the operation of the highway system.

At the end of the concession period, all reversible assets, rights and privileges related to the operation of the highway system will return to the Concession Grantor. The concessionaire will be entitled to compensation for the amortized or depreciated balance of the assets acquired or investments made in the last five years of the concession period, as duly authorized by the Concession Grantor.

The concession agreement of Ecovias was classified as intangible asset. The intangible asset is recognized to the extent it has the right to charge from users the public services.

Construction costs and revenue are recognized pursuant to the concession agreement as follows:

	12/31/2011	12/31/2010
Construction revenue	73,343	44,561
Construction costs	(73,343)	(44,561)

As at December 31, 2011, investments to meet future commitments of Ecovias are estimated at R\$433,613 (R\$517,075, as at December 31, 2010).

Pursuant to the Resolution issued by Executive Board of the São Paulo State Regulatory Agency for Delegated Public Services (“ARTESP” or “Concession Grantor”), dated July 27, 2011, the Concession Grantor has prepared, and the Company has approved, the Modifying Addendum (“TAM”) on December 15, 2011, which provides for the replacement of the toll adjustment index, from the General Market Price Index (“IGP-M”) to the Extended Consumer Price Index (“IPCA”), in order to standardize the highway toll adjustment system, by keeping adjustment on an annual basis and the base month. The change in the adjustment index will give rise to the annual contractual review by the Concession Grantor in order to identify any economic imbalance arising from the use of the new index, which can determine the restoration of balance on behalf of the Company or the Concession Grantor, through the change in the concession term or as otherwise mutually agreed among the parties. The provisions set forth in the TAM will come into effect on January 1, 2012, contingent on the authorization of the State Logistics and Transportation Secretary.

Rodovia das Cataratas S.A. (Ecocataratas)

Rodovia das Cataratas S.A. (Ecocataratas) was incorporated on November 3, 1997 to operate Lot 003 of BR-277 highway, which is a 387.1-km stretch located between the city of Guarapuava, central region of the State of Paraná, and the city of Foz do Iguaçu, in the west end of the same State, as provided for in the concession agreement entered into on November 14, 1997, resulting from the international bid 003/96 DER/PR, granted by the State of Paraná, through the collection of toll and provision of related, auxiliary and supplementary concession services, including, but not limited to, construction work and recovery, improvement, upkeep and operation services, operating capacity growth and main highway exploitation and recovery, upkeep and maintenance of highway stretches to access Lot 003, as well as development and application of signaling, information, communication and security systems, weight gauging services, car mechanical and trailing services and medical services. This concession agreement contains several terms that are being discussed, including in courts, since the end of 2002 by Ecocataratas’ management and the State Government of Paraná.

The term of Ecocataratas is indefinite but it will be extended at least over the 24-year period of concession (the final concession term is November 13, 2021).

On February 7, 2008, EcoRodovias Concessões e Serviços S.A. acquired the share control of Ecocataratas, with the transfer of all its shares.

Ecocataratas has assumed the following commitments arising on the concession:

- a) Payment of annual inspection fee of R\$77 in 12 monthly installments during the agreement term, adjusted proportionally to the adjustment of tolls. As at December 31, 2011, the adjusted installment is R\$216.
- b) Renovation, routine maintenance, and upkeep of pavement in highway access roads, as follows (except operation):
  - 7.64 km of the PR-474 highway access road between BR-277 and the city of Campo Bonito, PR.
  - 37.03 km of the PR-180 highway access road between BR-277 and the Juvinópolis district in the city of Cascavel, PR.
  - 13.58 km of the PR-590 highway access road between BR-277 and the city of Ramilândia, PR.
  - 13.59 km of the PR-874 highway access road to the Tourist Resort in the city of Santa Terezinha de Itaipu, PR.

The above-mentioned amounts are adjusted proportionally to and on the same adjustment date as the tolls.

