

Quarterly Information (ITR)

Concessionária Auto Raposo Tavares S.A.

September 30, 2013

with Independent Auditor's Review Report on Quarterly Information

Concessionária Auto Raposo Tavares S.A.

Quarterly Information (ITR)

September 30, 2013

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A free translation from Portuguese into English of Independent Auditor's Review Report on Interim Financial Information prepared in Brazilian currency in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

Independent auditor's review report on quarterly information

The Board of Directors, Shareholders and Officers
Concessionária Auto Raposo Tavares S.A.
Bauru - SP

Introduction

We have reviewed the interim financial information contained in the Quarterly Information Form (ITR) of Concessionária Auto Raposo Tavares S.A. ("Company") for the quarter ended September 30, 2013, which comprises the balance sheet as at September 30, 2013 and the related statements of operations and statements of comprehensive income (loss) for the three and nine-month periods then ended, and the statements of changes in equity and cash flow statements for the nine-month period then ended, including explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting, as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the quarterly information referred to above was not fairly prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the Quarterly Information (ITR), and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission.



Other matters

Statement of value added

We have also reviewed the statement of value added (SVA), for the nine-month period ended September 30, 2013, prepared under the responsibility of Company management, whose presentation in the interim financial information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). This statement was subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that the statement was not prepared, in all material respects, in accordance with the overall interim financial information.

Rio de Janeiro, October 25, 2013.

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

A handwritten signature in blue ink, appearing to read 'Gláucio Dutra da Silva'.

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

A free translation from Portuguese into English of Interim Financial Information prepared in Brazilian currency in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

Concessionária Auto Raposo Tavares S.A.

Balance sheets

September 30, 2013 and December 31, 2012

(In thousands of reais)

	09/30/2013	12/31/2012
Assets		
Current assets		
Cash and cash equivalents (Note 3)	108,582	147,078
Short-term investments (Note 3)	203,561	240,056
Receivables (Note 4)	13,922	12,716
Inventories	627	724
Taxes recoverable	2,554	361
Sundry advances	746	293
Prepaid expenses	1,383	649
Related parties (Note 10)	605	536
Other	873	189
	332,853	402,602
Noncurrent assets		
Deferred income and social contribution taxes (Note 5)	96,564	78,097
Judicial deposits	7,830	893
Other	9	9
Property and equipment (Note 6)	17,527	19,578
Intangible assets (Note 7)	1,487,668	1,441,007
	1,609,598	1,539,584
Total assets	1,942,451	1,942,186
Liabilities and equity		
Current liabilities		
Loans and financing (Note 8)	78,547	50,899
Debentures (Note 8)	36,220	1,548
Trade accounts payable	2,439	981
Salaries and social charges payable	4,305	2,766
Taxes and contributions payable	2,815	3,040
Obligations to concession rights (Note 18b)	324	652
Deferred revenue (Note 12)	5,854	8,674
Related parties (Note 10)	3,751	440
Provisions	219	23,489
Other	1,620	2,112
	136,094	94,601
Noncurrent liabilities		
Provision for maintenance	31,164	20,534
Loans and financing (Note 8)	473,944	521,159
Debentures (Note 8)	726,616	693,664
Legal obligations related to legal proceedings (Note 9)	869	549
Deferred revenue (Note 12)	48,240	49,714
	1,280,833	1,285,620
Equity (Note 13)		
Capital	715,000	715,000
Accumulated losses	(189,476)	(153,035)
	525,524	561,965
Total liabilities and equity	1,942,451	1,942,186

