

Financial Statements

Concessionária Auto Raposo Tavares S.A.

December 31, 2011, 2010 and 2009
with Independent Auditor's Report on the Financial
Statements

Concessionária Auto Raposo Tavares S.A.

Financial statements

December 31, 2011, 2010 and 2009

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A free translation from Portuguese into English of the Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil

Independent auditor's report on financial statements

The Management, Shareholders and Officers of
Concessionária Auto Raposo Tavares S.A.
Bauru – São Paulo

We have audited the accompanying financial statements of Concessionária Auto Raposo Tavares S.A. (Company), which comprise the balance sheets at December 31, 2011, 2010 and 2009 and the related statements of operations, statements of changes in equity and cash flow statements for the years then ended, and a summary of significant accounting practices 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 the accounting practices adopted in Brazil, and also in accordance with the internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted 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 these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Company's 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 practices 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concessionária Auto Raposo Tavares S.A. at December 31, 2011, 2010 and 2009, the performance of its operations and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil.

Emphasis of a matter

Restatement of financial statements

On February 29, 2012, March 28, 2011 and February 19, 2010, we originally issued our unmodified audit opinions on the Company's financial statements for the years ended December 31, 2011, 2010 and 2009, respectively. As described in Note 2, in 2012, these financial statements were modified to provide a better presentation of the cash flows in relation to the accounting practices adopted in Brazil, as well as the improvement of certain notes, which were extended to improve their presentation, and are hereby restated. Consequently, our opinion considers these changes and supersedes the opinions previously issued.

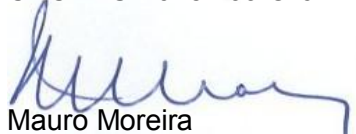
Other matters

Statement of value added

We also audited the statements of value added for the years ended December 31, 2011, 2010 and 2009 prepared by Management, the presentation of which is required by the Brazilian Corporation Law. These statements have been subjected to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Rio de Janeiro, October 24, 2012

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ


Mauro Moreira
Accountant CRC - 1RJ 071.056/O-2


Gláucio Dutra da Silva
Accountant CRC - 1RJ 090.174/O-4

Concessionária Auto Raposo Tavares S.A.

Balance sheets
December 31, 2011, 2010 and 2009
(In thousands of reais)

	2011	2010	2009
Assets			
Current assets			
Cash and cash equivalents (Note 4)	5,149	4,243	29,691
Short-term investments (Note 4)	40,038	-	-
Trade accounts receivable (Note 5)	10,790	8,858	3,084
Inventories	496	825	627
Taxes recoverable	344	237	726
Sundry prepayments	411	1,119	1,462
Prepaid expenses	680	812	2,261
Related parties (Note 11)	-	3,092	19,208
Other	154	254	4,230
	58,062	19,440	61,289
Non-current assets			
Deferred income and social contribution taxes (Note 6)	69,752	39,383	24,334
Judicial deposits (Note 10)	116	-	-
Other	9	9	6
Property and equipment (Note 7)	22,407	20,695	20,389
Intangible assets (Note 8)	1,300,924	1,103,057	876,090
	1,393,208	1,163,144	920,819
Total assets	1,451,270	1,182,584	982,108
Liabilities and equity			
Current liabilities			
Loans and financing (Note 9)	57,770	9,936	413,790
Debentures (Note 9)	24,262	-	-
Suppliers	2,819	1,665	3,578
Salaries and social charges payable	2,855	2,523	1,565
Taxes payable	2,374	1,855	1,631
Obligations related to concession rights (Note 19b)	536	490	267,059
Related parties (Note 11)	-	52,222	81,180
Other	2,312	2,000	1,100
	92,928	70,691	769,903
Non-current liabilities			
Provision for maintenance	14,000	6,025	2,739
Loans and financing (Note 9)	419,849	674,765	89,765
Debentures (Note 9)	400,000	-	-
Provision for legal obligations linked to legal proceedings (Note 10)	299	121	37
Deferred revenue (Note 13)	11,662	-	-
	845,810	680,911	92,541
Equity (Note 14)			
Capital	625,000	512,000	170,000
Accumulated losses	(112,468)	(81,018)	(50,336)
	512,532	430,982	119,664
Total liabilities and equity	1,451,270	1,182,584	982,108

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Statements of operations

December 31, 2011, 2010 and 2009

(In thousands of reais, except for basic loss per thousand shares)

	2011	2010	2009
Toll collection and additional revenue (Note 15)	177,830	159,122	23,715
Construction revenue	218,189	243,091	259,389
Net revenue	396,019	402,213	283,104
Cost of services provided (Note 16)	(128,688)	(119,071)	(53,351)
Construction costs	(211,834)	(235,798)	(251,608)
Gross profit	55,497	47,344	(21,855)
Operating income (expenses)			
General and administrative expenses	(27,976)	(26,896)	(12,007)
Management compensation (Note 12)	(1,086)	(1,475)	(969)
Depreciations	(6,523)	(4,897)	(1,365)
Financial income (Note 17)	5,401	1,044	3,811
Financial expenses (Note 17)	(87,733)	(60,851)	(42,285)
Other operating revenue, net	601	-	-
Loss before income and social contribution taxes	(61,819)	(45,731)	(74,670)
Deferred income and social contribution taxes (Note 6)	30,369	15,049	24,334
Loss for the year	(31,450)	(30,682)	(50,336)
Loss per common share (basic and diluted) – R\$	(0.0414)	(0.0726)	(0.3602)
Loss per preferred share (basic and diluted) – R\$	(0.0414)	(0.0726)	(0.3602)

The Company has no other comprehensive income which should be stated herein.

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Statements of changes in equity
December 31, 2011, 2010 and 2009
(In thousands of reais)

	Capital	Accumulated losses	Total
Balances at December 31, 2008	2	-	2
Capital increase (Note 14)	169,998	-	169,998
Loss for the year	-	(50,336)	(50,336)
Balances at December 31, 2009	170,000	(50,336)	119,664
Capital increase (Note 14)	342,000	-	342,000
Loss for the year	-	(30,682)	(30,682)
Balances at December 31, 2010	512,000	(81,018)	430,982
Capital increase (Note 14)	113,000	-	113,000
Loss for the year	-	(31,450)	(31,450)
Balances at December 31, 2011	625,000	(112,468)	512,532

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Cash flow statements
December 31, 2011, 2010 and 2009
(In thousands of reais)

	2011	2010	2009
	Restated	Restated	Restated
Operating activities			
Loss before income and social contribution taxes	(61,819)	(45,731)	(74,670)
Adjustments to reconcile loss with cash from operating activities			
Construction gross margin	(6,355)	(7,293)	(7,781)
Depreciation and amortization	50,167	40,274	18,664
Disposal of assets and intangible assets	365	-	-
Currency and foreign exchange variations and charges, net	85,265	54,553	17,035
	67,623	41,803	(46,752)
(Increase) decrease in assets			
Accounts receivable from third parties	(1,932)	(5,774)	(3,084)
Inventories	329	(198)	(627)
Taxes recoverable	(107)	489	(726)
Other accounts receivable	101	3,976	(4,236)
Advances	708	343	(1,462)
Related parties	3,092	16,116	(19,208)
Judicial deposits	(116)	-	-
Prepaid expenses	132	1,449	(2,261)
	2,207	16,401	(31,604)
Increase (decrease) in liabilities			
Suppliers	1,154	(1,913)	3,578
Taxes payable	519	224	1,631
Salaries and social charges payable	332	958	1,565
Provision for maintenance	7,975	3,286	2,739
Deferred income	11,662	-	-
Other liabilities and accounts payable	536	984	1,137
	22,178	3,539	10,650
Net cash from (used in) operating activities	92,008	61,743	(67,706)
Investing activities			
Short-term investments	(40,038)	-	-
Acquisition of fixed assets	(7,783)	(5,202)	(22,654)
Acquisition of intangible assets	(235,973)	(521,623)	(617,649)
Net cash used in investing activities	(283,794)	(526,825)	(640,303)
Financing activities			
Loans and intercompany loans raised	590,110	1,158,933	607,700
Payment of loans and intercompany loans	(841,669)	(1,021,190)	(40,000)
Interest paid	(68,749)	(40,109)	-
Debentures issued	400,000	-	-
Capital increase	113,000	342,000	169,998
Net cash from financing activities	192,692	439,634	737,698
Increase (decrease) in cash and cash equivalents	906	(25,448)	29,689
Cash and cash equivalents at the beginning of the year	4,243	29,691	2
Cash and cash equivalents at the end of the year	5,149	4,243	29,691
Increase (decrease) in cash and cash equivalents	906	(25,448)	29,689

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Statement of value added
December 31, 2011, 2010 and 2009
(In thousands of reais)

	2011	2010	2009
Revenues			
Toll collection and additional revenue	194,418	173,717	23,715
Revenue from construction contract	218,189	243,091	259,389
Other	601	-	-
	413,208	416,808	283,104
Input products acquired from third parties			
Construction contract costs	(211,834)	(235,798)	(251,608)
Materials, third-party services and others	(86,278)	(85,938)	(36,052)
	(298,112)	(321,736)	(287,660)
Gross value added	115,096	95,072	(4,556)
Retentions			
Depreciation and amortization	(50,167)	(40,274)	(18,664)
Net value added generated by the Company	64,929	54,798	(23,220)
Value added received in transfer			
Financial income	5,401	1,044	3,836
Total value added to be distributed	70,330	55,842	(19,384)
Distribution of value added			
Personnel and social charges	27,855	26,184	12,976
Taxes, charges and contributions	(13,072)	1,148	(24,334)
Interest on loans and financing	86,997	59,192	42,310
Loss for the period	(31,450)	(30,682)	(50,336)
Distributed value added	70,330	55,842	(19,384)

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

1. Operations

Concessionária Auto Raposo Tavares S.A. (“CART” or “Company”) is a publicly-held entity incorporated on November 12, 2008, the sole activity of which is operating Raposo Tavares highway system under a concession regime, in accordance with Public Bidding No. 4 of São Paulo State Highway Concession Program. The Company does not publicly trade shares or other publicly-traded securities issued by it. The Company’s principal place of business is located at Avenida Getúlio Vargas 20-59, city of Bauru, state of São Paulo.

