(Convenience Translation into English from the Original Previously Issued in Portuguese)

Concessionária Ecovias dos Imigrantes S.A.

Financial Statements for the Year Ended December 31, 2012 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte.

Deloitte Touche Tohmatsu
Rua Alexandre Dumas, 1.981
04717-906 - São Paulo - SP
Brasil

Telefone: (11) 5186-1000
Fac-símile: (11) 5181-2911
www.deloitte.com.br

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT

To the Management and of Shareholders of
Concessionária Ecovias dos Imigrantes S.A.
São Bernardo do Campo, SP

We have audited the accompanying financial statements of Concessionária Ecovias dos Imigrantes S.A. ("Company"), which comprise the balance sheet as at December 31, 2012, and the income statement, statement of comprehensive income, 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 these financial statements in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards ("IFRSs"), issued by the International Accounting Standards Board ("IASB"), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 of 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 misstatements 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 qualified opinion.

Opinion on the financial statements

In our opinion, the individual financial statements present fairly, in all material respects, the financial position of Concessionária Ecovias dos Imigrantes S.A. as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil and IFRSs issued by the IASB.

Other matters

We have also audited the statements of value added ("DVA"), for the year ended December 31, 2012, prepared under the responsibility of the Company's management, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies and as supplemental information for IFRS that does not require a presentation of DVA. This statement was subjected to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the interim financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 4, 2013

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Ismar de Moura
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CONCESSIONÁRIA ECOVIAS DOS IMIGRANTES S.A.

BALANCE SHEETS AS AT DECEMBER 31, 2012 AND 2011
(In thousands of Brazilian reais - R$)

ASSETS	Note	12/31/2012	12/31/2011
CURRENT ASSETS			
Cash and cash equivalents	4	16,107	31,969
Restricted securities	5	28,498	30,106
Trade receivables	6	55,891	43,926
Recoverable taxes		88	280
Related parties - trade receivables	15	18	17
Prepaid expenses	7	1,746	1,633
Other receivables		7,397	5,020
Total current assets		109,745	112,951
NONCURRENT ASSETS			
Deferred taxes	11.a)	-	7,342
Escrow deposits	8	7,492	5,476
Related parties - trade receivables	15	39	13
Property, plant and equipment	9	36,154	31,501
Intangible assets	10	981,260	967,010
Total noncurrent assets		1,024,945	1,011,342
TOTAL ASSETS		1,134,690	1,124,293

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	12/31/2012	12/31/2011
CURRENT LIABILITIES			
Trade payables		14,471	14,735
Taxes, fees and contributions payable	12	8,269	7,626
Finance lease	13	192	900
Debentures	14	133,458	117,748
Payroll and related taxes		4,754	3,766
Tax Debt Refinancing Program (REFIS)		180	174
Related parties - trade payables	15	8,224	9,709
Concession fee payable	18	16,703	15,663
Provision for income tax and social contribution		10,178	10,705
Dividends and interest on capital	20.e)	129,573	196,653
Provision for maintenance	16	16,538	19,911
Other payables		18,131	10,650
Total noncurrent liabilities		360,671	408,240
NONCURRENT LIABILITIES			
Finance lease	13	-	190
Debentures	14	92,848	218,118
Concession fee payable	18	50,321	55,099
Related parties - trade payables	15	3	-
Tax Debt Refinancing Program (REFIS)		605	635
Provision for maintenance	16	36,552	41,229
Provision for future construction work	17	2,099	1,929
Provision for tax, labor and civil risks	19	17,946	19,598
Deferred taxes	11.a)	1,800	3,498
Other payables		2,375	3,274
Total noncurrent liabilities		204,549	343,570
SHAREHOLDERS' EQUITY			
Capital:			
Subscribed	20.a)	314,052	314,052
To be paid in	20.a)	(11,505)	(11,505)
Capital reserve - stock option plan	20.d)	81	31
Earnings reserve - legal	20.c)	60,509	60,509
Earnings reserve - additional dividends proposed	20.e)	206,333	9,396
Total shareholders' equity		569,470	372,483
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,134,690	1,124,293

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CONCESSIONÁRIA ECOVIAS DOS IMIGRANTES S.A.

DEMONSTRAÇÕES DO RESULTADO
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands of Brazilian reais - R$, except earnings per share)

	Note	12/31/2012	12/31/2011
NET REVENUE	22	824,431	771,772
COST OF SERVICES	23	(320,905)	(307,427)
GROSS PROFIT		503,526	464,345
OPERATING EXPENSES			
General and administrative expenses	23	(57,159)	(44,218)
Other expenses		(43)	(1)
		(57,202)	(44,219)
OPERATING INCOME BEFORE FINANCE INCOME (COSTS)		446,324	420,126
FINANCE INCOME (COSTS)			
Finance income	24	7,846	12,019
Finance costs	24	(61,008)	(75,668)
		(53,162)	(63,649)
OPERATING INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		393,162	356,477
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	11.b)	(120,751)	(109,991)
Deferred	11.b)	(5,643)	(3,768)
		(126,394)	(113,759)
PROFIT FOR THE YEAR		266,768	242,718
EARNINGS PER SHARE (R$) - BASIC AND DILUTED	25	0.99	0.90

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CONCESSIONÁRIA ECOVIAS DOS IMIGRANTES S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands of Brazilian reais - R$)

	12/31/2012	12/31/2011
PROFIT FOR THE YEAR	266,768	242,718
OTHER COMPREHENSIVE INCOME	-	-
COMPREHENSIVE INCOME FOR THE YEAR	266,768	242,718

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CONCESSIONÁRIA ECOVIAS DOS IMIGRANTES S.A.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands of Brazilian reais - R$, except earnings per share)

		Share capital		Capital reserve	Earnings reserves			
	Note	Subscrito	A integralizar	Stock option plan	Legal	Additional dividends proposed	Retained earnings	Total
BALANCE AS AT DECEMBER 31, 2010		314,052	(11,505)	-	53,670	91,656	-	447,873
Stock option plan	20.d)	-	-	31	-	-	-	31
Dividends paid in 2011 (R$0.35 per share)		-	-	-	-	(91,656)	-	(91,656)
Profit for the year		-	-	-	-	-	242,718	242,718
Allocation of profit:								
Legal reserve		-	-	-	6,839	-	(6,839)	-
Interest on capital paid (R$0.08 per share)	20.e)	-	-	-	-	-	(21,373)	(21,373)
Interim dividends paid (R$0.78 per share)	20.e)	-	-	-	-	-	(10,000)	(10,000)
Interim dividends proposed (R$0.74 per share)	20.e)	-	-	-	-	-	(195,110)	(195,110)
Setup of accrued dividends (R$0.04 per share)	20.e)	-	-	-	-	9,396	(9,396)	-
BALANCE AS AT DECEMBER 31, 2011		314,052	(11,505)	31	60,509	9,396	-	372,483
Stock option plan	20.d)	-	-	50	-	-	-	50
Profit for the year		-	-	-	-	-	266,768	266,768
Allocation of profit:								
Interest on capital paid (R$0.08 per share)	20.e)	-	-	-	-	-	(20,928)	(20,928)
Mandatory minimum dividends (R$0.18 per share)	20.e)	-	-	-	-	-	(48,903)	(48,903)
Setup of accrued dividends (R$0.73 per share)	20.e)	-	-	-	-	196,937	(196,937)	-
BALANCE AS AT DECEMBER 31, 2012		314,052	(11,505)	81	60,509	206,333	-	569,470

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CONCESSIONÁRIA ECOVIAS DOS IMIGRANTES S.A.

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands of Brazilian reais - R$)

	12/31/2012	12/31/2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax and social contribution	393,162	356,477
Adjustments to reconcile income before income tax and social contribution to net cash generated by operating activities:		
Depreciation and amortization	70,728	62,487
Loss/write-off of tangible and intangible assets	1,421	474
Finance income from Restricted securities	(484)	(443)
Financial charges on and inflation adjustment to debentures	46,079	57,178
Inflation adjustment to concession fee payable	9,795	9,513
Setup of provision for tax, labor and civil losses and inflation adjustment	3,529	10,763
Adjustment to present value of provision for maintenance and future works	2,534	5,913
Setup of provision for maintenance and provision for future works, net	44,872	41,158
Options premium	50	31
Deferred taxes	1	-
(Increase) decrease in operating assets:		
Trade receivables	(11,965)	(7,331)
Recoverable taxes	192	(145)
Prepaid expenses	(113)	6
Related parties - trade receivables	(27)	237
Other receivables and escrow deposits	(4,393)	(5,371)
Increase (decrease) in operating liabilities:		
Trade payables	(264)	710
Payroll and related taxes	988	221
Taxes, fees and contributions payable	643	416
Related parties - trade payables	(1,482)	5,726
Payment of provision for tax, labor and civil risks	(5,181)	(7,975)
Other payables	6,582	1,269
Income tax and social contribution paid	(121,278)	(107,856)
Payment of provision for maintenance and works	(55,286)	(45,448)
Interest paid	(58,899)	(66,054)
Net cash generated by operating activities	321,204	311,956
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15,228)	(8,380)
Purchase of intangible assets	(75,824)	(66,912)
Net cash used in investing activities	(91,052)	(75,292)
CASH FLOWS FROM FINANCING ACTIVITIES		
Concession fee payable	(13,533)	(12,786)
Restricted securities	2,092	137
Payment of lease and debentures	(97,638)	(97,579)
Payment of dividends and interest on capital	(136,911)	(121,486)
Tax Debt Refinancing Program (REFIS)	(24)	(130)
Net cash used in financing activities	(246,014)	(231,844)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(15,862)	4,820
Cash and cash equivalents at the beginning of the year		
Cash and cash equivalents at the end of the year	31,969	27,149
	16,107	31,969
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(15,862)	4,820

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CONCESSIONÁRIA ECOVIAS DOS IMIGRANTES S.A.