The assets comprising the concession are the highways and access highway stretches comprising the system, including all buildings and other personal properties and real estate, which might be assigned by the Highway Department (DER) to Ecocataratas, on a temporary basis, so that services are not discontinued.

The concession agreement of Ecocataratas was classified as intangible asset. The intangible asset is recognized to the extent it has the right to charge from users the public services.

Construction costs and revenue are recognized pursuant to the concession agreement as follows:

	12/31/2011	12/31/2010
Construction revenue	6,437	929
Construction costs	(6,437)	(929)

There was no change in the concession agreement during the year.

According to the concession agreement, Ecocataratas does not have future commitments; the construction work was performed to maintain the highway system.

#### Concessionária das Rodovias Ayrton Senna e Carvalho Pinto S.A. (Ecopistas)

Concessionária das Rodovias Ayrton Senna e Carvalho Pinto S.A. (Ecopistas) started to operate on June 18, 2009, with the agreement being effective through June 2039. It is engaged, under the concession regime, in exploiting, through payment of toll and accessory revenues, based on the terms and limits of the concession agreement, the set of highway lanes of Ayrton Senna-Carvalho Pinto corridor, related rights of way and buildings, facilities and equipment therein, comprising:

- a) SP-070 - Ayrton Senna and Carvalho Pinto Highways: initial stretch from km 11, end of the Marginal Tietê, in São Paulo, SP, to km 190; and end stretch from km 130 and km 400, in the intersection with BR-116, between km 117 and km 400, Taubaté, SP.
- b) SP-019 - initial stretch between km 0 and km 000, in the intersection with SP-070, between km 19 and km 300, Guarulhos, SP; and end stretch between km 2 and km 400, start of the Cumbica Airport area, Guarulhos, SP.
- c) SPI-179/060 - interconnection Ayrton Senna x Rodovia Presidente Dutra: initial stretch between km 0 and km 000, in the intersection with BR-116, between km 179 and km 000, Guararema, SP; and end stretch between km 5 and km 400, in the intersection with SP-070, between km 60 and km 300, Guararema, SP.
- d) SPI-035/056 - interconnection Itaquaquecetuba: initial stretch between km 0 and km 000, in the intersection with SP-056, between km 35 and km 000, Itaquaquecetuba, SP; and end stretch between km 0 and

km 880, in the intersection with SP-070, between km 35 and km 700, Itaquaquetuba, SP.

- e) SP-099 - Tamoios Highway: initial stretch between km 4 and km 500, São José dos Campos, SP; and end stretch between km 11 and km 500, São José dos Campos, SP.
- f) SP-070 - highway stretch to be built with 6.8 km length: extension until SP-125, Taubaté, SP.
- g) Crossroads, stretches, bridges and structural works, and complementary facilities urban or road SP-070 highway (Ayrton Senna and Carvalho Pinto highways), granted to Dersa Desenvolvimento Rodoviário S.A. during the concession period, which total approximately 2 km and are located in km 45 (intersection with SP-088) and km 111 (intersection with SP-103).

Ecopistas has assumed the following commitments arising from the concession:

- Payment of concession fee obligations, totaling R\$595,157 (R\$570,422 adjusted to present value), plus adjustment for inflation based on the IPCA index, of which R\$118,800 was paid in June 2009, and the remaining balance will be paid in 18 monthly installments.

Whenever the financial and economic balance of the concession agreement may be recovered, such recovery will be implemented based on the effects of the triggering events, by means of:

- a) Extension of the concession term.
- b) Tariff review.
- c) Review of the investment schedule.
- d) Use of fixed lien.
- e) Use of treasury grants.
- f) Joint use of one or more categories.

The assets comprising the concession are all equipment, machinery, devices, accessories and, in general, all other assets linked to the exploitation and maintenance of the current system, transferred to the concessionaire, as well as the assets acquired by the concessionaire, over the concession term, used to explore the highway system.