The concession objective comprises implementation, management and monitoring of services rendered, support to implement services not yet rendered and control of complementary services, for a fixed period, through the collection of annually adjusted toll fees, with data base of July based on the Extended Consumer Price Index (IPCA) variation then effective and on alternative sources of revenue, provided that these are previously approved by São Paulo State Transport Agency (ARTESP), which may arise from activities relating to the operation of the highway, its right-of-way and advertising.

Public Bid No. 004/2008 is currently a set of road lanes of the highway system and its respective right-of-way and buildings, facilities and equipment, including:

- I. SP-270: Raposo Tavares Highway : beginning at Kilometer 381, at junction with SP-327, Kilometer 32, Ourinhos; ending at Kilometer 654, Presidente Epitácio, at the border with the state of Mato Grosso do Sul;
- II. SP-225: beginning at Kilometer 235+040, at junction with SP-300, Kilometer 336+735, Bauru; ending at Kilometer 317+800, at junction with SP-327, Kilometer 0+000, Santa Cruz do Rio Pardo;
- III. SP-327: beginning at Kilometer 0+000, at junction with SP-225, Kilometer 317+800, Santa Cruz do Rio Pardo; ending at Kilometer 32+443, with junction with SP-270, Kilometer 381+703, and junction with BR-153, Kilometer 338+361, Ourinhos.

The Concession Contract was executed on March 16, 2009, after approval of results by the Granting Authority.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

1. Operations (Continued)

The concession term is 30 (thirty) years from the date control of the existing system is granted, and it can be extended according to the law and under the provisions of the Concession Contract. In the event that the concession is terminated, all reversible goods, rights and privileges related to the road system operation shall be returned to the Granting Authority. The Company, however, shall be entitled to indemnification corresponding to unamortized balance or the balance not subject to depreciation of assets or investments made in the last five years within the concession term, the acquisition or execution of which is duly authorized by the Granting Authority.

Equalization of net negative current capital

At December 31, 2011, the Company has negative working capital of R\$ 34,866 (R\$ 51,251 and R\$ 708,614 at December 31, 2010 and 2009, respectively) from commitments related to payment of principal and interest of loans, financing and debentures raised for investments undertaken upon execution of the Concession Contract. The Company understands that these funds shall be obtained from capital increases and investments as provided for in the Senior Loan Agreement with the Brazilian Development Bank (BNDES) and other financing sources, as well as increase in road traffic after the improvements being performed and obtainment of accessory revenues, which increases generation of operating cash, thus enabling the settlement of liabilities. As mentioned in Note 9, the Company's shares are held by INVEPAR and are given in guarantee for debentures issued.

2. Basis of preparation and presentation of financial statements

These financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Securities and Exchange Commission (CVM) and the Brazilian FASB (CPC) standards, guidelines and technical interpretations.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

2. Basis of preparation and presentation of financial statements (Continued)

The Company adopted all standards, review of standards and interpretations issued by the Brazilian FASB (CPC) and regulatory bodies in effect at December 31, 2011.

These financial statements were prepared based on historical cost.

The Company's functional currency is the Brazilian real (R\$), which is the same currency used for preparation and presentation of these financial statements. Financial statements are presented in thousands of reais, except when otherwise indicated – including in the notes to financial statements.

In 2012, the Company's management observed that, for the years ended December 31, 2010 and 2009, the fixed concession fees paid to the Granting Authority were stated in cash flow statements as operating activities instead of investment activities, since they represent investments for acquisition of intangible assets. Furthermore, in cash flow statements for the year ended December 31, 2011, short-term investments were reclassified from operating activities to investing activities. The following table presents a summary of balances originally stated under operating activities and the restated amounts for years ended December 31, 2011, 2010 and 2009:

	2011		
	Originally stated	Adjustment (a)	Restated
Operating activities	51,970	40,038	92,008
Investing activities	(243,756)	(40,038)	(283,794)
Financing activities	192,692	-	192,692
Increase (decrease) in cash and cash equivalents	906	-	906

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

2. Basis of preparation and presentation of financial statements (Continued)

	2010		
	Originally stated	Adjustment (b)	Restated
Operating activities	(204,826)	266,569	61,743
Investing activities	(260,256)	(266,569)	(526,825)
Financing activities	439,634	-	439,634
Increase (decrease) in cash and cash equivalents	(25,448)	-	(25,448)

	2009		
	Originally stated	Adjustment (b)	Restated
Operating activities	199,353	(267,059)	(67,706)
Investing activities	(907,362)	267,059	(640,303)
Financing activities	737,698	-	737,698
Increase (decrease) in cash and cash equivalents	29,689	-	29,689

- (a) Short-term investments reclassified from operating activities to investing activities due to their nature.
- (b) Payment of concession fees stated under operating activities was reclassified to investing activities since it represents investment in intangible assets.

The financial statements were modified to better state cash flows in relation to the accounting practices adopted in Brazil, as well as the improvement of certain notes to the financial statements, which were extended to improve their presentation and include comparative financial information for the year ended December 31, 2009, and are hereby restated. The aforementioned notes to financial statements, complementarily to the inclusion of comparative financial information for the year ended December 31, 2009, in relation to those previously presented, were Note 1, 2, 3, 7, 9, 11, 14, 18, 19 and 21, and Note 22 was included, stating events that took place after December 31, 2011.

The Company's management authorized the preparation of these financial statements on October 24, 2012.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Summary of significant accounting practices

a) Service concession contracts – ICPC 01 and OCPC 05

These standards provide guidance to concessionaires on how to record public service concessions to private entities and set general principles for the recognition and measurement of obligations and rights related to service concession contracts. Upon adoption of this interpretation and based on the highway concession contracts granting the right to charge fees for the use of the concession infrastructure, the Company recognized: (i) an intangible asset corresponds to granting the use of assets that comprise infrastructure required to carry out public services. In addition, due to the nature of its concession contracts, the Company did not recognize a financial asset corresponding to the amount that could be due – whether directly or indirectly – by the Granting Authority. The intangible asset recognized as compensation for construction or improvement services rendered is measured by fair value upon initial recognition. Following initial recognition, the intangible asset is measured at cost, which includes loans costs capitalized and deducted from accumulated amortization.

b) Cash and cash equivalents

These are valued at fair value upon initial recognition and comprise cash on hand, bank deposits, short-term investments maturing within three months or less which are immediately convertible into a known amount of cash with insignificant risk of change in their value, plus earnings up to balance sheet date, not exceeding their market value.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Summary of significant accounting practices (Continued)

c) Financial instruments

i) Classification and measurement

Company classifies its financial assets under the following categories: measured at fair value through profit or loss, loans and receivables, investments held to maturity and available for sale. This classification depends on the purpose for which the financial assets were acquired. The Company's management determines the classification of its financial assets upon initial recognition. At December 31, 2011, the Company did not record any financial assets as held to maturity or available for sale.

ii) Financial assets measured at fair value through profit or loss

These are held for active and frequent trading classified under current assets. Gains and losses resulting from variations in fair value are stated under financial income (expenses) in P&L for the period they occur, unless they are contracted for other transactions. In this case, variations are recognized under the same account affected by said transaction.

iii) Loans and receivables

These include loans granted and receivables that are non-derivative financial assets with fixed or determinable payments, not traded in an active market. These are included in current assets, except for those with maturity of over 12 months from the balance sheet date (which are classified as non-current). Loans and receivables include trade accounts receivable and related parties, other assets and cash and cash equivalents, except for short-term investments. Loans and receivables are recorded at amortized cost using the effective interest rate method.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Summary of significant accounting practices (Continued)

c) Financial instruments (Continued)

iv) Financial liabilities

These are classified under the following categories in accordance with the nature of the financial instruments contracted:

Financial liabilities not measured at fair value: non-derivative financial liabilities not usually traded before their maturity date. Following their initial recognition, they are measured at their amortized cost at the effective interest rate. Interest, monetary restatement and foreign exchange variations are recognized in P&L when incurred, where applicable.

The main financial liabilities recognized by the Company are: Trade accounts payable, loans and financing, debentures and payables to related parties.

v) Market value

The market value of financial instruments actively traded in organized markets is determined based on market value at balance sheet date. In the event that there is no active market, the market value is determined through valuation techniques. These techniques include recent market transactions between independent parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

d) Accounts receivable from third parties

Accounts receivable substantially refer to electronic toll collection and accessory revenue, which are recorded at their billed amount, including the corresponding direct taxes, payable by the Company, received within 45 days, less withheld taxes, which are treated as tax credits.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Summary of significant accounting practices (Continued)

e) Inventories

Inventories are stated by their cost or realizable net value, whichever is lower. Cost is determined based on the average acquisition cost, not exceeding its market value. Provisions for slow-moving or obsolete inventories are set up when considered necessary by the Company's management.

f) Prepaid expenses

These are stated at amounts effectively disbursed by still not incurred. Prepaid expenses are allocated to P&L to the extent that related services are rendered and economic benefits obtained.

g) Property and equipment

These are recorded at their acquisition, buildup or construction cost, which is not directly linked to the concession contract, less the respective accumulated depreciation determined on a straight-line basis at rates that consider the assets' estimated useful lives (Note 7).

Property and equipment items are written-off when sold or when no future economic benefit is expected from their use or sale. Any gains or losses arising from disposal of property and equipment items (calculated as the difference between the net disposal amount and the asset's residual value) are recognized in the statements of operations for the period when the asset is written-off.

The net book value and useful lives of assets and depreciation methods are reviewed at the end of each year, and prospectively adjusted, as the case may be.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Summary of significant accounting practices (Continued)

h) Intangible assets

Intangible assets acquired separately are measured upon their initial recognition at acquisition cost plus financial charges incurred until facilities are constructed or when the equipment enters into operation, and subsequently deducted from their accumulated amortization and impairment losses, where applicable. These are substantially represented by the concession rights and fixed concession fees, in compliance with ICPC 01 – Concession contracts.