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands of Brazilian reais - R$)

	12/31/2012	12/31/2011
REVENUES		
Tolls	779,495	690,977
Construction	75,956	73,342
Other	39,122	34,884
	894,573	799,203
INPUTS ACQUIRED FROM THIRD PARTIES		
Cost of services	(233,431)	(229,709)
Materials, power, outside services and other	(45,044)	(31,643)
	(278,475)	(261,352)
Gross value added	616,098	537,851
DEPRECIATION AND AMORTIZATION	(70,728)	(62,487)
WEALTH CREATED BY THE COMPANY	545,370	475,364
WEALTH RECEIVED IN TRANSFER		
Finance income	7,846	12,019
WEALTH FOR DISTRIBUTION	553,216	487,383
WEALTH DISTRIBUTED	553,216	487,383
Personnel	28,904	27,807
Direct compensation	22,128	21,730
Benefits	5,670	5,004
Severance pay fund (FGTS)	1,106	1,073
Taxes, fees and contributions	196,536	141,190
Federal	156,276	140,252
Municipal	40,260	938
Debt	61,008	75,668
Interest	27,891	39,968
Leases	33,117	35,700
Shareholders	266,768	242,718
Legal reserve	-	6,839
Interest on capital paid	20,928	21,373
Interim dividends paid	-	10,000
Interim dividends proposed	-	195,110
Minimum mandatory dividends	48,903	-
Setup of accrued dividends	196,937	9,396

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

1. GENERAL INFORMATION

Concessionária Ecovias dos Imigrantes S.A. (“Ecovias” or “Company”) started operations on May 29, 1998 and is exclusively engaged in operating the Anchieta-Imigrantes highway system under the public service concession terms granted by the São Paulo State Government. The Company's registered head office is at Rodovia dos Imigrantes, km 28.5. Company shares are not traded on any stock exchange.

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, subsequently extended for another 88 months, 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 agreement is effective until September 2025.

2. PRESENTATION AND SUMMARY SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The Company’s financial statements have been prepared in accordance with accounting practices adopted in Brazil included in the Brazilian Corporate Law and the pronouncements, guidelines, and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

2.2. Basis of preparation

The financial statements have been prepared based on the historical cost, except as otherwise stated, as described in the accounting practices below. The historical cost is generally based on the fair value of the consideration paid in exchange for an asset.

2.3. Functional and reporting currency

Items included in the financial statements of the Company are measured using the currency of the main economic environment in which the Company operates ("functional currency"). The financial statements are presented in Brazilian reais (R$), which is the Company's functional currency.

2.4. Cash and cash equivalents

Include cash, bank accounts and highly-liquid, short-term investments with insignificant risk of change in value, stated at cost plus interest earned. Cash and cash equivalents are classified as loans and receivables and their income is recorded in profit or loss for the period.

2.5. Financial assets and financial liabilities

a) Financial assets

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

<u>Financial assets at fair value through profit or loss</u>

Financial assets are classified at fair value through profit or loss when they are held for trading or designated at fair value through profit or loss when acquired. A financial asset is classified as held for trading if it is:

- Acquired principally for the purpose of selling it in the near term.
- Part of a portfolio of identified financial instruments that are jointly managed and for which there is evidence of a recent actual pattern of short-term profit-taking.
- A derivative that is not a designated and effective hedging instrument in hedge accounting.

A financial asset other than a financial asset held for trading can be designated at fair value through profit or loss upon initial recognition when:

- This designation eliminates or significantly reduces an inconsistency that might arise upon measurement or recognition.
- It is part of a managed group of financial assets or liabilities, or both, and its performance is evaluated based on fair value according to the risk management or investment strategy documented by the Company, and the respective information is internally provided on the same basis.
- The financial liability forms part of a contract containing one or more embedded derivatives, and CPC 38 and IAS 39 - Financial Instruments: Recognition and Measurement permit that the combined contract as a whole (asset or liability) be designated at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value, with any gains or losses recognized in profit or loss for the year. Net gains or losses recognized in profit or loss include dividends or interest earned by the financial asset.

Financial assets held to maturity

Financial assets with fixed or determinable payments and fixed maturities, which the Company has the intention and ability to hold to maturity are classified as held to maturity. Held-to-maturity financial assets are measured at amortized cost using the effective interest method, less the allowance for impairment losses. Revenue is recognized using the effective interest method.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market, measured at amortized cost using the effective interest method, less the allowance for 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.

Available-for-sale financial assets

Non-derivative financial assets designated as available for sale and not classified in any of the categories above.

Available-for-sale financial assets are measured at fair value. Interest, inflation adjustment and exchange rate changes, if applicable, are recognized in profit or loss when incurred. Changes arising from measurement at fair value are recognized in a specific line item of shareholders' equity when incurred, and are charged to income when realized or considered unrecoverable.

Effective interest method

A method used to calculate the amortized cost of a financial asset or a financial liability and allocate interest income or interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial asset or, when appropriate, over a shorter period.

b) Financial liabilities

Financial liabilities are classified: (i) as fair value through profit or loss or (ii) as other financial liabilities.

Financial liabilities at fair value through profit or loss

This category includes financial liabilities held for trading or measured at fair value through profit or loss.

A financial liability is classified as held for trading if it is:

- Incurred principally for the purpose of repurchasing it in the near term.
- Part of a portfolio of identified financial instruments that are jointly managed and for which there is evidence of a recent actual pattern of short-term profit-taking.
- A derivative that is not designated as an effective hedging instrument.

Financial liabilities that are not held for trading can be designated at fair value through profit or loss upon initial recognition when:

- This designation eliminates or significantly reduces an inconsistency that might arise upon measurement or recognition.
- They are part of a managed group of financial assets or financial liabilities, or both, whose performance is valued based on its fair value, in accordance with the Company's documented risk management or investment strategy, and whose related information is provided internally on the same basis.
- They form part of a contract containing one or more embedded derivatives, and CPC 38 and IAS 39 - Financial Instruments: Recognition and Measurement permit that the combined contract as a whole (asset or liability) be designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains and losses recognized in profit or loss. Net gains or losses recognized in profit or loss comprise any interest paid on financial liabilities.

<u>Other financial liabilities</u>

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on a yield basis. The effective interest method is a method for calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, over a shorter period.

2.6. Property, plant and equipment

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

Depreciation is recognized on straight-line basis over the lower of the estimated useful life of each asset and the concession period. The estimated useful life, the residual values and the depreciation methods are annually reviewed at the end of the reporting period and the effects from any change in the estimates are recorded on a prospective basis.

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

2.7. 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 consideration 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 the costs of capitalized borrowings, less accumulated amortization and impairment losses.

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

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

2.8. 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.

2.9. Financial liabilities

<u>Other financial liabilities</u>

The Company’s financial liabilities are represented mainly by trade payables, finance leases, debentures, and concession fee payable (see to notes 13, 14 and 18). They are carried at contractual amounts plus related charges, including interest, inflation adjustment or exchange rate changes. When applicable, they are recognized at fair value, less transaction costs incurred, and are subsequently measured at the amortized cost by the effective interest method.

Borrowings and financing are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the loan for at least 12 months after the end of the reporting period.

2.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that take substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of such assets through the date they are ready for their intended use or sale.

Income on investments earned on the short-term investment of funds of specific borrowings not yet spent on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss for the year they are incurred.

2.11. Taxes

a) Current taxes

The provision for income tax is based on taxable income for the year. Taxable income differs from the income recorded in the income statement as it excludes income or expenses taxable or deductible in other years, and also nontaxable or nondeductible items on a permanent basis. The provision for income tax is calculated based on the statutory rates prevailing at yearend.

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 the temporarily deductible differences, and only when it is likely that the Company will present future taxable income at 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 deferred tax assets is reviewed at the end of each annual reporting period and, when it is no longer probable that future taxable income will be available to allow the recovery of all or part of the assets, these are adjusted for the expected recoverable amount.

Deferred tax assets and liabilities are measured using the tax rates applicable for the year in which the liability is expected to be settled or the asset is expected to be realized, based on the tax rates set forth in the tax law prevailing at the end of each reporting period, or when new legislation has been substantially approved. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the annual period, to recover or settle the carrying amount of its assets and liabilities.

c) Toll and other revenues are subject to cumulative Tax on services (ISS), Social Integration Program Tax on Revenue (PIS), and Social Security Funding Tax on Revenue (COFINS), which are carried as a reduction of gross operating revenue in the income statements.

2.12. Provisions

a) Provision for tax, labor and civil risks

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

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the end of each reporting period, considering the risks and uncertainties inherent in such obligation. When the provision is measured based on the cash flows estimated to settle an obligation, its carrying amount is equivalent to the present value of such cash flows.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, an asset is recognized if, and only if, reimbursement is virtually certain and the amount can be reliably measured.

The bases for and nature of the provisions for tax, civil, and labor risks are described in note 19.

b) Allowance for doubtful debts

A significant portion of trade receivables refers to receivables from related party Serviços de Tecnologia de Pagamentos S.A. - STP, a jointly controlled subsidiary of EcoRodovias Infraestrutura e Logística S.A. ("EcoRodovias Infraestrutura"), which manages the "Sem Parar" means of payment (electronic toll). The allowance for doubtful debts is recognized, if necessary, based on loss estimates.

c) 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 end of the reporting period, 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.

2.13. Other current and noncurrent liabilities

Carried at known or estimated amounts, plus the related charges, inflation adjustments and exchange rate changes, when applicable, incurred through the end of the reporting period.

2.14. Employee benefits - stock option plan

The Company offers its employees a stock option plan and receives services as consideration for the stock options granted. The stock option plan will be equity-settled, with shares of indirect parent EcoRodovias Infraestrutura.

The stock option plan for is measured at the fair value of equity instruments on the grant date. See note 20.d).

The fair value determined on grant date of the equity-settled stock options is recorded as expenses for the year on a straight-line basis over their vesting period, based on the Company's estimates of which options will eventually vest, with a corresponding increase in 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 profit or loss for the year, so that the accumulated expense reflects the revised estimates with the corresponding adjustment to shareholder's equity, in line item 'Capital reserve - stock option plan', where employee benefit is recorded.

2.15. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, less any estimated cancelations. Revenues and expenses are recognized on the accrual basis, including:

- Toll revenues are recognized as users pass through the toll plaza.

- Revenues from advance sales of toll coupons are recorded as 'Deferred revenue' in current liabilities, in line item 'Other payables', and are recognized as revenue in profit or loss as users pass through the toll plaza.

- Revenue related to improvements or construction works under the service concession arrangement is recognized based on the percentage of completion of the construction performed. Operating and service revenue is recognized in the year the Company provides the services. When the Company provides more than one service under a service concession arrangement, the consideration received is allocated by reference to the fair values of the services delivered.

2.16. Finance income (costs)

Refer to interest, inflation adjustments and exchange rate differences arising from short-term investments, escrow deposits, debentures, concession fee payable, and provision for maintenance.

2.17. 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 profit or loss directly in equity.

2.18. Basic and diluted earnings per share

The basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued in the year.

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares.