After end of concession, all reversible assets, rights and privileges linked to the highway system exploitation, transferred to the Company or implemented by the Company under the scope of the concession, will be returned to the Concession Grantor.

The concession agreement of Ecopistas was classified as intangible asset. The intangible asset is recognized to the extent it has the right to charge from users the public services.

The concession agreement may be terminated at the concessionaire's request, in the case of nonperformance of obligations, by means of a lawsuit specifically filed to this end; however, the services provided by Ecopistas cannot be discontinued or interrupted until a court decision terminating the agreement is issued.

Construction costs and revenue are recognized pursuant to the concession agreement as follows:

	12/31/2011	12/31/2010
Construction revenue	64,478	89,057
Construction costs	(64,478)	(89,057)

As at December 31, 2011, the investments made to meet Ecopistas' future commitments are estimated at R\$329,633 (R\$387,702 as at December 31, 2010).



### Concessionária de Rodovias do Sul S.A. (Ecosul)

Concessionária das Rodovias do Sul S.A. (Ecosul) was incorporated on January 19, 1998, whose concession agreement was signed on July 15, 1998, operations started on July 24, 1998 and toll charging started on March 4, 2001. Ecosul is engaged only in operating, on a concession basis, the following highways and stretches included in the so-called Pelotas Hub:

Highway	Stretch	Length (km)
BR-116	Pelotas/Camaquã	123.4
BR-116	Pelotas/Jaguarão	137.1
BR-293	Pelotas/Bagé	161.1
BR-392	Pelotas/Rio Grande	73.8
BR-392	Pelotas/Santana da Boa Vista	128.4

The 25-year toll concession (after toll begins to be charged) comprises maintenance and improvement of operation systems, recovery of existing highways, preventive maintenance, and implementation of traffic control and user service systems. At the end of the concession period, in March 2026, all reversible assets, rights and privileges related to the operation of the highway system will return to the Concession Grantor.

The concessionaire has assumed the following commitments arising from the concession:

- Inspection rate: calculated as 1% on toll revenue and accrued monthly to be paid to the National Ground Transportation Agency (ANTT).
- Renovation, routine maintenance, and pavement maintenance of the five highway stretches that form the system, totaling a length of 623.8 km as estimated in the operating costs and investments schedules of the exploration program.

The concession agreement of Ecosul was classified as intangible asset. The intangible asset is recognized to the extent it has the right to charge from users the public services.

Construction costs and revenue are recognized pursuant to the concession agreement as follows:

	12/31/2011	12/31/2010
Construction revenue	31,546	17,958
Construction costs	(31,546)	(17,958)

As at December 31, 2011, the investments made to meet Ecosul's future commitments are estimated at R\$70,475 (R\$103,569 as at December 31, 2010).

There was no change in the concession agreement during the year.

### **39. INFORMATION ON THE CONCESSION AGREEMENT OF SUBSIDIARIES ECOVIA AND ECOCATARATAS**

Subsidiaries Concessionária Ecovia Caminho do Mar S.A. and Rodovia das Cataratas S.A. (Ecocataratas) are part of the State of Paraná concession program, duly bid and contracted in 1997, in conjunction with four other concessionaires (both with concession termination date in November 2021). The current Paraná State Administration seeks to downsize or suppress the State highway concession program through administrative and legal actions. The litigation includes the following main fronts: takeover of concessions, expropriation of controlling shares, attempt to forfeit contracts, denial to adjust tariff in 2003 and 2009, attempt to nullify current amendments and consideration of accounting data to the detriment of regular contractual data. For the time being the State of Paraná concessionaires have succeeded in all the litigation fronts, whether through preliminary injunctions, judgments, or court appeals.