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Statements of operations

Three and nine-month periods ended September 30, 2013 and 2012

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

	07/01/2013 to 09/30/2013	01/01/2013 to 09/30/2013	07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012
Net toll collection and additional revenue	58,982	168,651	55,408	145,719
Construction revenue	62,053	86,577	58,416	123,353
Net operating revenue (Note 14)	<u>121,035</u>	<u>255,228</u>	113,824	269,072
Cost of sales (Note 15)	(35,603)	(111,762)	(34,525)	(102,495)
Construction costs	<u>(61,438)</u>	<u>(85,717)</u>	(57,837)	(122,131)
Gross profit	23,994	57,749	21,462	44,446
Operating expenses				
General and administrative expenses	(7,476)	(20,270)	(7,764)	(23,748)
Management compensation (Note 11)	(177)	(1,370)	(208)	(958)
Depreciation	(2,029)	(5,879)	(1,777)	(5,286)
Financial income (Note 16)	7,543	19,679	1,269	3,736
Financial expenses (Note 16)	(28,504)	(104,858)	(20,315)	(63,876)
Other income	16	42	34	92
Loss before income and social contribution taxes	<u>(6,633)</u>	<u>(54,907)</u>	(7,299)	(45,594)
Deferred income and social contribution taxes (Note 5)	2,195	18,466	5,669	25,505
Loss for the period	<u>(4,438)</u>	<u>(36,441)</u>	(1,630)	(20,089)
(Basic and diluted) earnings (loss) per common share	(0.0043)	(0.0355)	(0.0018)	(0.0223)
(Basic and diluted) earnings (loss) per preferred share	(0.0043)	(0.0355)	(0.0018)	(0.0223)

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Statements of comprehensive income (loss)

Three and nine-month periods ended September 30, 2013 and 2012

(In thousands of reais)

	07/01/2013 to 09/30/2013	01/01/2013 to 09/30/2013	07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012
Loss for the period	(4,438)	(36,441)	(1,630)	(20,089)
Comprehensive income (loss) in equity	-	-	-	-
Total comprehensive income (loss), net of taxes	(4,438)	(36,441)	(1,630)	(20,089)

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Statements of changes in equity
Nine-month period ended September 30, 2013 and 2012
(In thousands of reais)

	Capital	Accumulated losses	Total
Balances at January 1, 2012	625,000	(112,468)	512,532
Loss for the period	-	(20,089)	(20,089)
Capital increase	90,000	-	90,000
Balances at September 30, 2012	715,000	(132,557)	582,443
Balances at January 1, 2013	715,000	(153,035)	561,965
Loss for the period	-	(36,441)	(36,441)
Balances at September 30, 2013	715,000	(189,476)	525,524

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Cash flow statements

Nine-month period ended September 30, 2013 and 2012

(In thousands of reais)

	09/30/2013	09/30/2012
Loss for the period before taxes	(54,907)	(45,594)
Adjustments to reconcile loss for the period with cash provided by operating activities		
Gross construction margin	(860)	(1,222)
Depreciation and amortization	49,086	43,554
Provision for maintenance	10,630	-
Write-off of property and equipment and intangible assets	267	53
Legal obligations related to legal proceedings	319	-
Amortization of debenture transaction costs	2,472	-
Monetary and exchange variations and charges	101,404	62,735
	108,411	59,526
(Increase) decrease in operating assets		
Accounts receivable from third parties	(1,206)	(2,249)
Inventories	97	(200)
Taxes recoverable	(2,193)	154
Advances	(453)	78
Other accounts receivable	(681)	-
Related parties	3,239	(41)
Judicial deposits	(6,937)	(676)
Prepaid expenses	(733)	(354)
	(8,867)	(3,288)
Increase (decrease) in operating liabilities		
Trade accounts payable	1,458	55
Taxes and contributions payable	(227)	391
Salaries and social charges payable	1,540	1,257
Deferred revenue	(4,294)	48,728
Public service concession	-	129
Provisions	(23,270)	4,900
Other liabilities and accounts payable	(819)	(315)
	(25,612)	55,145
Net cash provided by operating activities	73,932	111,383
Investing activities		
Short-term investments	35,495	(2,440)
Acquisition of property and equipment	(4,363)	(1,838)
Acquisition of intangible assets	(88,740)	(124,411)
Net cash used in investing activities	(56,608)	(128,689)
Financing activities		
Loans and intercompany loans taken out		130,045
Payment of loans and intercompany loans	(30,732)	(80,454)
Interest paid	(25,088)	(76,397)
Capital increase	-	90,000
Net cash used in financing activities	(55,820)	63,194
Net increase (decrease) in cash and cash equivalents	(38,496)	45,888
Cash and cash equivalents at beginning of year	147,078	5,149
Cash and cash equivalents at end of year	108,582	51,037
Net increase (decrease) in cash and cash equivalents	(38,496)	45,888