2.19. 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 DVA has been prepared based on the information obtained from the accounting records used as the basis for the preparation of the financial statements and in accordance with the provisions set forth in CPC 09 - Statement of Value Added The first part of the DVA presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied thereon, other income and the effects of the allowance for doubtful debts), inputs purchased from third parties (cost of sales and purchases of materials, power, and outside services, including the taxes included upon purchase, the effects of impairment and recovery of assets, and depreciation and amortization) and the wealth received from third parties (finance and other income). The second part of the DVA presents the distribution of wealth among personnel, taxes and contributions, lenders and lessors, and shareholders.

2.20. New and revised standards and interpretations issued and not yet adopted

The Company did not adopt the new and revised IFRSs below already issued but not yet effective:

Effective for annual periods beginning on or after January 1, 2013:

- IFRS 10 - Consolidated Financial Statements - Under IFRS 10 there is only one basis for consolidation, that is, control. Additionally, IFRS 10 includes a new definition of control.

- IFRS 11 - Joint Arrangements - addresses how a joint arrangement where two or more parties have joint control should be classified.

- IFRS 12 - Disclosure of Interests in Other Entities - it is a disclosure standard applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities.

- IFRS 13 - Fair Value Measurement - establishes a single source of guidance for fair value measurements and disclosures about fair value measurements.

- Amendments to IFRS 7 - Disclosures - Offset of Financial Assets and Financial Liabilities - increase the disclosure requirements for transactions involving transfers of financial assets.

- Amendments to IFRS 10, IFRS 11 and IFRS 12 - clarify certain rules applicable to the first-time adoption of IFRSs.

- IAS 19 (revised in 2011) - Employee Benefits - changes the accounting of defined benefit plans and termination benefits.

- IAS 27 (revised in 2011) - Separate Financial Statements - reflects the changes in the accounting for noncontrolling interests (minorities) and addresses mainly the accounting of changes in equity interests in subsidiaries after control is obtained.

- IAS 28 (revised in 2011) - Investments in Subsidiaries and Joint Ventures - clarify procedures for the application of impairment tests to associates and joint ventures.

- Amendments to IFRSs - the annual improvements to the 2009-2011 IFRS cycle include several changes to different IFRSs. The amendments to IFRSs applicable to annual periods beginning on or after January 1, 2013 include:

  a) Amendments to IAS 16 - Property, Plant and Equipment - clarify that spare parts, stand-by equipment and service equipment are classified as property, plant and equipment when they meet the definition of property, plant and equipment set out in IAS 16, or otherwise as inventory.

  b) Amendments to IAS 32 - Financial Instruments - Presentation - clarify that the income tax related to distributions to holders of equity instruments and equity transaction costs should be accounted pursuant to IAS 12 - Income Taxes.

Effective for annual periods beginning on or after January 1, 2014:

- Amendments to IAS 32 - Offset of Financial Assets and Financial Liabilities - address the classification of certain rights issues denominated in a foreign currency as either equity instruments or as financial liabilities.

Effective for annual periods beginning on or after January 1, 2015:

- IFRS 9 - Financial Instruments - introduces new requirements for the classification, measurement and derecognition of financial assets and financial liabilities.

The company’s management assessed these new standards and interpretations and does not expect any significant impacts on the reported amounts.

- Because of the CPC’s commitment to keep the set of standards issued up-to-date as amendments are made by the IASB, Management expects such new and revised standards to be issued by CPC by the date they become effective.

By the reporting date, the following technical pronouncements were issued by CPC:

CPC 19 (R2)	Joint Arrangements (equivalent to IFRS 11)
CPC 33 (R1)	Employee Benefits (equivalent to IAS 19, revised)
CPC 36 (R3)	Consolidated Financial Statements (equivalent to IFRS 10)
CPC 45	Disclosure of Interests in Other Entities (equivalent to IFRS 12).
CPC 46	Fair Value Measurement (equivalent to IFRS 13)

3. USE OF ESTIMATES AND JUDGMENT

The preparation of financial statements pursuant to IFRSs and CPCs requires Management to make judgments, estimates and assumptions that affect the adoption of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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 the discount to present value rates used to measure certain current and noncurrent assets and liabilities and determine the amortization rates of intangible assets obtained based in traffic projection economic studies, the provisions for maintenance, the provisions for future investments arising from the concession arrangements whose economic benefits are diluted in current tolls, the provisions for tax, labor and civil risks, the losses on trade receivables, and the preparation of projections on the realization of deferred income tax and social contribution, which, although reflecting the judgment of the best estimate by the Company’s management concerning the likelihood of future events, actual results could differ from those estimates.

Estimates and assumptions are reviewed on a continuous basis. Revised accounting estimates are recognized in the period in which estimates are reviewed and in any future periods that may be impacted.

<u>Accounting for concession arrangements</u>

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 wither as intangible or financial assets, and assessment of future economic benefits in order to determine when intangible assets generated under concession arrangements are recognized. The accounting treatment applied to the Company’s concession arrangement and the concession arrangement features are described in note 30.

<u>Intangible assets recognition timing</u>

The Company’s management assesses the intangible assets recognition timing based on the economic features of each concession arrangement. Any additions to the existing intangible assets will only be accounted for upon completion of services related to infrastructure construction or expansion/improvement that has 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 amortizing intangible assets arising from concession arrangements limited to the termination of the related concessions. 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 based on economic studies seeking to reflect the projected highway traffic growth and future economic benefits arising from each concession arrangement.

The Company makes uses of econometric models to project traffic, which are periodically reassessed by analyzing independent projection variables, such as macroeconomic variables (Gross Domestic Product (GDP), Extended Consumer Price Index (IPCA), General Market Price Index (IGP-M), US 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 soy bran, WTI and Brent oil price, loading/unloading of corn cargo, soybean and fertilizers in the Paranaguá Port), weather (rainfall and temperature), seasonality (months, number of holidays in the month, holiday weekday), and structural variables (new lanes and new toll plazas). 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

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 related party that performs construction services. All the described assumptions are used for the purpose of determining the fair value of construction activities.

The Company's management understands that construction revenues are accounted for at fair value.

Determination of the adjustment to present value of certain assets and liabilities

For certain assets and liabilities that are part of the Company's operations, management values and recognizes the impacts of the discount to present value taking into consideration the time value of money and the uncertainties associated them. As at December 31, 2012 and 2011, assets and liabilities adjusted to present value, as well as the main assumptions used by Management to measure and recognize them, are as follows:

- Provision for future construction works based on the estimated disbursements to meet the concession contractual obligations whose economic benefits are already accrued by the Company, and the provision for maintenance based on the estimated costs to meet the contractual concession obligations related to the use and maintenance of highways at predefined usage levels.

  The present values of these provisions were measured using the projected cash flow method on the dates in which funds are disbursed to meet the related obligations (estimated for the entire concession period) and discounted using a discount rate of 9.30% per year. The discount rate used by Management is based on the weighted average rate on funding.

- Concession fee payable: arising from obligations incurred by the Company concerning the concession right. The measurement and criteria of related amounts are described in note 18.

Impairment test of assets with finite useful lives

In preparing the financial statements, the Company analyzes if there is evidence that the assets might be impaired. When there is such evidence, the Company estimates the recoverable value of the asset. 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 carried at cost is recorded in profit or loss 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 indications the its assets might be impaired at December 31, 2012 and 2011.

4. CASH AND CASH EQUIVALENTS

	12/31/2012	12/31/2011
Cash and banks	12,985	10,165
Short-term investments-		
Bank Certificates of Deposit (CDBs) (*)	3,122	21,804
	16,107	31,969

(*) Unrestricted funds refer basically to short-term investments in CDBs, with yield rates ranging from 100.0% to 102.3% of the interbank deposit rate (CDI), without risk of significant changes in value. Redemption periods range from one to three months, the funds are highly liquid and can be immediately redeemed by the Company. The Company also holds a short-term investment in Banco Itaú Unibanco S.A., in which the funds available at the end of the month are automatically invested and yield 20.0% of the CDI, without risk of significant changes in value. This investment is highly liquid. As at December 31, 2012, the amount invested in this type of investment is R$817 (R$4,084 at December 31, 2011).

5. RESTRICTED SECURITIES

Restricted securities are temporary investments represented by highly-liquid securities.

	12/31/2012	12/31/2011
CDBs	28,498	30,106

CDBs yield rates ranging from 98.0% to 106.6% of the CDI and reflect the market conditions at the end of the reporting periods. Although these investments are highly liquid, they were classified as restricted securities because they are linked to the settlement of interest on Company debentures as guarantee of the funds required to pay such interest and repay principal (see note 14).

6. TRADE RECEIVABLES

Represented by invoices receivable from customers for the lease of advertising billboards, occupation of highway land, accesses, and other services resulting from the use and exploitation of the highway land.

These amounts are broken down as follows:

	12/31/2012	12/31/2011
Electronic toll - related parties (*)	43,663	37,563
Electronic toll - other	9,227	2,039
Toll coupons	1,222	1,142
Other income	1,779	3,182
	55,891	43,926

(*) Related party Serviços de Tecnologia de Pagamentos S.A. - STP, a jointly controlled subsidiary of EcoRodovias Infraestrutura, manages the “Sem Parar” means of payment. See Note 15. As at December 31, 2012, Management, based on its credit risk assessment and the collection history from customers, believes that it is not necessary to recognize an allowance for doubtful debts on the balance of trade receivables.

The aging list of receivables is as follows:

	12/31/2012	12/31/2011
Current	55,891	43,917
Past due:		
Up to 30 days	-	14
31 to 60 days	-	15
	55,891	43,946

7. PREPAID EXPENSES

The balance of R$1,746 (R$1,633 at December 31, 2011) refers basically to unearned insurance premiums, classified in current assets. See Note 29.