The contractual tariff adjustments in 2003 to 2010, systematically denied by the State of Paraná, were implemented and are current, part of them through preliminary injunctions, most of which upheld at all courts levels, and part through final decisions. In 2007, two state laws were enacted to grant tariff exemptions to certain categories of highway users. In both cases, the court decisions challenging the validity of these laws

were favorable to the concessionaires, including the final and unappealable decisions on the action against the law that grant toll exemptions to vehicles licensed in the municipalities where the toll plazas were located. Both Ecovia and Ecocataratas seek, through lawsuits in Federal Courts, recognition of events that unbalanced the concession contracts of each concessionaire, but were omitted or not recognized by the current State administration. If such events are recognized, they will lead to the right to reinstatement of the original economic/financial status of the contracts, whether through increase in tariff or reduction in works or increase in the concession period, i.e., money compensation directly from the government, or a combination of these possibilities.

Management analyzed these matters in detail and concluded that even though there are risks related to the final decisions on the ongoing lawsuits, the likelihood that these events materially impact its financial positions and the results of the operations of the Company and its subsidiaries is less than probable, and that it is not currently possible to estimate the deadline for the termination of these lawsuits, even if no final decisions are expected to be made in the next 12 months.

#### **40. STATEMENTS OF CASH FLOWS – CONSOLIDATED (IFRS AND BR GAAP)**

##### a) Cash and cash equivalents

The breakdown of cash and cash equivalents included in the statements of cash flows is stated in Note 5.

##### b) Supplemental information

Information on income tax, social contribution and dividends paid is stated in the changes in cash flows.

The changes that did not affect cash refer to capital contribution transactions, business combinations, and purchase of operating equipment, as described in Notes 14 and 15.

#### **41. SEGMENT REPORTING – CONSOLIDATED (IFRS AND BR GAAP)**

The Company's operating segments are reported in line with the internal reports provided to the Chief Operating Decision-Maker (CODM).

For purposes of performance evaluation, the set of information on the segments and fund allocation is analyzed.

The main segmentation in the Company's business is based on:

##### a) Concessions

The road modal is the longest and most developed transportation modal in Brazil. The road concessions interconnect the industrial, production, consumption and domestic tourism centers, the three largest ports of Brazil (Santos, Paranaguá and Rio Grande), in addition to provide access to other countries of the Mercosur.

##### b) Logistics

The logistics systems comprise the interconnection of the Group's road concessions and are located in strategic areas in the Brazilian territory with logistics platforms, aiming at integrating intermodal logistics terminals, port terminals, bonded terminals, distribution centers, customs and ports, as well as providing integrated logistics services, aiming at unique added value.

##### c) Holding and services

Refer to EcoRodovias Infraestrutura e Logística S.A.

The segment includes the operation of automatic toll payment and parking services Sem Parar, Via Fácil and Onda Livre. The Holding is responsible for implementing the Automated Vehicle Identification (IAV) in Brazil.

As at December 31, 2011, net revenue by segment is represented as follows:

- Concessions: 80.84%.
- Logistics: 16.58%.
- Holding and services: 2.58%.

The accounting practices for each segment are the same as those described in Note 2. The performance of the Company's segments was assessed based on the net operating income, net income and noncurrent assets. This measurement basis excludes the effects of interest, income tax and social contribution and depreciation and amortization.

The tables below include summarized financial information relating to the segments for December 31, 2011 and 2010. The amounts of net income and total assets provided to the Executive Committee comply with the balances recorded in the interim information, as well as with the accounting policies used:

#### Income statement accounts

	12/31/2011					
	Net revenue	Net income (loss)	Depreciation and amortization	Financial income	Financial expense	Income tax and social contribution
Concessions	1,477,278	5,909	(132,904)	54,245	(237,762)	(193,423)
Logistics	302,962	(15,876)	(30,641)	19,395	(47,949)	(12,643)
Holding and services	47,131	397,533	(5,752)	33,689	(4,698)	(11,556)
Consolidated	1,827,371	387,566	(169,297)	107,329	(290,409)	(217,622)