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Statements of value added
 Nine-month period ended September 30, 2013 and 2012
 (In thousands of reais)

	09/30/2013	09/30/2012
Turnover		
Operating turnover	184,966	159,562
Construction contract turnover	86,577	123,353
Other	43	92
	271,586	283,007
Construction contract costs		
Bought-in inputs	(85,717)	(122,131)
Bought-in materials and services and others	(63,906)	(65,935)
Loss/recovery of assets	(172)	-
	(149,795)	(188,066)
Gross value added	121,791	94,941
Retention		
Depreciation and amortization	(49,086)	(43,545)
Net value added produced by the Company	72,705	51,396
Value added received in transfer		
Financial income	19,679	3,736
Total value added payable	92,384	55,132
Payment of value added		
Personnel and charges	21,706	23,033
Taxes, charges and contributions	1,326	(11,431)
Debt remuneration (interest and rent)	105,793	63,619
Loss for the period	(36,441)	(20,089)
Value added paid	92,384	55,132

See accompanying notes.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information

September 30, 2013

(In thousands of reais, unless otherwise stated)

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 exploiting Raposo Tavares roadway system under a concession regime, in accordance with Public Bidding No. 4 of São Paulo State Roadway Concession Program. The Company does not publicly trade shares. The Company is headquartered at Avenida Getúlio Vargas 20-59 in the City of Bauru, São Paulo State.

The object of the concession comprises the implementation, management and monitoring of services rendered, support in the implementation of services not yet rendered and control of complementary services, for a fixed period, through the collection of annually adjusted toll fees, as of July based on the Extended Consumer Price Index (IPCA) variation then effective and on alternative sources of revenue, provided that previously approved by the Transport Regulatory Agency of the State of São Paulo ("ARTESP"), which may arise from activities relating to the exploitation of the highway, of 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 Roadway: beginning at Kilometer 381, at junction with SP-327, Kilometer 32, City of Ourinhos; ending at Kilometer 654, City of Presidente Epitácio, at the border with Mato Grosso do Sul State.
- II. SP-225: beginning at Kilometer 235+040, at junction with SP-300, Kilometer 336+735, City of Bauru; ending at Kilometer 317+800, at junction with SP-327, Kilometer 0+000, City of Santa Cruz do Rio Pardo.
- III. SP-327: beginning at Kilometer 0+000, at junction with SP-225, Kilometer 317+800, City of 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, City of Ourinhos.

The Highway Service Concession Arrangement was entered into on March 16, 2009, after approval of results by the Granting Authority.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

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 Service Concession Arrangement. In the event that the concession is terminated, all reversible assets, rights and privileges related to the road system exploitation shall be returned to the Granting Authority. However, the Company will be entitled to indemnity corresponding to unamortized or not subject to depreciation balance of assets or investments made in the last five years within the concession term, acquisition or execution of which is duly authorized by the Granting Authority.

Seasonality of operations

The Company's operating P&L is affected by the number and classes of vehicles paying toll fees, i.e. commercial and recreational vehicles, which are significantly impacted by the local and national economic scenario, by the "calendar effect" as it reflects the number of business days and/or holidays within a certain period of time, thus impacting the equivalent number of axles in the consolidated traffic, and also by the cycle of grain crops, bearing in mind that the concession area is an important distribution route for grain production in the Concession region.

2. Basis of preparation and presentation of quarterly information

The Company's accounting practices are defined in accordance with CPC standards, which have been consistently applied for all periods presented, unless otherwise stated.