8. ESCROW DEPOSITS

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

	12/31/2012	12/31/2011
Opening balance	5,476	3,041
Additions	1,878	3,487
Write-offs	(776)	(2,236)
Inflation adjustment	914	1,184
Closing balance	7,492	5,476

9. PROPERTY, PLANT AND EQUIPMENT

	Hardware and toll equipment	Machinery and equipment	Furniture and fixtures	Land	Buildings	Other	Total PP&E
Balance at December 31, 2010	14,628	4,097	2,389	3,304	2,286	3,646	30,350
Additions	5,556	1,361	202	-	28	1,233	8,380
Write-offs	-	-	-	-	-	(474)	(474)
Depreciation	(4,507)	(1,026)	(332)	-	(196)	(694)	(6,755)
Balance at December 31, 2011	15,677	4,432	2,259	3,304	2,118	3,711	31,501
Average annual depreciation rates - %	20.0	10.0	10.0	-	5.0	17.0	

	Hardware and toll equipment	Machinery and equipment	Furniture and fixtures	Land	Buildings	Other	Total PP&E
Balance at December 31, 2011	15,677	4,432	2,259	3,304	2,118	3,711	31,501
Additions	5,965	2,152	256	-	110	6,745	15,228
Write-offs	-	-	-	-	-	(601)	(601)
Transfers	356	(178)	118	-	-	(296)	-
Depreciation	(7,562)	(1,137)	(333)	-	(204)	(738)	(9,974)
Balance at December 31, 2012	14,436	5,269	2,300	3,304	2,024	8,821	36,154
Average annual depreciation rates - %	20.0	10.0	10.0	-	5.0	17.0	

As at December 31, 2012 there were no property, plant and equipment items pledged as collateral of debentures and finance leases (see note 13 and 14) or proceedings of any nature.

The Company capitalized financial charges totaling R$470 for the year ended December 31, 2012 (R$301 for the year ended December 31, 2011) at an average funding rate of 9.30% (9.62% in 2011).

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

10. INTANGIBLE ASSETS

	Concession arrangements	Intangibles in progress	Software licenses	Intangible assets
Balance at December 31, 2010	954,703	440	687	955,830
Additions	64,741	2,024	147	66,912
Transfers	1,723	(1,723)	-	-
Amortization	(55,523)	-	(209)	(55,732)
Balance at December 31, 2011	965,644	741	625	967,010
Average annual amortization rates - %	(*)	-	20.0	

	Concession arrangements	Intangibles in progress	Third-party software	Intangible assets
Balance at December 31, 2011	965,644	741	625	967,010
Additions	68,348	5,972	1,504	75,824
Write-offs	(820)	-	-	(820)
Transfers	(14,138)	14,138	-	-
Amortization	(60,513)	-	(241)	(60,754)
Balance at December 31, 2012	958,521	20,851	1,888	981,260
Average annual amortization rates - %	(*)	-	20.0	

(*) The amortization of intangible assets arising from the concession rights is recognized in profit or loss through the projected traffic curve for the concession period as from the date they become available for use, since this method best reflects the future economic benefit consumption pattern incorporated to the asset. The amortization rate as at December 31, 2012 is 5.49% per year (5.26% per year at December 31, 2011).

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

11. 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 effective aggregate tax rate of 34%, broken down as follows:

	12/31/2012	12/31/2011
Provision for tax, labor and civil risks	17,946	19,597
Capitalized interest	(3,060)	(3,277)
Present value adjustment to concession fee payable	(3,500)	(5,444)
Effects of ICPC 01 - Concession Arrangements	(16,738)	3,082
Other	59	177
	(5,293)	11,306
	34%	34%
Total	(1,800)	3,844
Deferred assets	6,122	7,342
Deferred liabilities	(7,922)	(3,498)
Net deferred liabilities	(1,800)	-

Management believes that the temporary provisions for deferred assets will be realized within up to five fiscal years based on the expected reversal and/or payment of the provision for tax, labor and civil risks.

b) Reconciliation of income tax and social contribution expense

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

	12/31/2012	12/31/2011
Income before income tax and social contribution	393,162	356,477
Tax rate	34%	34%
Income tax and social contribution expense at statutory tax rate	(133,675)	(121,202)
Interest on capital	7,116	7,267
Income tax and social contribution on additions and deductions	165	176
Income tax and social contribution expenses	(126,394)	(113,759)
Current income tax and social contribution expenses	(120,751)	(109,991)
Deferred income tax and social contribution expenses	(5,643)	(3,768)

12. TAXES, FEES AND CONTRIBUTIONS PAYABLE

	12/31/2012	12/31/2011
Taxes on revenue:		
Service tax (ISS)	3,825	3,468
Tax on revenue (COFINS)	2,336	2,115
Tax on revenue (PIS)	506	458
Withholding ISS	396	413
Withholding income (IRRF)/PIS/COFINS/social contribution on services provided	566	1,024
Other taxes	640	148
	8,269	7,626

13. FINANCE LEASE

Finance lease obligations are effectively guaranteed since the leased asset is handed over to the lessor in case of default.

Financial obligations are broken down as follows:

	12/31/2012	12/31/2011
Gross finance lease obligations - minimum lease payments:		
Less than a year	190	892
More than a year and less than five years	-	191
	190	1,083
Future financing charges on finance leases	2	7
Financial lease obligations - accounting balance	192	1,090
Current	192	900
Noncurrent	-	190

Changes in leases were as follows:

	12/31/2012	12/31/2011
Opening balance	1,090	1,915
Financial charges	90	241
Principal repayment	(888)	(829)
Interest payment	(100)	(237)
Closing balance	192	1,090

The contra entry to the balance of finance leases is recorded in line item ‘Property, plant and equipment’, refers to trucks, and has the residual amount of R$1,049 at December 31, 2012 (R$1,554 at December 31, 2011).

Finance lease transactions do not entail any restriction, such as to the payment of dividends, interest on capital, additional funding, etc.

14. DEBENTURES

Debentures are summarized as follows:

	12/31/2012	12/31/2011
Adjusted principal	220,497	327,588
Yield (interest)	7,479	11,125
Debentures issuance costs	(1,670)	(2,847)
	226,306	335,866
Current	133,458	117,748
Noncurrent	92,848	218,118

Changes in debentures were as follows:

	12/31/2012	12/31/2011
Opening balance	335,866	441,496
Financial charges	45,989	56,937
Principal payment	(96,750)	(96,750)
Interest payment	(58,799)	(65,817)
Closing balance	226,306	335,866

On December 21, 2006, the Company completed the issuance of R$450,000 in debentures in three series, the first series amounting to R$135,000, amortizable in 84 months and with final maturity on November 1, 2013, and the second and third series amounting to R$157,500 each, amortizable in 90 and 96 months, and with final maturity on May 1 and November 1, 2014, respectively.

The first series, offered to the local market, bears interest corresponding to 104% of the CDI, paid semiannually, and was priced using concepts set out in CVM Instruction 404/04.

The second and third series, also offered to the local market, bear interest pegged to IGP-M variance and interest of 9.5% per year, paid annually with a six-month interval between the two series.

The risk rating awarded by Standard & Poor's to this transaction is "brAAA".

Description

Method and convertibility	Registered, book-entry, simple, nonconvertible
Number issued	45,000 (in three series)
Unit face value on the issuance date	R$10
Unit face value adjusted on December 31, 2012	1st series - not adjustable 2nd series - R$6.30 3rd series - R$6.01
Unit value adjustment factor	1st series - not adjustable 2nd and 3rd series - IGP-M
Yield (interest and inflation adjustment)	1st series - 104% of CDI 2nd and 3rd series - 9.5% per year (252 days) on the adjusted unit face value
Yield maturity (interest and inflation adjustment)	1st series: semiannual installments (May 1, 2007 to Nov 1, 2013) 2nd series: annual installments (May 1, 2008 to May 1, 2014) 3rd series: annual installments (Nov 1, 2007 to Nov 1, 2014)
Repayment maturity	1st series: semiannual installments (May 1, 2010 to Nov 1, 2013) 2nd series: annual installments (May 1, 2010 to May 1, 2014) 3rd series: annual installments (Nov 1, 2010 to Nov 1, 2014)
Repayment and yield (interest and inflation adjustment) amortization reserve	Retention in a restricted deposit account (investment) of 50% of amounts credited to bank account as from the 6th of each month until it reaches an amount equivalent to the installment of the estimated amount due in the relevant month
Debenture depositary	Banco Bradesco S.A.
Place of payment	CETIP and CBLC
Reserve account bank	Unibanco - União de Bancos Brasileiros S.A.
Trustee	Oliveira Trust DTVM S.A.
Warranties	Pledge of 99.99% of shares and collateral assignment of toll receivables
Debenture restructuring clause	No restructuring clauses

Maturities of noncurrent portions are as follows, by year:

	12/31/2012			12/31/2011		
	Installment	Cost	Total	Installment	Cost	Total
2013	-	-	-	126,769	(1,145)	125,624
2014	93,373	(525)	92,848	93,020	(526)	92,494
	93,373	(525)	92,848	219,789	(1,671)	218,118

The contract requires compliance with a net debt-to-EBITDA ratio lower than 2.2 points and an EBITDA-to-debt service (interest payment and principal repayment in the year) ratio of 1.3 points or higher, based on the financial statements. Compliance with such ratios is checked quarterly based on the past 12 months. As at December 31, 2012 the required financial ratios have been met.

The table below shows the Internal Return Rate (IRR) of these transactions:

	Date	Face value	Issue costs	Net amount	Interest rate	IRR
1st series debentures	11/1/2006	135,000	(2,677)	132,323	104% CDI	107% CDI
2nd series debentures	11/1/2006	157,500	(3,124)	154,376	9.5% + IGP-M	10.32% + IGP-M
3rd series debentures	11/1/2006	157,500	(3,124)	154,376	9.5% + IGP-M	10.35% + IGP-M
		450,000	(8,925)	441,075		

The listed debentures' interest rates have been determined through a bookbuilding procedure that consists of collection investment intentions, performed by the offering underwriters, pursuant to Article 44 of CVM Instruction 400/03. The purpose of this procedure is to determine the final interest rates of the debentures and, therefore, no premiums or discounts are incurred when the listed securities are issued.

15. RELATED PARTIES

The Company engages services from their shareholders or from companies related to them, either directly or through consortiums, for the performance of upkeep, improvement and expansion services in the highway system, and consulting services.