Intangible assets with defined useful lives are amortized in accordance with to their estimate economic useful lives and, when evidence of impairment losses is found, they are subject to impairment testing (Note 8).

i) Provision for recovery of assets

Management annually reviews the net book value of its assets in order to evaluate events or changes in economic or technological circumstances that may indicate impairment. Up to the present date, no evidence indicating that the net book value exceeds the recoverable value was found. Therefore, no provision for recovery of assets were set up.

j) Loans and financing and debentures

Loans and financing and debentures are recorded at their original value plus interest and monetary restatement through balance sheet date (Note 9). Loans costs attributable to concession contract are capitalized during the construction phase in accordance with CPC 20 – Loan costs.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Summary of significant accounting practices (Continued)

k) Legal obligations linked to legal proceedings

The Company is party to various legal and administrative proceedings. Provisions are set up for all contingencies relating to judicial proceedings where it is likely that an outflow of resources shall be required to settle that contingency or obligation and a reasonable estimate of its value can be made. The assessment of likelihood of loss includes analysis on available evidence, hierarchy of laws, available jurisdiction, recent court decisions and their relevance on legislation in force, as well as evaluation by the Company's legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable limitation period, conclusions of tax audits or additional exposures found based on new issues or court decisions (Note 10).

l) Provision for maintenance

When applicable, the Company provisions expenses with maintenance for wear and tear caused by infrastructure use, based on the best estimate to settle the present liability at balance sheet date, in consideration of expenses for maintenance period with adjustment to present value of said liability.

Settlement of transactions involving these estimates may result in amounts materially different from those recorded in financial statements due to inaccuracies inherent to their determination process. The Company reviews its estimates and assumption at least on a yearly basis.

m) Other assets and liabilities

Assets are recognized in the balance sheet when it is likely that their future economic benefits shall flow into the Company, and their cost or value can be reliably measured.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Summary of significant accounting practices (Continued)

m) Other assets and liabilities

Liabilities are recognized in balance sheets when the Company has legal or constructive obligations arising from past events, requiring economic benefits to settle certain liabilities involving uncertainties related to term and amount, which are estimated when incurred and recorded through provision. Provisions are recorded based on the best estimates of risks involved. Assets and liabilities are classified as current when realized or settled within the following 12 months; otherwise, they are classified as non-current.

n) Determination of profit and loss

Revenues and expenses are recorded on an accrual basis. Interest income and expenses are recognized under the effective interest rate method under Financial income (expenses) account. Operating revenue is recognized when highways are used and services provided. Revenue is not recognized if there are uncertainties as to its realization. Concession infrastructure expenses are recorded according to CPC 17 – Construction Contracts, i.e. all concession infrastructure expenses are recorded as construction costs in P&L for the year, and then the construction revenue is determined with a margin, which – considering that this company outsources construction services – is sufficiently calculated to cover the concessionaire's primary liabilities and any management and/or construction monitoring costs. Construction revenue is matched against intangible assets.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Significant accounting practices (Continued)

o) Taxation

Sales revenues are subject to the following taxes and contributions at the statutory rates below:

Tax	Acronym	Rates	
		Toll revenues	Other revenues
Contribution Tax on Gross Revenue for Social Integration Program	PIS	0.65%	1.65%
Contribution Tax on Gross Revenue for Social Security Financing	COFINS	3%	7.6%
Service tax	ISS	3% - 5%	3% - 5%

The Company adopts the hybrid scheme for calculation of PIS and COFINS, with such charges presented as deductions of gross revenue in statements of operations jointly with ISS.

The Company's qualification for Special incentive regime for infrastructure development (REIDI) was recognized as provided for in Ordinance MT No. 245 of September 27, 2010 and in Executive Declaratory Statute No. 59 issued by the internal revenue service office (DRF) of the city of Bauru dated October 4, 2010. The legal entities under REIDI are authorized to purchase of goods and services to be used in infrastructure construction works not subject to PIS and COFINS.

Income taxes comprise both income and social contribution taxes. Income tax is computed at the rate of 15%, plus a surtax of 10% on taxable profit exceeding R\$ 240 over 12 months, whereas social contribution tax is computed at the rate of 9% on taxable profit, both recognized on an accrual basis, therefore additions to book income deriving from temporarily non-deductible expenses or exclusions from temporarily nontaxable profit upon determination of current taxable profit generate deferred tax assets or liabilities.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Significant accounting practices (Continued)

o) Taxation (Continued)

The deferred tax asset is constituted on the basis of effective rates, on income and social contribution tax losses and temporary differences, considering the probable realization amounts pursuant to estimated generation of future taxable profits based on technical feasibility study approved by the Board of Directors (Note 6).

The Transition Tax Regime (RTT) will be in force until a law governing tax effects from adoption of the new accounting methods becomes effective, aiming at preserving tax neutrality of changes in Brazilian corporation law, introduced by Law No. 11638/07 and Provisional Executive Order (MP) No. 449/08 converted into Law No. 11941/09 of May 27, 2009. The regime is optional in the calendar years 2008 and 2009, if: (i) it is adopted for biennium 2008-2009, not only for one of these calendar years; and (ii) the option is disclosed in the Corporate Income Tax Return (DIPJ).

The Company expressed its option to adopt of RTT upon delivery of the Corporate Income Tax Return (DIPJ 2009) for calendar year 2008. Consequently, for purposes of income and social contribution taxes calculation for the period ended December 31, 2009, the Company used the prerogatives established in RTT.

p) Accounting estimates

The preparation of the Company's financial statements require Management to make judgments and estimates and adopt assumptions that affect the presented revenues, expenses, assets and liabilities as well as the disclosures of contingent liabilities at the reporting date. However, uncertainties related to these assumptions and estimates may lead to results requiring significant adjustment to the book value of the affected asset or liability in future periods.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Significant accounting practices (Continued)

p) Summary of significant accounting policies (Continued)

In determining the judgment and estimates, the Company's management considered experience from past and current events, assumptions in respect of future events, and other objective and subjective factors. Significant items subject to these estimates include: the selection of the useful life of property and equipment items and intangible assets and their recoverability in operations; rates and terms used in determining the present value adjustment of certain assets and liabilities; when applicable; provisions for maintenance, the deferred income and social contribution taxes, and the legal obligations bound to legal proceedings.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company reviews its estimates and assumptions at least on a quarterly basis.

q) Present value adjustment

Noncurrent monetary assets and liabilities are adjusted to present value, as are current monetary assets and liabilities considered that have a significant effect on the overall financial statements. Present value adjustment is calculated by considering contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, the interest rates accrued on revenues, expenses and costs associated with these assets and liabilities are discounted with a view to recognize them on an accrual basis. Subsequently, this interest is reallocated to financial income and expenses in the statements of operations by using the effective interest rate method in relation to the contractual cash flows. Implicit interest rates applied were determined based on assumptions and are considered accounting estimates.

r) Information by segment

The Company concentrates its activities on the exploration of services foreseen in the concession agreement. The Company was established with a specific purpose, with sole concession and is organized under a sole business unit.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Significant accounting practices (Continued)

s) Earnings per share

The calculation of earnings per share is based on CPC 41. The calculation of basic earnings per share is made by dividing income for the period, attributable to Company's common and preferred shareholders by the weighted average number of common and preferred shares outstanding in the period.

The diluted earnings per share are calculated by dividing income attributable to Company's common and preferred shareholders by the weighted average number of common and preferred shares, respectively, which would be issued in the conversion of all common and preferred shares potentially dilutive into their respective shares. The Company does not have instruments that could dilute the earnings per share.

t) Cash flow statements

The cash flow statement was prepared and is being presented in accordance with accounting pronouncement CPC 03 (R2) – Cash flow statements issued by the Brazilian FASB (CPC).

u) Statements of Value Added

The statement of value added was prepared and is being presented in accordance with accounting pronouncement CPC 09 – Statement of Value Added issued by the Brazilian FASB (CPC).

v) New accounting pronouncements

Some accounting pronouncements and interpretations issued by Brazilian FASB (CPC) were revised with mandatory initial adoption in the year ended January 1, 2011.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

3. Significant accounting practices (Continued)

v) New accounting pronouncements (Continued)

See below the Company's evaluation of the impacts of the aforesaid new procedures and interpretations:

CPC 00 - The Conceptual Framework for Financial Reporting (R1) - Business combination, approved by CVM Rule No.675 of December 13, 2011. The revision of the standard did not impact the Company's statements of operations.

CPC 15 (R1) - Business combination - approved by CVM Rule 665 dated August 4, 2011. The revision of the standard did not impact the Company's financial statements.

CPC 19 (R1) - Investments in joint ventures - approved by CVM Rule No.666, of August 4, 2011. The revision of the standard did not impact the Company's financial statements.

CPC 20 (R1) – Borrowing Costs - approved by CVM Rule No.672, of October 20, 2011. The revision of the standard did not impact the Company's financial statements.

CPC 26 (R1) - Presentation of Financial Statements - approved by CVM Rule No.676, of December 13, 2011. The revision of the standard clarifies that companies should present analyses of each item of other comprehensive income in the statements of changes in equity or in the explanatory notes.

Accounting interpretation “ICPC 01(R1)” and Accounting interpretation “ICPC 17” – Accounting for and Disclosure of Service Concession Agreement - approved by CVM Rule 677, of December 13, 2011. The revision of the standard did not impact the Company's financial statement, once the requirements established by these interpretations have already been adopted by the Company in the preparation of its financial statements.

There are no other standards and interpretations issued but not yet adopted that may, in the management's opinion, have a significant impact on the income or equity disclosed by the Company.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

4. Cash and cash equivalents and short-term investments

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Cash and cash equivalents			
General cash	3	3	3
Cash in transit	1,186	1,072	1,503
Checking accounts	550	1,131	7,498
Small change fund	120	137	114
Repurchase agreements	3,290	1,900	20,573
Cash and cash equivalents	<u>5,149</u>	<u>4,243</u>	<u>29,691</u>
Short-term investments			
Bank deposit certificates (CDB)	40,038	-	-
Short-term investment balance	40,038	-	-

Short-term investments substantially refer to fixed-income transactions held with top-tier institutions, backed by Bank Deposit Certificates (CDB) indexed to 103.50% and repurchase agreements backed by debentures at 75% of Interbank Deposit Certificate (CDI).

Short-term investments amounting to R\$40,038 at December 31, 2011 were made pursuant to clause provided for in the loan agreement with BNDES, under which the Company should set up a reserve account, in which funds should be deposited in an amount equivalent to: (i) 6 (six) months of amortization installments of principal falling due and debt charged of Sub loans "A", "B-1", "B-2", "C", "D", "E" and "F" until August 2013; (ii) 7 (seven) months of amortization installments of principal falling due and debt charged of Sub loans "A", "B-1", "B-2", "C", "D", "E" and "F" as from September 2013; and (iii) 8 (eight) amortization installments of principal falling due and debt charged of Sub loans "A", "B-1", "B-2", "C", "D", "E" and "F" as from September 2015."