The Company's quarterly information was prepared in accordance with CPC 21 (R1) - Interim Financial Reporting. This quarterly information shall be read together with the Company's latest audited financial statements for the year ended December 31, 2012.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

2. Basis of preparation and presentation of quarterly information (Continued)

The quarterly information was prepared in accordance with various measurement bases used in the accounting estimates. Accounting estimates involved in the preparation of the quarterly information were based on both objective and subjective factors, and in line with management's judgment for determining the appropriate amounts to be recorded in the quarterly information. Significant items subject to these estimates and assumptions include selection of useful lives of property, equipment and intangible assets and their recoverability in operations, credit risk analysis to determine the allowance for doubtful accounts, as well as other risk analysis to determine other provisions, including provision for contingencies.

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

The Company adopted all standards, revised standards and interpretations issued by the Brazilian Financial Accounting Standards Board - FASB (CPC) and other regulators effective as September 30, 2013.

The quarterly information was prepared using the historical cost as a value basis.

The quarterly information is presented in thousands of reais, unless otherwise stated, including in the notes to quarterly information.

There are no other standards and interpretations issued but not yet adopted that may, in the opinion of management, significantly impact the Company's disclosed P&L or equity.

In the preparation of this quarterly financial information, the accounting practices adopted are consistent with those used to prepare the financial statements as at December 31, 2012. The new pronouncements that became effective from January 1, 2013, as disclosed in the financial statements as at December 31, 2012, did not cause significant impacts on the individual quarterly information.

Company management authorized conclusion of this quarterly information on October 25, 2013.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
 September 30, 2013
 (In thousands of reais, unless otherwise stated)

3. Cash and cash equivalents and short-term investments

	<u>09/30/2013</u>	<u>12/31/2012</u>
General cash	3	23
Cash in transit	531	1,554
Bank checking account	1,034	5,288
Cash change fund	120	120
Repurchase agreements	4,947	-
Bank Deposit Certificates (CDBs)	101,947	140,093
Cash and cash equivalents	<u>108,582</u>	<u>147,078</u>
Bank Deposit Certificates (CDBs) (reserve account BNDES)	-	43,225
Repurchase agreements (reserve account BNDES)	50,373	-
Repurchase agreements (reserve account Debenture Holders)	39,465	-
Bank Deposit Certificates (CDBs)	-	89,323
Repurchase agreements	113,723	107,508
Short-term investments	<u>203,561</u>	<u>240,056</u>

Short-term investments substantially refer to fixed income transactions with top-tier financial institutions, linked to debenture repurchase agreements at 75.0% to 104.5% of the Interbank Deposit Certificates (CDI) rate, and Bank Deposit Certificate (CDB) indexed rate at 101.0% of the Interbank Deposit Certificate (CDI).

Short-term investments amounting to R\$50,373 at September 30, 2013 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.

Short-term investments amounting to R\$39,465 at September 30, 2013 were made in connection with the stipulated clause in the Private Deed of 2^a Issue of Non-privileged Debentures, which determine that Company should constitute a Payment Account of Debt Service of Debenture.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

4. Receivables

	09/30/2013	12/31/2012
AVI - Electronic toll collection system (<i>Sem Parar</i>) (i)	12,338	11,354
VISA - toll voucher	940	889
DBTRANS - toll voucher	262	300
Other	382	173
	13,922	12,716

(i) Receivables from the use of electronic tags in automatic lanes. At September 30, 2013, there were no past due amounts under the Company's trade accounts receivable.

5. Deferred income and social contribution taxes

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

	Balance sheet			
	09/30/2013		12/31/2012	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income and social contribution tax losses	(340,904)	(340,904)	(266,229)	(266,229)
Temporary differences	56,892	56,892	36,530	36,530
Tax base	(284,012)	(284,012)	(229,699)	(229,699)
Rate	25%	9%	25%	9%
Deferred income tax	71,003	25,561	57,425	20,672
	P&L			
	Income tax		Social contribution tax	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012
Loss before income and social contribution taxes	(54,907)	(45,594)	(54,907)	(45,594)
Income and social contribution tax rate	25%	25%	9%	9%
Income and social contribution taxes at the statutory rates	13,727	11,399	4,941	4,103
Adjustments to net income (loss) affecting P&L for the period				
Permanent additions	(149)	6,791	(53)	2,445
Permanent exclusions	-	564	-	203
Total taxes in P&L	13,578	18,754	4,888	6,751

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

5. Deferred income and social contribution taxes (Continued)

The Company has tax credits arising from income and social contribution tax losses. The offset of tax losses, capped at 30% of taxable income for the year, implies considerable increase in the recovery term of tax credits.