As at December 31, 2012 and 2011, related-party balances are as follows:

Balance sheet		Current assets	Noncurrent assets	Noncurrent assets	Current liabilities	Noncurrent liabilities
Company	Type	Trade receivables	Sundry receivables	Intangible assets	Payables	Payables
Consórcio Serra do Mar S.A. (a)	Other related parties	-	-	45,338	3,502	-
Ecorodovias Concessões e Serviços S.A. (b)	Direct subsidiary	18	39	-	4,722	3
Serviços de Tecnologia de Pagamentos S.A. - STP (c)	Other related parties	43,663	-	-	-	-
Total at December 31, 2012		43,681	39	45,338	8,224	3
Total at December 31, 2011		37,580	13	40,425	9,709	-

Income statement

Company	Type	Cost of services	Revenues	General and administrative expenses
Serviços de Tecnologia de Pagamentos S.A. - STP (c)	Other related parties	-	-	(3,395)
Ecorodovias Concessões e Serviços S.A. (b)	Direct subsidiary	(40,907)	205	(21,271)
Total at December 31, 2012		(40,907)	205	(24,666)
Total at December 31, 2011		(45,920)	195	(15,163)

(a) Consórcio Serra do Mar, comprised of parent companies and the following Company related parties: C.R. Almeida Engenharia de Obras S.A., Impregilo SPA Sucursal Brasil, and Cigla Construtor Impregilo Associados S.A., 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 Domenico Rangoni highway, paving of the Anchieta-Imigrantes system highways, and at the toll plazas. The overall price agreed to deliver the services contracted by the Company from Consórcio Serra do Mar is R$94,200, of which R$58,741 have been paid, and the remaining R$35,459 to be incurred under this agreement. The outstanding balances fall due within 45 days and are not subject to the financial charges, and no collaterals were pledged to the creditors.

(b) Direct subsidiary Ecorodovias Concessões e Serviços S.A. provides administrative, financial, human resources, information technology, engineering and corporate procurement services. The annual amount of the agreements entered into by the service companies is R$62,178, the outstanding balances fall due within up to 45 days and are not subject to the financial charges, and no collaterals were pledged to the creditors.

(c) Related party Serviços de Tecnologia de Pagamentos S.A. - STP, a jointly controlled subsidiary of EcoRodovias Infraestrutura e Logística S.A., manages the “Sem Parar” means of payment. The R$44,389 balance receivable matures within up to 45 days, is not subject to inflation adjustment, and no collaterals were pledged on these transactions.

As at December 31, 2012, the Company had not granted any surety to any related party.

Management compensation

Management members are the persons with authority and responsibility for the planning, steering and controlling the Company’s activities, including any officer (executive or otherwise).

For the year ended December 31, 2012, management received short-term benefits (wages, salaries, profit sharing bonuses, healthcare benefits, housing, free or Company-subsidized goods or services, and stock options) accounted for in line item ‘General and administrative expenses’.

No amounts were paid as: (a) postemployment benefits (pensions, other retirement benefits, postemployment life insurance, and postemployment healthcare); (b) long-term benefits (leave of absence for length of service and long-term disability benefits); or (c) severance benefits.

The Extraordinary Shareholders' Meeting set management’s annual overall compensation for the year ending December 31, 2012 at R$843 (R$838 for 2011).

Compensation paid to management for the year is as follows:

	12/31/2012	12/31/2011
Salaries and wages	516	511
Stock option plan (see note 20.d)	50	31
Pension plan	29	26
Profit sharing bonuses	268	220
	863	788

16. PROVISION FOR MAINTENANCE

The amounts recorded as provision for maintenance refer to the highway system, adjusted at present value at a rate of 9.30% per year. The amounts are accrued by highway stretch and interventions, on average, every six years.

Changes and balances are as follows:

	12/31/2010	Addition	Payment	Financial effect	12/31/2011
Setup of provision for maintenance	144,712	47,894	-	-	192,606
Effect of present value on the provision setup	(27,894)	(6,736)	-	-	(34,630)
Performance of maintenance	(75,256)	-	(41,210)	-	(116,466)
Present value adjustment - realized	14,258	-	-	5,372	19,630
	55,820	41,158	(41,210)	5,372	61,140
Current	12,418				19,911
Noncurrent	43,402				41,229

	12/31/2011	Addition	Payment	Financial effect	12/31/2012
Setup of provision for maintenance	192,606	51,044	-	-	243,650
Effect of present value on the provision setup	(34,630)	(6,172)	-	-	(40,802)
Performance of maintenance	(116,466)	-	(55,286)	-	(171,752)
Present value adjustment - realized	19,630	-	-	2,364	21,994
	61,140	44,872	(55,286)	2,364	53,090
CURRENT LIABILITIES	19,911				16,538
NONCURRENT ASSETS	41,229				36,552

17. PROVISION FOR FUTURE CONSTRUCTION WORKS

The provision for future construction works arises from the estimated disbursements necessary to comply with the contractual concession obligations, whose economic benefits are already recognized by the Company as a contra entry to intangible assets. These amounts are adjusted at rates of 9.30% per year.

Changes and balances are as follows:

	12/31/2010	Payment	Financial effect	12/31/2011
Setup of provision for future construction works	7,909	-	-	7,909
Effect of present value on provision setup	(6,041)	-	-	(6,041)
Performance of the construction	-	(4,238)	-	(4,238)
Present value adjustment - realized	3,758	-	541	4,299
	5,626	(4,238)	541	1,929
Current	3,697			-
Noncurrent	1,929			1,929

	12/31/2011	Financial effect	12/31/2012
Setup of provision for future construction works	7,909	-	7,909
Effect of present value on the provision setup	(6,041)	-	(6,041)
Realization of the construction	(4,238)	-	(4,238)
Present value adjustment - realized	4,299	170	4,469
	1,929	170	2,099
Noncurrent	1,929		2,099

18. CONCESSION FEE PAYABLE

	12/31/2012	12/31/2011
Fixed installments	64,689	68,646
Variable installments	2,335	2,116
	67,024	70,762
Current	16,703	15,663
Noncurrent	50,321	55,099

Under the Company’s Concession Arrangement, dated May 27, 1998, the fixed concession fee is subdivided into 240 fixed monthly, consecutive installments, payable beginning in the first month of collection, annually adjusted according to the IGP-M variance released by Fundação Getúlio Vargas - FGV, a university. As at December 31, 2012, 64 installments remain unpaid and payments made correspond to 73.33% of total (68.33% of total at December 31, 2011).

Accounting pronouncement CPC 12 - Present Value Adjustment and CVM Resolution 564/08 introduce the concept of adjustment to present value for concession fee obligations using the annual 9.30% discount rate, which is similar to the interest rate attributed to second and third series debentures, also adjusted for inflation using the IGP-M. The R$4,335 discount, which added to inflation adjustment of the concession fees of R$4,978, totals R$11,310 as financial charges on concession fee obligations, was recorded in profit for the year ended December 31, 2010, in line item ‘Finance income (costs)’.

The variable portion is calculated and paid monthly and corresponds to 3% of collection revenue.

Maturities of noncurrent portions are as follows, by year:

	12/31/2012	12/31/2011
2013	-	12,477
2014	13,452	11,394
2015	12,285	10,406
After 2016	24,584	20,822
	50,321	55,099

Changes in concession fee payable are as follows:

	12/31/2012	12/31/2011
Opening balance	70,762	74,035
Inflation adjustment on concession fee payable	9,795	9,513
Principal repayment	(13,533)	(12,786)
Closing balance	67,024	70,762

19. PROVISION FOR TAX, LABOR AND CIVIL RISKS

The Company is a party to several ongoing tax, labor and civil lawsuits arising in the normal course of business. The related provisions for tax, labor and civil risks was set up for lawsuits whose likelihood of future disbursement was considered probable, based on the opinion of the Company's legal counsel.

Changes and balances are as follows:

Type	12/31/2010	Additions	Payments	Inflation adjustment	12/31/2011
Civil (a)	11,682	2,143	(5,424)	3,152	11,553
Tax (b)	526	1,379	(221)	85	1,769
Labor (c)	4,602	2,909	(2,330)	1,095	6,276
	16,810	6,431	(7,975)	4,332	19,598

Type	12/31/2011	Additions	Payments	Inflation adjustment	12/31/2012
Civil (a)	11,553	64	(3,787)	497	8,327
Tax (b)	1,769	448	(6)	467	2,678
Labor (c)	6,276	1,415	(1,388)	638	6,941
	19,598	1,927	(5,181)	1,602	17,946

(a) Civil

Refer mainly to proceedings claiming compensation for losses and damages due to highway accidents. The Company is a party to other civil lawsuits totaling R$4,921 at December 31, 2012 (R$4,921 at December 31, 2011), whose likelihood of loss is assessed by the Company's legal counsel and Management as possible; accordingly, no provision was set up.

The Company is a party to a class action brought by the São Paulo State Public Prosecution Office against the Company because it understand that the concessionaire did not paid part of the environmental compensation for the construction of the downward lane of the Imigrantes highway. The claims made as advanced relief were dismissed and the interlocutory appeal was filed to reverse the decision was denied. Currently, the primary court records of the civil class action are pending return of the letter of request for service of process of Ecovias. The amount of R$18,714 was estimated for such claim and the likelihood of loss is assessed as possible, with no provision, due to the procedural phase and defense allegations to be presented in the court records of the civil class action.

(b) Tax lawsuits

As at December 31, 2012, there are also other tax lawsuits totaling R$1,519 (R$12,944 at December 31, 2011), which were assessed as possible losses by the Company's legal counsel and Management and, therefore, no provision was set up.

The Company was a party to a tax administrative proceeding related to a tax assessment notice issued by the Federal Revenue Service in São Bernardo do Campo, SP, since tax auditors disallowed the cash basis used to recognize foreign exchange gains and, as a result, required the payment of allegedly due income tax and social contribution. A final and unappealable decision on this lawsuit was issued in July 2012, without any disbursement by the Company.

(c) Labor lawsuits

Refer mainly to claims for compensation for occupational accidents and payment of overtime. There are no lawsuits involving an individually material amount. As at December 31, 2012, there are also other labor lawsuits totaling R$9,151 (R$6,795 at December 31, 2011) that have been assessed as possible losses by the Company's legal counsel and Management; accordingly, no provision was set up.

20. SHAREHOLDERS' EQUITY

a) Capital

As at December 31, 2012 and 2011, subscribed capital is R$314,052, represented by 270,386,120 registered common shares, without par value, including an unpaid portion of R$11,505.

b) Authorized capital

Under Article 5 of its bylaws, the Company is authorized to increase its capital by up to 52,965,000 common shares, under a Board of Directors' resolution, subject to the statutory issue terms and conditions and the period for exercising preemptive rights.

c) Earnings reserve - legal

Set up at 5% of adjusted profit for the year, limited to 20% of capital.

d) Capital reserve - stock option plan

The Extraordinary Shareholders' Meeting (ESM) of indirect parent EcoRodovias Infraestrutura, held on August 31, 2010, approved a Stock Option Plan for the management and employees of the EcoRodovias Group. The Board of Directors of EcoRodovias is responsible for establishing and managing said plan.