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

5. Trade accounts receivable

	2011	2010	2009
AVI – Electronic Toll Collection System (Sem Parar) (i)	9,877	7,410	2,492
VISA - toll voucher (i)	476	1,058	519
DBTRANS – toll voucher (i)	260	182	10
Other	177	208	63
	10,790	8,858	3,084

(i) Trade accounts receivable for the use of electronic tags in automatic lanes. At December 31, 2011, 2010 and 2009, there were no outstanding values on the Company's trade accounts receivable. The average receipt term is 20 days (16 days and 10 days in 2010 and 2009, respectively).

6. Deferred income and social contribution taxes

The main components of income and social contribution taxes are as follows:

	Balance sheet					
	12/31/2011		12/31/2010		12/31/2009	
	Income tax	Social Contribution	Income tax	Social Contribution	Income tax	Social Contribution
Income and social contribution tax losses	(208,860)	(208,860)	(122,902)	(122,902)	58,655	58,655
Temporary differences	3,708	3,708	7,070	7,070	12,917	12,917
Tax base	(205,152)	(205,152)	(115,832)	(115,832)	71,572	71,572
Rate	25%	9%	25%	9%	25%	9%
Deferred income tax	51,288	18,464	28,958	10,425	17,893	6,441

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

6. Deferred income and social contribution taxes (Continued)

	P&L					
	Income tax			Social contribution		
	2011	2010	2009	2011	2010	2009
Loss before income and social contribution taxes	(61,819)	(45,731)	(74,670)	(61,819)	(45,731)	(74,670)
Income and social contribution taxes combined rate	25%	25%	25%	9%	9%	9%
Income and social contribution taxes at effective rates	15,455	11,433	18,668	5,564	4,116	6,720
Adjustments to net income affecting P&L for the year						
Permanent additions	8,325	(122)	(34)	2,997	(44)	(12)
Temporary differences	(24,743)	(16,950)	(741)	(8,907)	(6,102)	(267)
Permanent exclusions	500	5,639	-	180	2,030	-
Other	678	-	-	244	-	-
Exclusion of negative tax bases	22,115	11,066	-	7,961	3,983	-
Total taxes	22,330	11,066	17,893	8,039	3,983	6,441

The Company has tax credits from IRPJ and CSLL losses. The offset of tax losses, limited to 30% of taxable income for the year, involves a considerable increase in the tax credit recovery period.

Deferred tax credits were set up based on their future realization, which establishes essential conditions for the accounting recognition and maintenance of deferred charges, arising from tax loss carryforwards and temporary differences.

The technical studies conducted by the Company, to support the maintenance of amounts accounted for, confirm the probable capacity of generating taxable profits and the full realization of these assets within the estimated deadline. These studies correspond to the best estimates of the management on the Company's future results. In this sense, and due to the very nature of the financial projections and the uncertainties inherent to information based on future expectations, especially in markets in which the Company operates, there may be differences between the estimated and actual results.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

6. Deferred income and social contribution taxes (Continued)

The table below presents the estimated schedule for total realization of recorded deferred tax assets:

Years	2011
2014	430
2015	2,081
2016	6,115
2017	10,344
2018 onwards	50,782
	69,752

7. Property and equipment

	Depreciation period in years	Balance at 12/31/2010	Additions	Write-offs	Balance at 12/31/2011
Machinery and equipment	5	1,330	1,835	(2)	3,163
Furniture and fixture	5	2,040	452	(13)	2,479
Vehicles	5	924	654	(158)	1,420
IT equipment	5	22,473	4,799	(14)	27,258
Tools and appliances	5	189	43	-	232
		26,956	7,783	(187)	34,552
Accumulated depreciation		(6,261)	(5,957)	73	(12,145)
P&E, net		20,695	1,826	(114)	22,407

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

7. Property and equipment (Continued)

	Depreciation period in years	Balance at 12/31/2009	Additions	Write-offs	Balance at 12/31/2010
Machinery and equipment	5	-	1,330	-	1,330
Furniture and fixture	5	1,301	739	-	2,040
Vehicles	5	316	608	-	924
IT equipment	5	19,957	2,516	-	22,473
Tools and appliances	5	180	9	-	189
		21,754	5,202	-	26,956
Accumulated depreciation		(1,365)	(4,896)	-	(6,261)
P&E, net		20,389	306	-	20,695

	Depreciation period in years	Balance at 12/31/2008	Additions	Write-offs	Balance at 12/31/2009
Machinery and equipment	5	-	-	-	-
Furniture and fixture	5	-	1,301	-	1,301
Vehicles	5	-	316	-	316
IT equipment	5	-	19,957	-	19,957
Tools and appliances	5	-	180	-	180
		-	21,754	-	21,754
		-	(1,365)	-	(1,365)
P&E, net		-	20,389	-	20,389

At December 31, 2011, 2010 and 2009, there were no fixed assets pledged as collateral for loans or proceedings of any kind.

Given the nature of the goods comprising its fixed assets for years ended December 31, 2011, 2010 and 2009, no qualifying assets for capitalization of borrowing costs were identified.

Annually, the P&E items are subject to impairment analyses. At December 31, 2011, 2010 and 2009, after the analysis of external and internal sources of information, the assets did not present any evidence of impairment, depreciation, or physical damage that could undermine the Company's future cash flow.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

8. Intangible assets

	Balance at 12/31/2010	Additions	Write-offs	Balance at 12/31/2011
Software usage rights	3,663	977	-	4,640
Trademarks and patents	6	14	-	20
Concession rights	518,064	241,337	(1,242)	758,159
Fixed fees	634,000	-	-	634,000
	<u>1,155,733</u>	<u>242,328</u>	<u>(1,242)</u>	<u>1,396,819</u>
Accumulated amortization	(52,676)	(44,210)	991	(95,895)
Intangible assets, net	<u>1,103,057</u>	<u>198,118</u>	<u>(251)</u>	<u>1,300,924</u>

	Balance at 12/31/2009	Additions	Write-offs	Balance at 12/31/2010
Software usage right	-	3,663	-	3,663
Trademarks and patents	-	6	-	6
Concession rights	259,389	258,675	-	518,064
Fixed fees	634,000	-	-	634,000
	<u>893,389</u>	<u>262,344</u>	<u>-</u>	<u>1,155,733</u>
Accumulated amortization	(17,299)	(35,377)	-	(52,676)
Intangible assets, net	<u>876,090</u>	<u>226,967</u>	<u>-</u>	<u>1,103,057</u>

	Balance at 12/31/2008	Additions	Write-offs	Balance at 12/31/2009
Software usage right	-	-	-	-
Trademarks and patents	-	-	-	-
Concession rights	-	259,389	-	259,389
Fixed fees	-	634,000	-	634,000
	<u>-</u>	<u>893,389</u>	<u>-</u>	<u>893,389</u>
Accumulated amortization	-	(17,299)	-	(17,299)
Intangible assets, net	<u>-</u>	<u>876,090</u>	<u>-</u>	<u>876,090</u>

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

8. Intangible assets (Continued)

The right to fixed fees refers to highway system operation rights for the Raposo Tavares corridor, as mentioned in Note 1. Amortization is performed by the straight-line method according to the concession terms.

In accordance with CPC 1 (R1), "Impairment of Assets", the intangible assets items showing evidence that their recorded costs exceed the recoverable value are reviewed to determine the need for a provision to reduce book value to realizable value. The management performed the annual analyses of the corresponding financial and operational performance of its assets. At December 31, 2011, 2010 and 2009 no evidence of intangible assets recorded with costs exceeding their recoverable value was found.

In fiscal year ended December 31, 2011, the Company capitalized financial charges incurred on the financing of the acquisition of operation rights in the amount of R\$37,099 (R\$49,213 in 2010 and R\$24,796 in 2009). The Company believes there is no need for capitalization of interest on new loans, as a result of the construction works listed in its investment program to be executed within the short term.

At December 31, 2011, 2010 and 2009, there were no intangible assets pledged as collateral for loans or proceedings of any kind.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

9. Loans, financing and debentures

At December 31, 2011, 2010 and 2009, the breakdown of the loans, financing and debenture account was as follows:

Object	12/31/2011			
	Index	Interest rates	Maturity	Balance
BNDES Direct	TJLP	2.45% p.y.	3/15/2021	173,989
BNDES Direct	TJLP	2.45% p.y.	3/15/2021	101,758
BNDES Direct	TJLP	2.45% p.y.	3/15/2021	93,220
BNDES Direct	TJLP	2,45% p.y.	3/15/2021	8,744
BNDES Direct	TJLP	2.45% p.y.	3/15/2023	51,106
BNDES Direct	TJLP	2.45% p.y.	3/15/2021	856
BNDES Direct	TJLP	2.45% p.y.	3/15/2023	20,356
BNDES Direct	IPCA	2.45% p.y.	3/15/2024	12,361
Bradesco (Debentures)	CDI	116.5%	1/18/2013	318,197
HSBC (Debentures)	CDI	116.5%	1/18/2013	106,066
Overdraft facility	CDI	CDI + 2.43% p.y.	6/20/2012	15,228
Total				901,881
Short-term installments				82,032
Long term installments				819,849

Object	12/31/2010			
	Index	Interest rates	Maturity	Balance
BNDES Direct	TJLP	3.12% p.y.	4/15/2011	176,074
BNDES Direct	IPCA	10.73% p.y.	3/15/2011	93,202
Bradesco (Promissory notes)	CDI	111% p.y.	2/23/2011	311,569
HSBC (Promissory notes)	CDI	111% p.y.	2/23/2011	103,856
				684,701
Short-term				9,936
Long-term				674,765

Object	12/31/2009			
	Index	Interest rates	Maturity	Balance
BNDES Direct	TJLP	3.12% p.y.	3/15/2011	89,765
Banco do Brasil (Promissory notes)	CDI	129%	2/3/2010	103,447
BNB (Promissory notes)	CDI	129%	2/3/2010	103,447
Banco Santander (Promissory notes)	CDI	129%	2/3/2010	103,447
Banco Votorantim (Promissory notes)	CDI	129%	2/3/2010	103,449
				503,555
Short-term				413,790
Long-term				89,765

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

9. Loans and financing and debentures (Continued)

Promissory notes

In the first quarter of 2009, the Company issued 37 commercial payable to order promissory notes in the amount of R\$370,000, maturing within 180 days with remuneration at 100% of CDI and bearing interest of 4% p.y. This transaction was settled on September 3, 2009.