Deferred tax credits were set up in the assumption of their future realization, which establishes the main conditions for accounting recognition and maintenance of deferred assets arising from income and social contribution tax losses 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 management's estimates on the Company's future evolution of P&L. In this regard, and due to the very nature of the financial projections and the uncertainties inherent to information based on future expectations, especially in the market in which the Company operates, there may be differences between the estimated and actual results.

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

Year	09/30/2013
2015	2,511
2016	6,115
2017	10,344
2018 onwards	77,594
	96,564

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

6. Property and equipment

	Depreciation period in years	Balance at 12/31/2012	Additions	Write-offs	Transfers	Balance at 09/30/2013
Facilities	25	153	-	-	-	153
Machinery and equipment	5	4,503	209	-	(282)	4,430
Furniture and fixtures	5	3,218	722	(3)	-	3,937
Vehicles	5	1,714	121	(376)	-	1,459
IT equipment	5	28,851	3,311	(12)	-	32,150
Tools and devices	5	281	-	-	-	281
		38,720	4,363	(391)	(282)	42,410
Accumulated depreciation		(19,142)	(5,879)	130	8	(24,883)
Property and equipment, net		19,578	(1,516)	(261)	(274)	17,527

	Depreciation period in years	Balance at 12/31/2011	Additions	Write-offs	Balance at 12/31/2012
Facilities	25	-	153	-	153
Machinery and equipment	5	3,163	1,341	(1)	4,503
Furniture and fixtures	5	2,479	754	(15)	3,218
Vehicles	5	1,420	452	(158)	1,714
IT equipment	5	27,258	1,599	(6)	28,851
Tools and devices	5	232	49	-	281
		34,552	4,348	(180)	38,720
Accumulated depreciation		(12,145)	(7,109)	112	(19,142)
Property and equipment, net		22,407	(2,761)	(68)	19,578

At September 30, 2013 and December 31, 2012, no property and equipment items were pledged as collateral for loans or transactions of any nature.

Due to the nature of the assets comprising the Company's property and equipment for the nine-month period ended September 30, 2013 and year ended December 31, 2012, no assets were identified as eligible for the capitalization of borrowing costs.

Once a year, property and equipment are subject to impairment test. At December 31, 2012, after consideration of external and internal sources of information, assets did not show any indication of loss, impairment, or damage, which could affect the future cash flow of the Company.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
 September 30, 2013
 (In thousands of reais, unless otherwise stated)

7. Intangible assets

	Amortization term in years	Balance at 12/31/2012	Additions	Write-offs	Transfers	Balance at 09/30/2013
Software use right	5	6,562	943	-	-	7,505
Trademarks and patents	10	20	-	-	-	20
Concession rights	30	947,963	88,657	(87)	282	1,036,815
Fixed concession fees	30	634,000	-	-	-	634,000
		1,588,545	89,600	(87)	282	1,678,340
Accumulated amortization		(147,538)	(43,207)	81	(8)	(190,672)
Intangible assets, net		1,441,007	46,393	(6)	274	1,487,668

	Amortization term in years	Balance at 12/31/2011	Additions	Write-offs	Balance at 12/31/2012
Software use right	5	4,640	1,922	-	6,562
Trademarks and patents	10	20	-	-	20
Concession rights	30	758,159	189,954	(150)	947,963
Fixed concession fees	30	634,000	-	-	634,000
		1,396,819	191,876	(150)	1,588,545
Accumulated amortization		(95,895)	(51,754)	111	(147,538)
Intangible assets, net		1,300,924	140,122	(39)	1,441,007

Fixed concession rights refer to the right to operate the Raposo Tavares highway system, as mentioned in Note 1. Amortization occurs on a straight-line basis pursuant to the concession term.