The purpose of the stock option plan is to allow beneficiaries to become shareholders of EcoRodovias Infraestrutura, so that they are directly and actively involved in bringing positive results. Are eligible for the stock option plan the members of the Board of Directors and officers of EcoRodovias Infraestrutura and its subsidiaries, and their key employees who are not statutory officers.

The stock option grant cannot exceed the 2% ceiling of common shares effectively issued by EcoRodovias Infraestrutura. These shares can only be treasury shares.

The Board of Directors will set out the terms and conditions of each stock option in a stock option grant contract to be entered into by EcoRodovias Infraestrutura and each beneficiary.

The stock options price shall correspond to the EcoRodovias Infraestrutura's share price, adjusted for inflation based on the IPCA or another equivalent index selected at the EcoRodovias Infraestrutura's Annual Shareholders' Meeting.

The Board of Directors made 3,421,883 common shares available for this plan, as follows:

	1st grant	2nd grant	3rd grant
Date	8/31/2010	3/22/2011	4/25/2012
Number of stock options	685,764	1,212,045	1,524,074
Strike price - R$ per share	R$9.95	R$13.06	R$13.58
Adjustment index	IPCA	IPCA	IPCA

The Company recognizes in profit or loss, during the period services are provided, the vesting period and the costs of the compensation paid to beneficiaries based on the fair value of the stock options on grant date, using the Black-Scholes pricing model to measure the fair values of the stock options. As at December 31, 2012, R$50 was recorded in line item 'Stock option premium' (R$31 at December 31, 2011).

EcoRodovias Infraestrutura will settle this stock option plan by delivering its own shares, which will be held in treasury up to the actual exercise of the stock options by the beneficiaries.

Changes in the number of stock options are as follows:

	1st grant	2nd grant	3rd grant	Total
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)
At December 31, 2011	646,269	1,212,045	-	1,858,314
Granted	-	-	1,524,074	1,524,074
Exercised	(257,410)	(196,899)	-	(454,309)
At December 31, 2012	388,859	1,015,146	1,524,074	2,928,079

The fair value of stock options was estimated on the option grant date by using the Black-Scholes pricing model.

in the year ended December 31, 2012, 454,309 common stock options were exercised at the average price of R$12.42 per share.

The stock option vesting period will be as follows:

Year	Average strike price per share in R$	Number of shares	Option average fair value in R$	Total	Exercise period
2013	13.12	855,470	7.36	6,296	11 months
2014	13.12	855,470	9.07	7,759	23 months
2015	14.03	684,030	6.15	4,207	35 months
2016	13.92	381,020	2.79	1,063	47 months
		2,775,990		19,325	

The stock options' terms and conditions are as follows:

On August 31, 2010, the Board of Directors of EcoRodovias Infraestrutura approved the first share buyback program. The buyback will take place without a capital reduction and using of reserves, for cancellation or holding in treasury, as well as for resale, replacement in the market, or to back the EcoRodovias Infraestrutura's stock option plans, in compliance with: (i) the standards issued by the CVM and other applicable statutory provisions, especially Article 30, paragraph 1, of Law 6404, of December 15, 1980 (as amended by CVM Instruction 10); (ii) Article 14, XIV, of the EcoRodovias Infraestrutura's Bylaws; and (iii) the terms and conditions below:

- Term: 365 days from August 31, 2010.
- Number of outstanding shares in the market: 144,003,000 common shares.
- Number of shares to be repurchased: at the most, 4,000,000 common shares.

On May 30, 2012, EcoRodovias Infraestrutura’s Board of Directors approved the second share buyback program. The buyback will take place without a capital reduction and using of reserves, for cancellation or holding in treasury, as well as for resale, replacement in the market, or to back the EcoRodovias Infraestrutura's stock option plans, in compliance with: (i) the standards issued by the CVM and other applicable statutory provisions, especially Article 30, paragraph 1, of Law 6404, of December 15, 1980 (as amended by CVM Instruction 10); (ii) Article 14, XIV, of the EcoRodovias Infraestrutura’s Bylaws; and (iii) the terms and conditions below:

- Term: 365 days from May 30, 2012.
- Number of outstanding shares in the market: 143,737,879 common shares.
- Number of shares to be repurchased: at the most, 1,500,000 common shares.

EcoRodovias Infraestrutura holds 175,688 common shares in treasury calculated based on their average quotation on the last trading session on December 28, 2012, i.e., R$17.30. The total amount of these shares, based on the trading session average quotation on December 28, 2012, is R$3,039.

e) Dividends and interest on capital

Shareholders are entitled to dividend and/or interest on capital of at least 25% of the adjusted profit for the year, calculated in conformity with Article 202 of Law 6404/76.

In the year ended December 31, 2012, the Company paid dividends and interest on capital totaling R$135,114, of which R$115,882 refer to the profit for 2011 and R$19,232 to 2012 interim profit.

Dividends and interest on capital payable at December 31, 2012 total R$137,657.

The calculation of dividends for the year ended December 31, 2012 and 2011 is as follows:

	12/31/2012	12/31/2011
Profit for the year	266,768	242,718
Setup of legal reserve	-	(6,839)
Dividend calculation basis	266,768	235,879
Management proposal:		
Interim dividends paid	-	10,000
Interest on capital paid	20,928	21,373
Minimum mandatory dividends	48,903	-
Interim dividends proposed	-	195,110
Proposed additional dividends - classified as earnings reserve	196,937	9,396

21. SERVICE TAX (ISS)

In 1999, the highway operation services were included in the list of services taxed by ISS. The Company started negotiations with the Concession Grantor to secure the financial rebalance of the arrangement, 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 concession arrangement and on the approval by the Concession Grantor, upon Modifying Addendum ("TAM") 08/2006, offset through November 30, 2011, which is the effective term of such addendum, the amount of R$241,659 paid to municipalities against amounts paid in connection with concession fees obligations.

Accordingly, beginning December 1, 2011, the Company has not offset ISS against fixed concession fee amounts.

22. NET REVENUE

	12/31/2012	12/31/2011
Toll revenue:		
Toll in cash	304,886	282,966
Toll by electronic equipment	418,424	359,436
Toll tickets and coupons	55,485	47,644
Other	700	931
	779,495	690,977
Construction revenues	75,956	73,342
Accessory revenues (a)	39,122	34,884
Gross sales revenue	894,573	799,203
Revenue deductions - PIS, Cofins and ISS (b)	(70,142)	(27,431)
Net revenue	824,431	771,772

(a) Refer to the lease of area for fiber optics, use of highway land, sale of advertising, implementation and concession of accesses, etc.

(b) Beginning December 1, 2011, the Company has not offset ISS against fixed concession fee amounts. See Note 21.

23. OPERATING COSTS AND EXPENSES - BY NATURE

	12/31/2012	12/31/2011
Personnel	28,904	27,807
Upkeep and maintenance	18,261	15,940
Outside services (a)	86,797	73,434
Insurance (see note 29)	4,179	4,083
Concession grantor (b)	26,122	36,005
Provision for maintenance	44,872	41,176
Construction costs	75,956	73,342
Depreciation and amortization	70,728	62,487
Lease of real estate and machinery	3,147	2,536
Other operating income and expenses	19,098	14,835
	378,064	351,645
Classified as:		
Cost of services	320,905	307,427
General and administrative expenses	57,159	44,218
	378,064	351,645

(a) Outside services consist basically of ambulance, rescue, and removal services, totaling R$5,153, consulting and advisory services, totaling R$67,904, surveillance and cleaning services, totaling R$2,811,and other services, totaling R$10,929.

(b) The amount paid to the Concession Grantor, including the concession fees disclosed in note 18, was R$39,655 in 2012 (R$48,791 in 2011).

24. FINANCE INCOME (COSTS)

	12/31/2012	12/31/2011
Finance income:		
Income from short-term investments	6,439	8,517
Inflation adjustment to debentures	165	1,040
Other	1,242	2,462
	7,846	12,019
Interest on debentures	(27,801)	(39,898)
Interest to finance lease	(90)	(241)
Inflation adjustment to debentures	(17,177)	(16,903)
Inflation adjustment to concession fee	(9,795)	(9,513)
Amortization of costs on issuance of debentures	(1,176)	(1,176)
Present value adjustment - provision for maintenance - ICPC 01	(2,534)	(5,913)
Inflation adjustment to taxes and labor payables	(1,602)	-
Other	(833)	(2,024)
	(61,008)	(75,668)
Finance income (costs)	(53,162)	(63,649)

25. EARNINGS PER SHARE

a) Basic earnings per share

The profit and weighted average number of common shares used to calculate basic earnings per share are as follows:

	12/31/2012	12/31/2011
Basic earnings per share from continuing operations	0.99	0.90

	12/31/2012	12/31/2011
Income for the year attributable to the Company's owners used to calculate basic earnings per share	266,768	242,718
Weighted average number of common shares used to calculate basic earnings per share	270,386	270,386

b) Diluted earnings per share

The Company has no debt convertible into shares or call options granted.

26. PROFIT SHARING

The Company has the policy of paying its employees' profit sharing bonuses, linked to the specific goals and targets, which are established and paid in accordance with the collective labor agreement entered into with employees' union. As at December 31, 2012, the profit sharing bonuses totaled R$1,554 (R$1,305 at December 31, 2011), which was allocated to profit or loss, in line items 'Cost of services' and 'General and administrative expenses'.

27. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Ecovias Group, to which the Company belongs, manages its capital to ensure that the companies operating in the group can continue as going concern, 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 (finance leases and debentures detailed in notes 13 and 14, less cash and banks) and shareholders' equity (which includes issued equity, reserves, and retained earnings, as stated in note 20).

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, 2012 and 2011, the Company does not have any derivatives.

Market risk

a) Exposure to foreign exchange risks

The Company did not record foreign currency-denominated assets or liabilities.

b) Exposure to interest rate risks

The Company is exposed to usual market risks arising from changes in the IGP-M and CDI relating to borrowings denominated in Brazilian reais. Interest rates on short-term investments are linked to CDI variation.

General considerations

- The Company's management 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 loans and receivables.

- Short-term investments: consist of CDBs and fixed-income investment funds yielding rates ranging from 100.0% to 102.3% of the CDI, which reflect the market conditions at the end of the reporting periods.

- Trade receivables: 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.

- Finance lease, debentures, and concession fee payable: classified as other financial liabilities; therefore, they are not measured at fair value and are accounted for based on the contractual amounts of each transaction.