On August 25, 2009, the Company issued 40 commercial payable to order promissory notes in the amount of R\$400,000, maturing within 180 days with remuneration of 129% of CDI. This transaction was settled on March 2, 2010.

On December 28, 2009, the Company took out R\$89,700 loan with BNDES, with financial charges at the effective Brazilian long-term interest rate (TJLP) and a spread of 2% p.y. This agreement matures on April 4, 2011. This transaction was settled on March 15, 2011.

Promissory notes – 4th Issue

The Board of Directors' meeting of August 13, 2010 approved the fourth issue ("Issue") of Company's commercial promissory notes ("Promissory Notes"), in the amount of R\$400,000, restricted for public distribution under the terms of CVM Ruling No. 476 dated January 16, 2009.

The issue was coordinated by Banco Bradesco BBI (lead coordinator) and HSBC Corretora de Títulos Mobiliários S.A., and composed of forty Promissory Notes issued in single-series, with par value of R\$10,000, totaling the amount subscribed and paid up.

The funds raised through the Issue were used for main and accessory obligations offset of the third issue of promissory notes, represented by forty commercial promissory notes, issued in single-series, with par value of R\$10,000, totaling R\$400,000.

The Promissory Notes were entitled to compensation equivalent to the accumulation of 111% of daily average rate of a single day interbank deposits (DI), over extra group, expressed as percentage per annum.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

9. Loans and financing (Continued)

Promissory Notes – 4th Issue (Continued)

Promissory Notes' term up to 180 (one hundred and eighty) days as from the issue date and were settled in advance on January 18, 2011.

Debentures

The Extraordinary General Meeting held on December 23, 2010, approved the first public issue of common non-convertible debentures amounting to R\$ 400,000 for public distribution with restrictive placement efforts under the terms of CVM Rule No. 476/09 of January 16, 2009.

The issue was coordinated by Banco Bradesco BBI (lead coordinator) and HSBC Corretora de Títulos Mobiliários S.A., and composed of forty Debentures, issued nominative debentures, without certificates with par value of R\$10,000, totaling R\$ 400,000.

As mentioned above, funds raised through issue of debentures were used to settle principal and accessory obligations of the fourth issue of promissory notes..

Debentures are entitled to a remuneration equivalent to 116.5% of the variation of average daily rates of Interbank Deposits (DI) in a single-day, over extra group, expressed as a percentage per annum, based on a year of 252 (two hundred and fifty-two) business days, calculated and disclosed by OTC clearing house (CETIP).

Issue of debentures took place on January 18, 2011 and will fall due within 24 (twenty-four) months as from issue date, therefore, on January 18, 2013.

Remuneration will be paid on a half-yearly basis as from issue date, on the 18th day from January to July of every year. The first payment will be made on July 18, 2011, and the last on January 18, 2013.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

9. Loans and financing (Continued)

Debentures (Continued)

Debentures are guaranteed by pledge of all the Company's shares held by Investimentos e Participações em Infraestrutura S.A (INVEPAR), which currently holds the capital of Issue except for (5) five shares held by members of Company's Board of Directors (Pledged Shares), fiduciary assignment of all the issuer's rights arising from the Concession Contract and Fiduciary Assignment Term referring to all Issuer's credit rights.

BNDES

On December 10, 2009, the Company entered into a financing agreement with BNDES upon granting of loan facility, totaling R\$279,493, divided in 3 (three) sub loan equally divided; with the following amounts:

- i. Sub loan A: R\$192,618 designated to the implementation of improvements; acquisition of equipment, vehicles and control systems; special conservation and expenses on minor roads of Raposo Tavares Corridor.
- ii. Sub loan B: R\$7,020 designated to the duplication of stretches of highways SP-327 and SP-270 and/or , interchange devices and improvements to inter-sections safety devices in SP-327 and SP-270 highway.
- iii. Sub loan C: R\$79,855 designated to the implementation of improvements; acquisition of equipment, vehicles and control systems; special conservation and expenses on local roads of Raposo Tavares Corridor.

The credit was made available to the Company as evidence of use of previously released resources is presented. Of the total amount (R\$279,493) taken out, BNDES has released R\$255,252 until December 31, 2010.

BNDES	Balance of Sub loans - BNDES Bridge loan			
	Sub loan A	Sub loan B	Sub loan C	Total
Contractual amount	192,618	7,020	79,855	279,493
Release Dec/09	(89,700)	-	-	(89,700)
Release Jan/10	-	-	(79,855)	(79,855)
Release May/10	(45,914)	-	-	(45,914)
Release Sep/10	(35,635)	-	-	(35,635)
Release Dec/10	(4,148)	-	-	(4,148)
	(175,397)	-	(79,855)	(255,252)
Sub loans balance	17,221	7,020	-	24,241

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

9. Loans and financing (Continued)

BNDES (Continued)

The debt arising from each Sub loan of this agreement must be paid to BNDES as follows:

- i. Sub loan A and B: settled in advance in a sole installment in amount corresponding to principal and interest of the debt on February 15, 2011.
- ii. Sub loan C: settled in advance in a sole installment in amount corresponding to principal and interest of the debt on February 15, 2011.

At December 31, 2010, CART, as provided for in item 73 of CPC 26, the BNDES bridge loans and of the 4th issuance of promissory notes were reclassified from short- to long-term, based on the following:

- i) The BNDES approved at the Board of Directors' meeting held on December 16, 2010, the long-term financing for CART, in the amount of R\$1,052,242. Out of this amount, R\$751,601 are subject to the TJLP financial cost plus 2.45% p.y. spread and R\$300,641 at IPCA cost plus Reference rate plus BNDES benchmark rate and 2.45 spread p.y. The first cash outlay of R\$377,575 took place in February 2011. The financing is secured by pledge of all shares of CART and fiduciary assignment of credit rights and concession related rights, which will be shared with the debentures to be issued in January 2011, as well as collateral signature by Invepar during the period of 2 years. This financing was used to settle two bridge loans of CART with BNDES, as well as to perform works foreseen provided for in the concession agreement.
- ii) The extraordinary general meeting held on December 23, 2010 approved the issue of 400 debentures in the amount of R\$10,000 each, bearing 116.5% interest of CDI. As a consequence, the Company performed on January 11, 2011 the debenture issue indenture with the fiduciary agent.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

9. Loans and financing (Continued)

BNDES – Senior loan

On February 10, 2011, Auto Raposo Tavares S.A. entered into an agreement with BNDES converting the initial issuance from bridge loan to senior loan category.

The first release of the "Sub loan A" amount of R\$377,575 was held on February 15, 2011, when the amount of R\$273,637 (original amount of interest and commission on bridge loan) was fully discounted, leaving a remaining net balance of R\$ 103,938.

The amount of R\$ 377,575 shall be paid in 114 consecutive and monthly installments, the first one on October 15, 2011. Interest of 2.45% p.y. above long-term interest rate (TJLP) is applied thereon.

The senior loan, in addition to extending debt, poses a lower cost to the Concession than bridge loan.

Credit is granted to the Company to the extent that evidence that the funds previously granted were effectively invested is provided. Out of the total amount (R\$1,052,242) taken out, BNDES has released R\$470,721 until December 31, 2011.

Balance of BNDES Sub loans – Senior loans (R\$ - thousands)							
			1 st release	2 nd release	3 rd release	4 th release	
Sub loan		Sub loan amount	02/15/2011	07/15/2011	10/27/2011	11/16/2011	Balance
A	TJLP	377,575	377,575	-	-	-	-
B - Z	TJLP	9,817	-	8,949	868	-	-
C	TJLP	174,285	-	50,922	20,283	-	103,080
D - Z	IPCA	12,123	-	-	-	12,123	-
Total		573,575	377,575	59,871	21,151	12,123	103,080

As a restrictive condition, the Company shall neither use these funds for purposes other than those of the subject matter of this financing nor incur new debts exceeding 15% (fifteen percent) of the gross revenue for the last twelve months. The Company's management understands this condition was complied with. Additionally, this financing agreement has covenants providing for certain financial ratios, in case of noncompliance shall accelerate the maturity of the financing. The financial index of senior BNDES loan contract is as follows: Debt Service Coverage Ratio (DSCR) – adjusted EBITDA /(amortizations + interest of short- and long-term financial debts) should be higher or equal to 1.2. The Company met the aforesaid covenants at December 31, 2011.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

9. Loans and financing (Continued)

BNDES – Senior loan (Continued)

The total amount granted amounts to R\$ 1,052,242, and is divided into sub-loans as follows:

Sub loan		Value (R\$)	Term	Interest rate
A	TJLP	377,575	114 monthly installments as from 10/15/2011	Interest of 2.45% p.y. above TJLP
B - 1	TJLP	1,787		
B - 2	TJLP	9,817		
C	TJLP	174,285	114 monthly installments as from 10/15/2013	
D	TJLP	15,310		
D - 1	IPCA	11,077	10 annual installments as from 03/15/2014	Interest of 2.45% p.y. above benchmark rate disclosed by BNDES
D - 2	IPCA	12,124		
D - 3	IPCA	15,363		
D - 4	IPCA	10,227		
D - 5	IPCA	6,388		
D - 6	IPCA	25,784		
D - 7	IPCA	44,048		
D - 8	IPCA	17,753		
e	TJLP	138,839	114 monthly installments as from 10/15/2015	Bear interest of 2.45% p.y. above TJLP
F	TJLP	33,988		
F - 1	IPCA	19,575	10 annual installments as from 03/15/2016	Interest of 2.45% p.y. above benchmark rate disclosed by BNDES
F - 2	IPCA	28,159		
F - 3	IPCA	34,354		
F - 4	IPCA	38,316		
F - 5	IPCA	15,454		
F - 6	IPCA	22,019		
		<u>1,052,242</u>		

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

10. Legal obligations linked to judicial proceedings

The legal situation of the Company encompasses civil and labor proceedings. The management, based on the opinion of legal counselors, believes that the applicable legal actions that have already been taken in each situation are sufficient to preserve the Company's equity, and there is no indication of any need to recognize additional provisions for contingencies in relation to those recorded.