	12/31/2010					
	Net revenue	Net income (loss)	Depreciation and amortization	Financial income	Financial expense	Income tax and social contribution
Concessions	1,361,104	(2,746)	(128,945)	22,552	(274,625)	(156,393)
Logistics	28,156	(4,637)	(7,020)	6,754	(11,969)	(1,088)
Holding and services	38,348	601,422	(4,480)	61,245	(3,417)	(18,465)
Consolidated	1,427,608	594,039	(140,445)	90,551	(290,011)	(175,946)

#### Balance sheet accounts

	12/31/2011			12/31/2010		
	Non-current assets	Total assets	Current liabilities	Non-current assets	Total assets	Current liabilities
Concessions	1,059,304	1,486,058	674,492	1,205,454	1,494,893	861,472
Logistics	537,116	671,296	90,441	474,945	788,406	168,970
Holding and services	1,682,385	1,999,083	96,898	1,416,895	1,882,477	82,529
Consolidated	3,278,805	4,156,437	861,831	3,097,294	4,165,776	1,112,971

#### **42. EVENTS AFTER THE REPORTING PERIOD**

- a) On November 5, 2011, direct subsidiary Elog S.A., entered into a Share Purchase Agreement with Maringá Armazéns Gerais Ltda. and Maringá Serviços Auxiliares de Transporte Aéreo Ltda.

The total acquisition amount of R\$15 million is based on the assumption that the target companies will be free of debts, liabilities or contingencies. The agreement is subject to suspensive conditions and other covenants, among which, the approval by the Federal Revenue Service to change the share control.

As at December 31, 2011, the transaction had not yet been completed due to suspensive conditions of the agreement.

- b) On January 18, 2012, the Company announced to the market, in conformity with CVM Instruction No. 358, of

January 3, 2002, that it was the winning bidder of the Public Highway Concession Bid, Invitation for Bid 001/2011 - BR-101/2011/ES/BA, carried out by the National Ground Transportation Agency (ANTT).

The proposed toll amounted to R\$0.03391, with a negative goodwill of 45.63% on the ceiling toll rate set by the ANTT. The Concession Commission will analyze the sealed bids containing the qualification documents and business plan and, thereafter, after statute of limitations, the results of the auction will be approved by ANTT and the winning bidder will be asked to sign the concession agreement.

#### **43. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements of EcoRodovias Infraestrutura e Logística S.A. and its subsidiaries were approved by the Board of Directors on February 28, 2012.

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Management of  
EcoRodovias Infraestrutura e Logística S.A.  
São Paulo - SP

We have audited the accompanying individual and financial statements of EcoRodovias Infraestrutura e Logística S.A. ("Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2011, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and in accordance with the accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **OPINION ON THE INDIVIDUAL FINANCIAL STATEMENTS**

In our opinion, the individual financial statements present fairly, in all material respects, the Company's financial position as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil.

### **OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS**

In our opinion, the consolidated financial statements present fairly, in all material respects, the Company's consolidated financial position as at December 31, 2011, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil.

### **EMPHASIS OF MATTER**

As described in Note 2, the individual financial statements were prepared in accordance with the accounting practices adopted in Brazil. In the case of the Company, these accounting practices differ from the IFRS, applicable to separate financial statements, only with respect to the measurement of investments in subsidiaries and jointly-owned subsidiaries by the equity method of accounting, which, for purposes of IFRS, would be measured at cost or fair value.

### **OTHER MATTERS**

We have also audited the individual and consolidated statements of value added (DVA) for the year ended December 31, 2011, prepared by Management, the presentation of which is required in accordance with the Brazilian Securities and Exchange Commission (CVM) standards applicable to the preparation of the financial statements, and supplemental information for IFRS, which does not require the presentation of a DVA. These statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, February 29, 2012

Deloitte Touche Tohmatsu  
Auditores Independentes

Ismar de Moura  
Engagement Partner



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