Debt ratios are as follows:

	12/31/2012	12/31/2011
Debt (i)	293,522	336,956
Restricted cash, cash equivalents and securities	(44,605)	(62,075)
Net debt	248,917	274,881
Equity (ii)	571,095	372,483
Net debt-to-equity ratio	0.44	0.74

(i) Debt is defined as current and noncurrent finance lease, debentures, and concession fee payable, as detailed in notes 13 and 14.

(ii) Equity includes all the Company's capital and reserves, managed as capital.

The carrying amounts and fair values of the Company’s financial instruments at December 31, 2012 are as follows:

		Carrying amounts	Fair value
Assets:			
Cash and banks (ii)	Loans and receivables	12,985	12,985
Customers (i)	Loans and receivables	55,891	55,891
Short-term investments and securities (ii)	Loans and receivables	31,620	31,620
Liabilities:			
Suppliers (i)	Other financial liabilities	14,471	14,471
Finance lease	Other financial liabilities	192	192
Debentures (iii)	Other financial liabilities	226,306	313,113
Concession fee payable	Other financial liabilities	67,024	80,533

(i) The balances of line items ‘Trade receivables’ and ‘Trade payables’ mature substantially within up to 45 days; therefore, they approximate the fair value expected by the Company.

(ii) Balances of cash and banks, short-term investments and securities approximate the fair values at the end of the reporting period.

(iii) The debentures were calculated through the discounted cash flows, based on the installments payable, according to the early redemption clauses of the indenture, and the adjusted Unit Price (UP).

These rates and UPs used in market projections were extracted from the following external independent sources: www.cetip.com.br, www.bcb.gov.br, www.ibge.gov.br, www.fgv.br, www.fiduciario.com.br, www.oliveiratrust.com.br, and www.pentagonotrustee.com.br.

a) Interest rate risk

The Company’s interest rate risk arises from short-term investments and current and noncurrent borrowings bearing interest according to floating interest rates, which may be pegged to variances in inflation rates. This risk is managed by the Company through the maintenance of borrowings at fixed and floating interest rates.

The Company’s exposure to the interest rates of financial assets and financial liabilities is described in item liquidity risk management below.

Pursuant to its financial policies, the Company has maintained its short-term investments at prime banks and has not entered into transactions with financial instruments for speculative purposes.

b) Credit risk

Credit risk concentration

Financial instruments that potentially expose the Company to credit risk concentration and consist, primarily, of cash, cash equivalents, and trade receivables.

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, 2012, the Company has receivables from Serviços de Tecnologia de Pagamentos S.A. - STP amounting to R$44,389 (R$37,563 at December 31, 2011), arising from toll revenues collected by the electronic payment system ("Sem Parar"), recognized in line item 'Trade receivables'.

c) Liquidity risk

Indirect parent EcoRodovias Infraestrutura manages the liquidity risk and has an appropriate liquidity risk management model to manage funding requirements and short-, medium- and long-term liquidity management. The indirect parent company manages the liquidity risk by maintaining adequate reserves, bank credit lines and 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 nearest date on which the Company should settle the related obligations:

Type	Effective interest rate (weighted average) - % p.a.	Next12 months	13 to 24 months	25 to 36 months	After 37 months
Finance lease	16.71% p.a.	192	-	-	-
Concession fee payable	IGP-M	16,703	13,452	12,285	24,584
Debentures	IGP-M + 9.5% p.a.	99,684	92,848	-	-
Debentures	104% of CDI	33,774	-	-	-

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 at yearend.

The sensitivity analysis was developed considering exposure to the CDI and the IGP-M variances, the main indices of debentures contracted by the Company:

		Interest to be incurred		
Operation	Risk	Scenario I - probable	Scenario II - 25%	Scenario III - 50%
Interest on 1st series debentures	Increase of CDI	1,853	2,213	2,569
Interest on 2nd and 3rd series debentures	IGP-M increase	31,931	34,568	35,556
Concession fee payable	IGP-M increase	3,430	4,291	5,145

For interest rate sensitivity analysis purposes, the Company adopted as a criteria to show the impact of total interest to be incurred over the next 12 months.

In compliance with CVM Instruction 475/08, the Company is 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.

The rates used were as follows:

Indicators	Scenario I - probable	Scenario II - 25%	Scenario III - 50%
CDI (a)	7.30%	9.13%	10.95%
IGP-M (b)	5.90%	7.42%	8.97%

(a) Refers to the CDI rate projected for 12 months.

(b) Refers to the IGP-M rate projected for 12 months.

These rates and UPs used in market projections were extracted from the following external independent sources: Tendências Consultoria, www.cetip.com.br, www.bcb.gov.br, www.ibge.gov.br and www.fgv.br.

28. PENSION PLAN

The Company has a defined contribution Private Pension Plan, 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$3.2, up to 10% 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, 2012, the Company contributed R$164 (R$151 in 2011), recorded in line item ‘General and administrative expenses’.

29. INSURANCE

The Company has insurance coverage based on the risks associated to its operations. Concession arrangements 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, 2012, the Company's insurance coverage by insurance line is as follows:

Type	Effective period	Coverage
Warranty insurance	July 2012 to May 2013	244,302
Warranty insurance	May 2012 to May 2013	11,922
Civil liability	May 2012 to May 2013	814,935
All Risks - property damages	May 2012 to May 2013	2,650,615
All Risks - engineering	May 2012 to May 2013	74,041
All Risk - loss of revenue	May 2012 to May 2013	814,935
Equipment	May 2012 to May 2013	1,681
Vehicles	June 2012 to June 2013	FIPE Table

30. CONCESSION ARRANGEMENT

Ecovias 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.

On December 21, 2007, the concession period granted to the Company was extended by an additional 70 months, under Modifying Addendum 10, as a rebalancing measure of the economic and financial terms of the concession arrangement. The concession arrangement is effective until March 2024.

On November 13, 2012, the Company's concession was extended by an additional 18 months e 11 days, under Modifying Addendum 16/12, as a rebalancing measure of the economic and financial terms of the concession arrangement due to the inclusion of new works and services amounting to R$328,719, that include remodeling the cloverleaf interchange in km 55 of the Anchieta highway, with the construction of a ring road connecting the Anchieta, Cônego Domênico Rangoni, Imigrantes, and Padre Manoel da Nóbrega highways, and the construction of a third lane in both directs of the Cônego Domênico Rangoni highway, between km 270 and km 262, in the Cuba Tao Industrial District region. The concession agreement is effective until September 2025.

The Company 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), completed on December 17, 2002, when the construction was delivered.

b) Payment of:

- Concession fee in monthly installments in amounts to be set throughout the concession period, totaling R$87,000 (R$44,857 adjusted to present value on initial recognition), plus adjustment based on the IGP-M variance.

- 3% 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 Company's concession arrangement was classified as an intangible asset. The intangible asset is recognized to the extent the Company has the right to charge users for the public services.

Construction costs and revenue are recognized pursuant to the concession agreement as follows:

	12/31/2012	12/31/2011
Construction revenue	74,491	73,342
Construction costs	(74,491)	(73,342)
	-	-

As at December 31, 2012, the investments made to meet the Company's future commitments are estimated at R$412,258 (R$433,613 at December 31, 2011).

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 TAM on December 15, 2011, which provides for the replacement of the toll adjustment index, from the IGP-M to the 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 TAM provisions will come into effect on July 1, 2013, contingent on the authorization of the Logistics and Transportation State Secretary.

31. BUSINESS SEGMENT REPORTING

The Company’s operation consists of operating a public highway concession, which is the sole business segment and decision-making matter.

The Company’s concession area is located within Brazilian territory, revenue is generated by collecting tolls from highway users, and no customer individually contributes significantly to Company revenues.

32. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Executive Committee for remittance to the Board of Directors on March 4, 2013.

2012 MANAGEMENT REPORT

Dear Shareholders

The Management of Concessionária Ecovias dos Imigrantes S.A., in conformity with statutory and legal provisions, submits for appreciation by its shareholders the Management Report and corresponding financial statements for the fiscal years ended December 31, 2012 and 2011, accompanied by the Independent Auditors Report for the financial statements.

Message from Management

Ecovias dos Imigrantes, the concessionaire that manages the Anchieta-Imigrantes System, is proud of its successful trajectory through the great challenges and achievements since the beginning of its activities in May 29, 1998. Our results were achieved through planning and constant focus on an efficient operational management.

The Rodovia dos Imigrantes' descending lane, one of Ecovias dos Imigrantes' highways, completed 10 years on December 17, 2012. The highway, which is one of the most modern in the world, was built in four years, with all the complexity of a work that cuts through Serra do Mar, creating a new connection between São Paulo and the coastal Baixada Santista region. The work is still considered an environmental management model for infrastructure projects by national and international development banks, as well as by other financial institutions, which represents an important achievement for the Company and the EcoRodovias group.

Aware of the Group's vocation for the provision of public services as well as its social and environmental responsibilities, Ecovias dos Imigrantes is committed to continuously improving the provision of qualified services in a sustainable fashion.

In this context, the concessionaire has put a lot of effort into the expansion of the Anchieta-Imigrantes System capacity and the improvement of its operating indicators, especially with regard to traffic safety. The *Por uma Estrada sem Acidentes* (For an Accident-Free Road) campaign was launched in June 2012 with the aim of raising awareness of and engaging people in a cause that should be a reason of pride for all, in particular its internal stakeholders: saving lives. Ecovias dos Imigrantes invited all its employees and highway users not only to reflect on, but to play a key role in helping the United Nations (UN) reach the goal proposed by the Decade of Action for Road Safety of reducing the number of traffic accidents worldwide by 50%. Initiatives are being taken in the engineering and traffic coordination areas to help reach this goal.

2012 was also a mark for the future investments of Ecovias dos Imigrantes, which will expand traffic capacity in the Baixada Santista region, which currently has a bottleneck for the growth of cargo transport to the Port of Santos. In November, the concessionaire signed with the government of the State of São Paulo an addendum to the Concession Agreement for the execution of new works in the Baixada Santista region worth approximately R$328 million.

These investments include the remodeling of the intersection at km 55 of the Anchieta highway, with the implementation of a beltway connecting the Anchieta, Cônego Domênico Rangoni, Imigrantes and Padre Manoel da Nóbrega highways, and the construction of a third lane in both directions at the Cônego Domenico Rangoni highway, between km 270 and km 262, in the Cubatão Industrial Complex region. Works are scheduled to be concluded in September 2014.

To conclude, for one more year, Ecovias dos Imigrantes thanks all its employees for their dedication and commitment in surpassing the business targets, its direct and indirect shareholders for their constant confidence in the company's management, and the support of its users, suppliers, regulatory authorities and other institutions and partners.