a) Breakdown of risk

Nature	12/31/2011				Allowance
	Likelihood of loss			Total	
	Probable	Possible	Remote		
Labor	239	2,640	9	2,888	239
Civil	60	6,174	634,046 (a)	640,280	60
	299	8,814	634,055	643,168	299

Nature	12/31/2010				Allowance
	Likelihood of loss			Total	
	Probable	Possible	Remote		
Labor	78	916	5	999	78
Civil	43	635	54	732	43
	121	1,551	59	1,731	121

Nature	12/31/2009				Allowance
	Likelihood of loss			Total	
	Probable	Possible	Remote		
Civil	37	553	-	590	37
	37	553	-	590	37

(b) Class action suit filed against the Company inquiring the existence of the concession. Suit deemed groundless and cancelled in 2012, without losses to the Company.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

10. Legal obligations linked to judicial proceedings (Continued)

b) Changes

	Opening balance 12/31/2010	Additions	Write-offs	Closing balance 12/31/2011
Labor	78	256	(95)	239
Civil	43	109	(92)	60
Provisioned amount	121	365	(187)	299
Judicial deposit	-	(116)	-	(116)
	121	249	(187)	183

	Opening balance 12/31/2009	Additions	Write-offs	Closing balance 12/31/2010
Labor	-	78	-	78
Civil	37	21	(15)	43
Provisioned amount	37	99	(15)	121
Judicial deposit	-	-	-	-
	37	99	(15)	121

	Opening balance 12/31/2008	Additions	Write-offs	Closing balance 12/31/2009
Labor	-	37	-	37
Civil	-	37	-	37
Provisioned amount	-	-	-	-
Judicial deposit	-	37	-	37

Civil contingencies

The Company is party to civil proceedings brought by customers mainly stemming from incidents that have occurred on the highway system.

Labor contingencies

The Company is party to labor proceedings brought by former employees and employees of outsourced companies, the subject of which, chiefly relate to claims for reinstatement, overtime and salary equalization.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

10. Legal obligations linked to judicial proceedings (Continued)

In addition, the Company is defendant in various proceedings which its legal counsel assess as posing a probable likelihood of loss, estimated at R\$ 8,814 at December 31, 2011 (R\$ 1,551 at December 31, 2010 and R\$ 553 at December 31, 2009).

11. Transactions with related parties

Any transactions between related parties, be they managers/ trustee, employees, shareholders, subsidiaries or affiliates, are carried out at rates and conditions agreed between the parties, approved by the competent management bodies and disclosed in the financial statements.

When necessary, the decision making procedure for carrying out transactions with related parties is in accordance with the terms of Article 115 of Brazil's Corporation Law, which provides that the shareholder or trustee, as applicable, in ordinary or extraordinary shareholders' meetings or board meetings, abstain from voting on resolutions relating to: (i) the asset valuation report to agree upon the formation of capital, (ii) the approval of accounts as managers, and (iii) any matters which might benefit them specifically or that conflict with the interest of the Company.

With regard to loans between companies of the Invepar Group and shareholders, we stress that these occurred due to the temporary cash flow needs of those companies to fulfill their investment and/ or operations, and subject to financial charges agreed between the parties approved by management bodies.

	Party's Relation with Company	Assets		2011	P&L	P&L
		Current	Non-current	Current liabilities	(cost)	(expenses)
OAS S.A.	Indirect parent	-	-	-	(159,761)	-
Linha Amarela S.A. LAMSA	Related party	-	-	-	-	(512)
Investimentos e Participações em Infra-estrutura S.A. - INVEPAR	Direct parent	-	-	-	(3,228)	(653)
Concessão Metroviária do rio de Janeiro S.A. - Metrô Rio	Related party	-	-	-	-	(25)
		-	-	-	(162,989)	(1,190)

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

11. Transactions with related parties (Continued)

Party's Relation with Company	2010					
	Assets		Current liabilities	P&L (cost)	P&L (financial expense)	
	Current	Non Current				
OAS S.A.	Indirect parent	3,092	-	-	(202,732)	-
Linha Amarela S.A. - LAMSA Investimentos e Participações em Infra-Estrutura S.A. - Invepar	Related party	-	-	11,015	-	(1,225)
Concessão Metroviária do Rio de Janeiro S.A. - "Metrô Rio"	Direct parent	-	-	41,207	-	(2,391)
	Related party	-	-	-	-	(2,503)
		3,092	-	52,222	(202,732)	(6,119)

Party's Relation with Company	2009					
	Assets		Current liabilities	P&L (cost)	P&L (expense)	
	Current	Non current				
OAS S.A.	Indirect parent	19,092	194,098	-	-	(4,243)
Linha Amarela S.A. - LAMSA Investimentos e Participações em Infra-Estrutura S.A. - Invepar	Related party	116	-	30,884	-	(883)
Concessão Metroviária do Rio de Janeiro S.A. - "Metrô Rio"	Direct parent	-	-	18,650	-	(578)
	Related party	-	-	31,646	-	(1,646)
		19,208	194,098	81,180	-	(7,350)

Services - assets

On March 5, 2009, an agreement to perform civil construction work between the Company and the related party, OAS Engenharia e Participações Ltda. (now known as OAS S.A.), including functional and executive projects for highway renovation, expansion and improvements to the Raposo Tavares highway system. Prices and quantities when applicable are in accordance with that established in the concession contract, which is overseen by ARTESP.

The basis for the provision of these services, whose term is five years, according to the contract and the overall price agreed between the parties was R\$1,078,096, due in payments to be made under the following conditions:

- i) Advance amounting to R\$ 57,276, made on March 19, 2009, that was amortized during the first twelve months of the execution of services through monthly discounts in the measurement of those services settled on April 30, 2010.
- ii) Monthly installments in accordance with the performance of services based on the physical-financial chronology of the respective agreement.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

11. Transactions with related parties (Continued)

Services – assets (Continued)

The overall price shall be adjusted every twelve months as parametric formula contained included in the agreement. Exceptionally, regardless of any readjustment that may be earned through the application of this formula, contractual prices shall be readjusted whenever this variation indicates a percentage equal to or exceeding the inflation target disclosed by the Central Bank of Brazil. The balance of the works agreement with the OAS S.A. at December 31, 2011 was R\$ 534,101 (R \$ 686,545 at December 31, 2010).

Loans with related parties - liabilities

On September 18, 2009, CART signed a loan agreement with LAMSA amounting to R\$30,000, with financial charges at the rate of 100% of CDI plus interest of 2% p.y. maturing in 60 days, the term had been extended up to May 18, 2010, through additional terms. On January 18, 2010, the amount of R\$ 5,000, was settled with the remainder settled on May 18, 2010.

On September 29, 2009, CART signed a loan agreement with INVEPAR amounting to R\$18,000, with financial charges at the rate of 100% of CDI plus interest of 4.2% p.y. maturing in 60 days, the term had been extended up to May 18, 2010, through additional terms. On May 17, 2010, the loan was settled.

On October 14, 2009, CART signed a loan agreement with METRÔ RIO amounting to R\$70,000. The agreement matured on February 11, 2010, with financial charges at the rate of 130% of CDI. On December 29, 2009, CART made an early payment of R\$40,000, settling the loan agreement in the first quarter of 2010.

CART signed loan agreements with METRÔ RIO amounting to R\$45,000 and R\$35,000, on March 25 and March 31, 2010, respectively. These agreements mature on April 25, 2010, with financial charges at the rate of 125% of CDI. On May 17, 2010, these loan agreements were settled.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

11. Transactions with related parties (Continued)

Services – assets (Continued)

On June 30, 2010, CART signed a loan agreement with METRÔ RIO amounting to R\$ 34,000, for a 30 day term, renewable for equal periods, with financial charges of 100% of CDI plus 0.2% p.m. The transaction was settled in July 2010.

During the fourth quarter of 2010, CART signed loan agreements with Invepar amounting to R\$ 40,000, maturing within 30 days, renewable for equal periods, and with financial charges at 100% of CDI plus 0.2% p.m. On February 15, 2011 this transaction was settled.

On December 28, 2010, CART signed a loan agreement with LAMSA amounting to R\$ 11,000, maturing within 30 days, renewable for equal periods, and with financial charges at 100% of CDI plus 0.2% p.m. On February 15, 2011 this transaction was settled.

In May 27, 2011, CART signed a loan agreement with LAMSA amounting to R\$ 8,000, maturing within 30 days renewable for equal periods, and with financial charges at 100% of CDI plus 0.2% p.m. On July 27, 2011, this transaction was settled.

On May 30, 2011, CART signed a loan agreement with LAMSA amounting R\$ 10,000, maturing within 30 days renewable for equal periods and with financial charges at 100% of CDI plus 0.2% p.m. On June 29, 2011, this transaction was settled.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

12. Management compensation

Fees for management who are responsible for planning, direction and control of the Company's activities which include members of the Board of Directors and statutory officers are comprised of fees, private pension plans, medical and dental plans, amounting to R\$ 1,086 in the year ended December 31, 2011 (R\$1,475 in 2010 and R\$ 969 in 2009).

Breakdown	January to December - 2011		
	Directors	Officers(i)	Total
Compensation	894	-	894
Social charges	122	-	122
Benefits	70	-	70
	1,086	-	1,086

- i. In accordance with remuneration waiver terms signed by Board Members at April 30, 2010, these individuals waive any remuneration to carry out their roles.

Breakdown	January to December - 2010		
	Directors	Officers	Total
Compensation	1,227	19	1,246
Social charges	175	4	179
Benefits	50	-	50
	1,452	23	1,475

Breakdown	January to December - 2009		
	Directors	Officers	Total
Compensation	707	15	722
Social charges	228	3	231
Benefits	16	-	16
	951	18	969

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

13. Deferred revenue

At December 30, 2011, the Company signed a long-term agreement maturing on March 16, 2039, relating to the leasing of fiber-optic infrastructure by TIM Celular S.A. During the course of these negotiations the Company received a prepayment of R\$11,662, equivalent to the total amount of services contracted. This amount is divided under liabilities between non-current liabilities and shall be allocated to P&L as from the date that the leased assets are made available and according to the contractual term.

TIM Celular S.A. is currently negotiating an addition to the aforementioned agreement with the Company in which the Company shall provide 10 (ten) more fiber optic cables to TIM Celular S.A. as well as the infrastructure already contracted. During the course of these negotiations the Company received from TIM Celular S.A. advances of R\$ 10,000, and R\$ 31,000 at January 31, 2012 and February 7, 2012, respectively.

14. Equity

The Company was incorporated on November 12, 2008, through the subscription and payment of 2,000 registered shares, without par value.

On March 6, 2009, in accordance with minutes from the Extraordinary Shareholders' Meeting approval was given for a capital increase amounting R\$169,998, through the issue of 84,999,000 common and 84,999,000 preferred registered shares with no par value, fully paid in by shareholders during 2009.

On August 3, 2009, the shareholder's of Invepar and Construtora OAS Ltda., signed shares purchase and sale agreement, through which Invepar acquired 85,000,000 preferred shares and 20,399,999 common shares held by Construtora OAS Ltda.

On May 17, 2010, a capital increase in the Company amounting to R\$184,518 was approved, through the issue of 137,354,293 common and 137,354,293 preferred registered shares with no par value, increasing the Company's capital to R\$354,518 divided into 222,354,293 common and 222.354.293 preferred registered shares with no par value.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

14. Equity (Continued)

On July 29, 2010, a Company capital increase of R\$157,482, was approved by the Company through the issues of 120,312,359 common registered shares and 120,312,359 preferred shares, increasing Company capital to R\$512,000 divided into 342,666,652 common and 342,666,652 preferred registered shares, with no par value.

On March 28, 2011, a Company capital increase of R\$ 25,000, was approved through the issue of 19,871,297 common and 19,871,297 preferred registered shares, with no par value, increasing Company capital to R\$ 537,000 divided 362,537,949 common and 362,537,949 preferred registered shares, with no par value.

On June 29, 2011, a Company capital increase of R\$ 17.000, was approved through the issue of 13,836,979 common and 13,836,979 preferred registered shares, increasing Company capital to R\$ 554,000 divided into 376,374,928 common and 376,374,928 preferred registered shares with no par value.

On July 15, 2011, a Company capital increase of R\$ 39,000, was approved through the issue of 31.743.657 common and 31.743.657 preferred registered shares, increasing Company capital to R\$ 593,000 divided into 408,118,585 common and 408,118,585 preferred registered shares with no par value.

On December 21, 2011, a Company capital increase of R\$ 32,000, was approved through the issue of 26.573.362 common and 26.573.362 preferred registered shares, increasing Company capital to R\$ 625,000 divided into 434,691,947 common and 434,691,947 preferred registered shares with no par value.

On December 31, 2011, the Company's authorized capital limit was R\$ 660,000 (R\$ 520,000 at December 31, 2010 and R\$ 170,000 at December 31, 2009).

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

14. Equity (Continued)

At December 31, 2011, 2010 and 2009, Company capital breaks down as follows:

	12/31/2011			
	Number of shares	% of interest	Common shares	Preferred shares
Invepar	869,383,893	99.99	434,691,946	434,691,947
Construtora OAS Ltda.	1	0.01	1	-
	869,383,894	100	434,691,947	434,691,947

	12/31/2010			
	Number of shares	% of interest	Common shares	Preferred shares
Invepar	685,333,287	99.99	342,666,635	342,666,652
Construtora OAS Ltda.	1	0.01	1	-
Other	16		16	-
	685,333,304	100	342,666,652	342,666,652

	12/31/2009			
	Number of shares	% of interest	Common shares	Preferred shares
Invepar	169,999,983	99.99	85,000,000	85,000,000
Construtora OAS Ltda.	1	-	-	-
Other	16	0.01	16	-
	170,000,000	100	85,000,000	85,000,000

The preferred shares shall have no voting rights and shall be entitled to the same profit sharing as common shares, in addition to preemptive right in capital reimbursement, without premium, in the event of wind-up, and shall also have the right to participate in public offering of shares for the same price and under the same conditions as common shares.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

15. Net operating income (expenses)

	2011	2010	2009
Gross revenue from toll collection	194,080	173,528	25,850
Additional revenue	338	189	25
Revenue from construction agreement	218,189	243,091	259,389
Deductions from revenue	(16,588)	(14,595)	(2,160)
	<u>396,019</u>	<u>402,213</u>	<u>283,104</u>

16. Cost of services rendered

	2011	2010	2009
Service providers	(52,291)	(50,134)	(15,236)
Operating	(8,280)	(12,568)	(3,201)
Amortization	(43,691)	(35,377)	(17,299)
Allowance	(8,154)	(3,370)	(1,657)
Personnel	(8,132)	(7,545)	(11,877)
Contractual concession costs	(8,140)	(10,077)	(4,081)
	<u>(128,688)</u>	<u>(119,071)</u>	<u>(53,351)</u>

17. Financial income (expenses), net

	2011	2010	2009
Financial income			
Discounts obtained	145	-	-
Interest assets	18	-	-
Gains from short-term investments	5,238	1,044	3,811
	<u>5,401</u>	<u>1,044</u>	<u>3,811</u>
Financial expenses			
Commissions and bank charges	(1,732)	-	-
Interest on loans	(85,170)	(54,553)	(20,312)
Tax on financial transactions (IOF)	(736)	(1,659)	-
Restatement of fixed fees - IPCA	-	(4,639)	(21,973)
Monetary variation losses	(95)	-	-
	<u>(87,733)</u>	<u>(60,851)</u>	<u>(42,285)</u>
	<u>(82,332)</u>	<u>(59,807)</u>	<u>(38,474)</u>

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Notes to financial statements (Continued)

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(In thousands of reais, except when otherwise indicated)

18. Earnings per share

In accordance with CPC 41, the Company disclosed the following statements on earnings per share for the years ended December 31, 2011 and 2010.

The calculation of basic earnings per share is made by dividing income for the period, attributable to Company's common and preferred shareholders by the weighted average number of common and preferred shares available during the period.

The table below presents P&L data and shares used in the basic and diluted earnings per share calculation:

	2011			2010			2009		
	Common	Preferred	Total	Common	Preferred	Total	Common	Preferred	Total
Basic numerator	Restated			Restated			Restated		
Net losses attributable to common and preferred shareholders	(15,725)	(15,725)	(31,450)	(15,341)	(15,341)	(30,682)	(25,168)	(25,168)	(50,336)
Denominator									
Weighted average of shares (in thousands)	380,241	380,241	760,482	211,343	211,343	422,686	69,863	69,863	139,726
Basic and diluted losses per share (R\$)	<u>(0.0414)</u>	<u>(0.0414)</u>		<u>(0.0726)</u>	<u>(0.0726)</u>		<u>(0.3602)</u>	<u>(0.3602)</u>	

The Company does not have dilutive instruments and there is no difference between the calculation of basic and diluted earnings per share for the nine-month period ended December 31, 2011 and 2010 and 2009.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

19. Concession commitments

The Company's concession term and liabilities stemming from the Concession Agreement agreed with the São Paulo State Transport Agency (ARTESP) is projected to end in 2039.

Upon the entering into of the Highway Concession Contract Terms No. 002/ARTESP/2009, related to International Public Notice No. 0042008, the Company assumed the following obligations:

a) Investments

Investment of R\$ 2,542,520 is projected in the Highway Expansion program. The chronology of highway investment projects the following outflows:

	2009	2010	2011	2012	2013	2014 a 2039	Total
Projected investment - PER	266,653	219,787	233,927	267,691	296,734	1,257,728	2,542,520

The main investments stemming from the concession are:

- i) Duplication of highway and implementation of level and raised u-turn ramps;
- ii) Construction of vehicle weighing sale terminals (fixed and mobile), fixed customer service centers;
- iii) Construction of nine toll plazas and the demolition of two pre-existing toll plazas (Presidente Bernardes and Caiuá);
- iv) Implementation and improvements to ramps, clover-leaf interchanges, loop ramps, pedestrian walkways, interchange safety devices and improvements to inter-sections.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

19. Concession commitments (Continued)

b) Fixed and variable fees

The following amounts correspond to the right of use of highway system:

I. Fixed fee - of R\$634,000 in favor of DER/SP as follows:

- 1 - An installment of R\$126,800 corresponding to 20% of the fixed fee amount paid on signature of the agreement;
- 2 - 18 (eighteen) fixed monthly equal and successive installments, amounting to R\$ 28,177, with the first due on the last Day of the month following signature of the agreement. As from July 1, 2009, the installments shall be readjusted in accordance with the increase in the toll tariff (R\$ 4.60 to R\$ 4.80), increasing the monthly installment from R\$ 28,177 to R\$ 29,643. As from July 1, 2010, the remaining installments were readjusted in accordance with the increase in the toll tariff increasing the monthly installment from R\$ 29,643 to R\$ 31,189.

During 2010, the amount of R\$271.425, was paid to the Granting Authority for fixed fees. On September 16, 2010 the Company fully settled its right to fixed fees.

The amount payable relating to fixed fees was fully settled on September 16, 2010.

II. Variable fees

Amount corresponding to 3% (three percent) of gross toll revenue and accessory revenues effectively earned by the Company to be paid on a monthly basis. The commitment at December 31, 2011, was R\$ 536 (R\$ 490 at December 31, 2010 and R\$ 275 at December 31, 2009).

During the year ended December 31, 2011, the amount of R\$ 5,787 was paid to the Granting Authority (R\$ 4,997 in 2010 and R\$ 778 in 2009) relating to variable fees.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

19. Concession commitments (Continued)

c) Guarantees

The Company used surety bonds to meet the following contractual guarantees:

1. Guarantee of compliance with operating commitments, upkeep and payment of variable monthly amount to the maximum indemnity limit of R\$107,249. Effective for twelve months.
2. Guarantee of compliance with expansion commitments corresponding to 1.5% of the contract amount, limited to 10% of the investment amount. This guarantee shall be used to the proportion of compliance with expansion commitments. Effective for a minimum of 12 months.

d) Financial resources

The Company began its operations on March 17, 2009. The financial income required to meet investments and payment of fees shall be obtained through capital contribution by shareholders and raising funds on capital markets.