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 RESULTS - TRAFFIC

Traffic Volume (equivalent paying vehicles - in thousands)	2012	2011	Variation
Commercial	25,920	24,669	5.1%
Passenger	33,280	31,883	4.4%
Total	**59,200**	**56,552**	**4.7%**

Note: Equivalent paying vehicles is a basic reference unit used in toll collection statistics in Brazil. Light vehicles, such as passenger vehicles, correspond to one vehicle equivalent. Heavy vehicles, such as trucks and buses, are converted into axle-equivalents by a multiplier applied to the number of axles per vehicle, as established in the terms of each concession contract.

Commercial traffic volume at Ecovias dos Imigrantes is directly related to cargo handling for imports and exports at the Port of Santos. A highlight in 2012 was the substantial corn export volume, which increased commercial traffic volume by 5.1% in relation to 2011.

Passenger vehicle flow bound for the coastal tourist regions of São Paulo state is mainly fueled by favorable weather conditions and the higher income of the Brazilian population. This figure increased by 4.4% in relation to 2011.

FINANCIAL RESULTS

GROSS REVENUE

Gross revenue totaled R$894.6 million in 2012, 11.9% up on the R$779.2 million recorded in 2011, basically reflecting the increase in traffic volume and the 4.3% adjustment in toll tariffs in July 2012.

Gross Revenue (in R$ million)	2012	2011	Var.
Toll revenue	779.5	691.0	12.8%
Ancillary revenue	39.1	34.9	12.0%
Construction revenue	76.0	73.3	3.7%
Total	**894.6**	**799.2**	**11.9%**

- Toll Revenue: toll revenue came to R$779.5 million in 2012, 12.8% up on 2011 and representing 87.1% of the concessionaire's total revenue.

- Ancillary Revenue: ancillary revenue derives from the monitoring of special cargo, advertising boards, occupation of the right-of-way and accesses and other services involving the usage and exploration of the highway concessions' right-of-way. In 2012, ancillary revenue grew by 12.0% over the prior year.

- Construction Revenue: as established by ICPC 1 (Interpretation of the Accounting Pronouncements Committee) - Concession Contracts, highway infrastructure works and improvements were booked under construction costs at fair value. The company believes that amounts contracted from third parties for the execution of these works are calculated at market value, and therefore it does not book a profit margin in construction activities. Construction revenue remained in line with 2011.

NET REVENUE

Net revenue came to R$824.4 million in 2012, an upturn of 6.8% over the R$771.8 million recorded in 2011. Deductions from gross revenue totaled R$70.1 million in 2012, compared with R$27.4 million in 2011. Net revenue excluding the effects of ICPC 01 totaled R$748.5 million in 2012, versus R$698.4 million in 2011.

OPERATING COSTS AND ADMINISTRATIVE EXPENSES

Operating costs and administrative expenses totaled R$378.1 million in 2012, 7.5% up on the R$351.6 million registered in 2011.

Operating costs and administrative expenses (in R$ million)	2012	2011	Var.
Personnel	28.9	27.8	4.0%
Conservation and maintenance	18.3	15.9	15.1%
Third-party services	86.8	73.4	18.3%
Government, insurance and leasing	33.4	42.6	-21.6%
Depreciation and amortization	70.7	62.5	13.1%
Provision for maintenance	44.9	41.2	9.0%
Cost of construction works	76.0	73.3	3.7%
Other	19.1	14.9	28.2%
TOTAL	**378.1**	**351.6**	**7.5%**

The main factors behind the variations in the table above were: (i) increase in third-party services due to the contracting of consulting firms, IT consulting services and especially expenses with EcoRodovias' *Estrada sem Acidentes* (For an Accident-Free Road) campaign; (ii) higher amortization expenses due to the conclusion of new works and consequently the greater asset base; (iii) the increase in the provision for future highway maintenance costs and work construction costs, both of which resulting from the adoption of IFRS/ICPC.

EBITDA AND EBITDA MARGIN

In accordance with IFRS, EBITDA (earnings before interest, taxes, depreciation and amortization) came to R$517.1 million in 2012, 7.1% up on the R$482.6 million recorded in 2011. EBITDA margin stood at 62.7% in 2012, 0.2 p.p. higher than in 2011.

Excluding the effects from the adoption of IFRS, i.e. excluding construction revenue from net revenue and excluding construction costs and the provision for maintenance from costs of services, adjusted EBITDA came to R$562.0 million, 7.3% up on the R$523.8 million recorded in 2011. Adjusted EBITDA margin increased by 0.1 p.p. to 75.1%.

EBITDA - IFRS (in R$ million)	2012	2011	Var.
Net income	266.8	242.7	9.9%
Depreciation and amortization	70.7	62.5	13.1%
Financial result	53.2	63.6	-16.4%
Income tax and social contribution	126.4	113.8	11.1%
EBITDA - IFRS	**517.1**	**482.6**	**7.1%**
EBITDA margin - IFRS	**62.7%**	**62.5%**	**0.2 p.p**

Adjusted EBITDA - excluding IFRS effects (in R$ million)	2012	2011	Var.
EBITDA - IFRS	517.1	482.6	7.1%
Construction revenue	(76.0)	(73.3)	3.7%
Construction costs	76.0	73.3	3.7%
Provision for maintenance	44.9	41.2	9.0%
Adjusted EBITDA	**562.0**	**523.8**	**7.3%**
Adjusted EBITDA margin	**75.1%**	**75.0%**	**0.1 p.p.**

FINANCIAL RESULT

The net financial result was an expense of R$53.2 million in 2012, 16.3% lower than the expense of R$63.6 million in 2011, reflecting the payment of the principal of the debentures from the First Debenture Issue, which reduced the interest bearing liabilities balance.

NET INCOME

The 2012 net income came to R$266.8 million, 9.9% up on 2011. Net margin stood at 32.4%, 1.0 p.p. up on 2011.

CASH AND CASH EQUIVALENTS AND DEBT

Ecovias dos Imigrantes ended 2012 with cash and banks, restricted investments and securities of R$44.6 million and gross debt of R$226.5 million.

The main portion of Ecovias dos Imigrantes's debt is represented by the First Debenture Issue held in 2006, amounting to R$450.0 million, maturing in November 2014 and which is already being amortized.

Debt (in R$ million)	12/31/2012	12/31/2011	Var.	Applicable rates	Maturity
Debentures	226.3	335.9	-32.6%	IGP-M + 9.50% a.a / 104.00% CDI	November 2014
Financial leasing	0.2	1.1	-81.8%	1.20% p.m. 1.45% p.m.	September 2012 to June 2013
Total debt	**226.5**	**337.0**			
Cash and cash equivalents	16.1	32.0			
Restricted investment (*)	28.5	30.1			
Net debt	**181.9**	**274.9**			

**Includes financial investments linked to the settlement of the debentures booked under Securities.*

CAPEX

Capex amounted to R$146.1 million in 2012, 25.4% more than the R$116.5 million recorded in 2011. The main investment was the implantation of the fifth lane between km 26 and 41 of the Rodovia dos Imigrantes.

CAPEX (R$ million)	2012			2011			Variation		
	Intangible/ PP&E	Maintenance Cost	Total	Intangible/ PP&E	Maintenance Cost	Total	Intangible/ PP&E	Maintenance Cost	Total
Ecovias	91.1	55.0	**146.1**	75.3	41.2	**116.5**	21.0%	33.4%	**25.4%**

CORPORATE GOVERNANCE

Ecovias dos Imigrantes complies with the guidelines adopted by the EcoRodovias Group and with best Corporate Governance practices followed by EcoRodovias Infraestrutura e Logística S.A, ensuring that its business is conducted in compliance with ethics, transparency, responsibility, respect and equal treatment of all stakeholders. The Company seeks to consolidate the principles of shared control, values and ideals in its Business Units and disseminate the concepts and practices related to social responsibility and sustainable development, essential for the success of its business. Corporate management is supported by two bodies: the Board of Directors and the Executive Board. Due to the nature of its business - the provision of public services - the company is constantly investing in initiatives that create value to its stakeholders and that promote the development of Brazil. The management of the concessionaire and of the group adopts the model of cost control and management by processes implemented, as well as quality policies and the adoption of indicators, such as the Balanced Scorecard - BSC and EVA®.

PEOPLE MANAGEMENT

In 2012, 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 fourth straight year, it is among the 150 best companies to work for in Brazil, according to a survey conducted by Você S.A/FIA, and for the second consecutive year it is in the ranking of the 100 Best Companies to Work, published by Época magazine/Great Place to Work. The Human Resources area gives priority to programs aimed at the well-being of employees. The Leader Development Program, aimed at developing the skills of employees, is worth mention.

SOCIAL RESPONSIBILITY

The social and environmental policy of EcoRodovias, which also applies to Ecovias dos Imigrantes, guides the Group's 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 sustainability committees. Ecovias dos Imigrantes is proud to be the world's first road concessionaire to receive an ISO 14001 environment management certification, in addition to the ISO 9001 quality management and OHSAS 18001 health and safety management system certifications.

In line with its strategy of developing social projects, Ecovias stands out in a number of projects with neighboring communities, including: *De Bem com a Via* - teaching traffic education for children through recreational activities and games; *Virando o Jogo* - a project for children which uses sports as a tool to promote traffic education and social inclusion initiatives; *Capacitar* - professional training for local residents; *Acessa Comunidade* - digital inclusion; *Voluntários do Bem* - educational project run by the concessionaire's employees; *Casa Limpa* - project for environmental education of the neighboring communities. Ecoviver, the Group's social and environmental responsibility program, is 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 228,000 students, 7,000 teachers and 1,800 schools in 25 cities in the states where EcoRodovias operates.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In accordance with CVM Rule 381/2003, we inform that Deloitte Touche Tohmatsu Auditores Independentes was contracted to provide the following services in 2012: audit of the financial statements in accordance with generally accepted accounting practices in Brazil International Financial Reporting Standards (IFRS); internal control review; interim financial information review, in accordance with Brazilian and international interim financial information review norms (NBC TR 2410 - Review of Interim Financial Information by the Independent Auditor of the Entity and ISRE2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively).. The fees for these services totaled R$187,000. The Company did not hire the independent auditors for services other than those related to external audit.

****

The information in the 2012 Management Report on the volume of traffic, average tariff, EBITDA margin, Capex and quantitative aspects on EBIT and EBITDA were not audited by independent auditors.