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Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

20. Insurance coverage

The Company maintains surety bonds, insurance against property damages, revenue loss and civil liability, which were contracted according to orientations of ARTESP and obligations provided for in the Concession Agreement, as under:

Type	Maximum indemnity limit	Effective	Insurer	Object
Expansion guarantee	R\$ 133,618	3/16/2011 to 3/16/12	Austral Seguradora	(a)
Operating commitments guarantee	R\$ 107,249	3/16/2011 to 3/16/12	Austral Seguradora	(b)
Civil liability	R\$ 25,000	8/1/2011 to 8/1/12	Tokio Marine	(c)
Operational risks	R\$ 180,000	8/1/2011 to 8/1/12	Tokio Marine	(d)

- a) Ensure the realization of expansion commitments referred to in item 29.1 of the Concession Agreement of the Highway system by the state highway network of Raposo Tavares Corridor, corresponding to Lot 16 of the São Paulo State Highway Concession Program, the International Public Notice No. 004/2008.
- b) Ensure the realization of expansion commitments, conservation and variable monthly payment referred to in item 29.1.a of the Concession Agreement of the Highway system by the state highway network of Raposo Tavares Corridor, corresponding to Lot 16 of the São Paulo State Highway Concession Program, the International Public Notice No. 004/2008.
- c) Damage caused to third parties deriving from the management of public assets represented by the highway system complex referred to as Lot 16 of the São Paulo State Highway Concession Program, which includes stretches of highways SP-225, SP-327 and SP-270. With their respective accesses, as well as all the improvements.
- d) This operational risk insurance aims to guarantee, at every accident, any losses that the insured may suffer related to relevant coverage and expressly identified in the policy. In case of any risks described and specified in the General Conditions, special and/or particular conditions, under the maximum limits of indemnification established for each coverage and under the legal provisions and other contractual conditions applicable.

21. Financial instruments and risk concentration

Estimated completion values of financial assets and liabilities of the Company were determined through information available in the market and appropriate review methodologies. However, considerable judgment was required in interpreting market data to produce the most adequate estimated realizable value. As a result, the following estimates do not necessarily indicate amounts realizable in the current exchange market. The use of different market methodologies may generate changes in the estimated realizable values.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

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21. Financial instruments and risk concentration (Continued)

Management of these instruments is done through operating strategies aimed at liquidity, security and profitability. The control policy is to ensure continuous monitoring of contractual rates versus current market rates, as well as assessing the financial situation of the institutions involved. The Company did not make speculative investments in derivatives or other risky assets.

The amounts of financial instruments recorded in assets and liabilities are updated as contractually agreed until December 31, 2012, and approximate market value. These amounts basically comprise cash and cash equivalents, short-term investments, receivables, loans and financing and debentures.

Under the terms of CVM Rule No. 550 of October 17, 2008, the Company's management reports that the risk factors to which the Company is exposed are:

a) General comments

The Company participates in transactions involving financial instruments, including short-term investments, trade accounts receivable, trade accounts payable and loans and financing and debentures for the purpose of managing the availability of cash funds of its operations.

b) Risk management

The Company is exposed to market risks arising from interest rate variation and to credit risk arising from the possibility of default of their counterparties in financial investments and accounts receivable.

The Company adopts procedures for market and credit risk management through financial market mechanisms that seek to minimize the exposure of the Company's assets and liabilities, ensuring the profitability of contracts and equity.

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Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

21. Financial instruments and risk concentration (Continued)

Exposure to interest rate risk

The main market risk factor that may affect the Company's business is the interest rate. This risk is linked to the possibility that the Company incurs losses due to variations in interest rates that increase financial expenses related to loans and financing and debentures raised in the market. The Company has not been entering into derivative agreements to hedge against this risk. Nonetheless, the Company continuously monitors market interest rates aiming to assess the need to enter into derivative contracts to hedge against currency risk.

The Company is exposed to the risk that a change in interest rates shall result in the increase of its financial expenses with future interest payments. The national currency debt is subject to variation of daily DI, TJLP and IPCA.

d) Sensitivity analysis

The evaluations of the sensitivity of financial instruments to the variables that present risk of variation are presented below:

Selection of scenarios

In compliance with CVM Guidance No. 475/08, the Company presents three scenarios in the sensitivity analysis, one probable and two that may represent adverse effects for the Company with 25% and 50% of deterioration in each index:

<u>Indicator</u>	<u>Scenario I</u>	<u>Scenario II</u>	<u>Scenario III</u>
	<u>Probable</u>	<u>Possible - adverse</u>	<u>Extreme - adverse</u>
CDI*	10.81%	13.51%	16.22%
TJLP	6%	7.5%	9%
IPCA	6.5%	8.13%	9.75%

* Refers to CDI rate at December 31, 2011.

Sensitivity amounts in the table below refer to interest to be incurred by financial instruments under each scenario.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

21. Financial instruments and risk concentration (Continued)

d) Sensitivity analysis (Continued)

Sensitivity analysis of interest rate variations

The sensitivity of each financial instrument, based on exposure to variation of each, is presented in the table below:

			12/31/2011		
			Interest to be incurred		
Instrument	Maturity	Risk	Scenario I	Scenario II	Scenario III
			Probable	Possible adverse	Extreme adverse
Cash equivalents	-	Decrease in DI	5,566	6,956	8,352
Short-term investments	-	Decrease in DI	4,328	5,409	6,494
Debentures	Jan/2013	Increase in DI	45,863	57,318	68,815
BNDES Senior loan	Mar/2021	Increase in TJLP	22,714	28,393	34,071
BNDES Senior loan	Mar/2023	Increase in IPCA	5,448	6,815	8,173

			12/31/2010		
			Interest to be incurred		
Instrument	Maturity	Risk	Scenario I	Scenario II	Scenario III
			Probable	Possible adverse	Extreme adverse
Cash equivalents	-	Decrease in DI	451	564	677
Promissory notes	Feb/2011	Increase in DI	44,201	55,252	66,302
BNDES Senior loan	Apr/2011	Increase in TJLP	10,564	13,206	15,847
BNDES Senior loan	Mar/2011	Increase in IPCA	4,679	5,853	7,018

			12/31/2009		
			Interest to be incurred		
Instrument	Maturity	Risk	Scenario I	Scenario II	Scenario III
			Probable	Possible adverse	Extreme adverse
Cash equivalents	-	Decrease in DI	2,931	3,663	4,396
Promissory notes	Mar/2010	Increase in DI	40,841	51,051	61,262
BNDES Senior loan	Mar/2011	Increase in TJLP	5,386	6,732	8,079

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Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

21. Financial instruments and risk concentration (Continued)

d) Sensitivity analysis (Continued)

The amount equivalent to 100% of Company's loans and financing and debentures are subject to remuneration at the accumulated variation of interest rate DI, TJLP and IPCA, and the equivalent of cash and short-term investment subject to CDI.

These analyses illustrate sensitivity to changes in market variables of the Company's financial instruments.

The sensitivity analysis is established based on assumptions and estimates about future events. The Company's management regularly revises estimates and assumptions used in these calculations. Nevertheless, settlement of transactions involving these estimates could result in values different from those estimated due the subjectivity inherent to the process used to prepare such analyses.

e) Credit risk exposure

Operations subject to Company concentrations of credit risk are primarily based on current bank accounts and investments, in which the Company is exposed to the risk of the financial institution involved. In order to manage this risk, the Company maintains current bank accounts and short-term investments with financial institutions considered first-tier institution by the management

At December 31, 2011, the Company stated trade accounts receivables from CGMP- Centro de Gestão de Meios de Pagamento S.A. at the amount of R\$ 9,877, arising from toll revenue collected by the electronic toll payment system ("Sem Parar"), recorded in "Trade accounts receivable". Because CGMP is controlled by the highway sector, the Company's management considers unlikely the credit risk from these receivables by considering these mitigated between the concessionaires of the highway sector. Amounts receivable from Visa and DBTrans do not have a history of losses and the Company's management classifies the receipt of these amounts under low credit risk.

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Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

21. Financial instruments and risk concentration (Continued)

f) Derivatives

The Company did not participate in transactions involving derivative financial instruments or any other speculative instruments in the period from January 1 to December 31, 2011.

The Company does not have derivative financial instruments, or other financial instruments linked thereto at December 31, 2011, 2010 e 2009.

g) Market values

At December 31, 2011, the market values of trade accounts receivable and payable approximate amounts recorded in the financial statements given their short-term nature.

The market values of loans, financing and debentures substantially approximate the amounts recorded in the financial statements for these financial instruments are subject to variable market interest rates

At December 31, 2011, the market values of trade accounts receivable and payable approximate amounts recorded in the financial statements given their short-term nature.

The market values of loans, financing and debentures substantially approximate the amounts recorded in the financial statements for these financial instruments are subject to variable market interest rates.

h) Capital management

The main objective of the Company's capital management is to ensure a high credit rating and a capital ratio capable of supporting and maximizing shareholder value. The Company manages the capital structure and makes adjustments considering changes in economic circumstances.

Concessionária Auto Raposo Tavares S.A.

Notes to financial statements (Continued)

December 31, 2011, 2010 and 2009

(In thousands of reais, except when otherwise indicated)

21. Financial instruments and risk concentration (Continued)

h) Capital management

	2011	2010	2009
Loans and financing	477,618	684,701	503,555
Debentures	424,263	-	-
Cash and cash equivalents	(5,149)	(4,243)	(26,691)
Short-term investments	(40,038)	-	-
Net debt	856,694	680,458	476,864
Equity	512,532	430,982	119,664
Net equity and debt	1,369,226	1,111,440	596,528

22. Subsequent events

On January 6, 2012, CART signed a loan agreement with INVEPAR amounting to R\$ 30,000, maturing within 30 days, extendable for equal and successive periods up to a limit of 120 days, and financial charges at 100% of CDI plus 0.20% per month. This transaction was settled on February 16, 2012.

On April 30, 2012, a capital increase in the Company amounting to R\$ 55,000, through the issue of 46,646,955 registered common and 46,646,955 preferred shares with no par value was approved. Up to June 30, 2012, the amount of R\$ 30,000 was paid in with the remaining balance of R\$ 25,000 paid in on July 17, 2012.

On July 9, 2012, the Company signed a short-term agreement maturing on June 30, 2013, referring to the lease of a fiber optic network by Alcatel-Lucent Brasil S.A. During the negotiation the Company received an advance payment of R\$ 10,617, equivalent to the total amount of services contracted. This amount was recorded under liabilities on that date and shall be allocated to P&L as from the date those assets are made available and according to contractual term.

On August 31, 2012, a capital increase in the Company of R\$ 35,000, was approved through the issue of 32,146,076 registered common and 32,146,076 preferred shares with no par value, paid in on September 28, 2012.