In accordance with CPC 01 (R1) - "Impairment of Assets", the items of property and equipment showing signs that their recorded costs exceed the recoverable amount are reviewed to determine the need for a provision to reduce book value to realizable value. Management conducted the annual analysis of the corresponding operational and financial performance of its assets and, as at September 30, 2013 and December 31, 2012, no evidence was found of intangible assets recorded with costs exceeding their recoverable amount.

The Company believes that there is no need for capitalization of interest on loans, due to the continuous construction works contained in their investment program performed in the short term.

At September 30, 2013 and December 31, 2012, no intangible asset items were pledged as collateral for loans or transactions of any nature.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

8. Loans, financing and debentures

At September 30, 2013 and December 31, 2012, loans, financing and debentures were broken down as follows:

Object	Index	Interest	Maturity	09/30/2013				Balance
				Principal	Amortization	Interest	Monetary restatement	
BNDES	TJLP	2.45% p.a.	03/15/2021	178,048	37,483	393	-	140,958
BNDES	TJLP	2.45% p.a.	03/15/2021	104,132	21,923	230	-	82,439
BNDES	TJLP	2.45% p.a.	03/15/2021	95,395	20,082	211	-	75,524
BNDES	TJLP	2.45% p.a.	03/15/2021	8,949	1,884	20	-	7,085
BNDES	TJLP	2.45% p.a.	03/15/2023	50,922	-	142	-	51,064
BNDES	TJLP	2.45% p.a.	03/15/2021	868	176	2	-	694
BNDES	TJLP	2.45% p.a.	03/15/2023	20,283	-	57	-	20,340
BNDES	TJLP	2.45% p.a.	03/15/2023	12,853	-	36	-	12,889
BNDES	TRIPCA	2.45% p.a.	03/15/2023	12,123	-	2,588	1,299	16,010
BNDES	TJLP	2.45% p.a.	03/15/2021	1,787	311	4	-	1,480
BNDES	TRIPCA	2.45% p.a.	03/15/2023	15,362	-	2,766	1,380	19,508
BNDES	TJLP	2.45% p.a.	03/15/2023	10,509	-	29	-	10,538
BNDES	TRIPCA	2.45% p.a.	03/15/2023	17,753	-	2,644	1,345	21,742
BNDES	TJLP	2.45% p.a.	03/15/2023	10,133	-	28	-	10,161
BNDES	TRIPCA	2.45% p.a.	03/15/2023	25,784	-	2,775	1,714	30,273
BNDES	TJLP	2.45% p.a.	03/15/2023	12,305	-	34	-	12,339
BNDES	TJLP	2.45% p.a.	03/15/2023	15,310	-	43	-	15,353
BNDES	TRIPCA	2.45% p.a.	03/15/2023	11,077	-	898	553	12,528
BNDES	TRIPCA	2.45% p.a.	03/15/2023	10,227	-	829	510	11,566
Debenture Holders - Series 1	IPCA	5.80% p.a.	12/15/2024	380,000	-	17,792	16,952	414,744
Debenture Holders - Series 2	IPCA	6.05% p.a.	12/15/2024	370,000	-	18,248	16,331	404,579
(-) Transaction costs - Debentures								(56,487)
Total								1,315,327
Current								114,767
Noncurrent								1,200,560

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

8. Loans, financing and debentures (Continued)

Object	Index	Interest	Maturity	12/31/2012				
				Principal	Amortization	Interest	Monetary restatement	Balance
BNDES	TJLP	2.45% p.a.	03/15/2021	178,048	23,427	462	-	155,083
BNDES	TJLP	2.45% p.a.	03/15/2021	104,132	13,702	269	-	90,699
BNDES	TJLP	2.45% p.a.	03/15/2021	95,395	12,552	247	-	83,090
BNDES	TJLP	2.45% p.a.	03/15/2021	8,949	1,178	23	-	7,794
BNDES	TJLP	2.45% p.a.	03/15/2023	50,922	-	152	-	51,074
BNDES	TJLP	2.45% p.a.	03/15/2021	868	108	2	-	762
BNDES	TJLP	2.45% p.a.	03/15/2023	20,283	-	60	-	20,343
BNDES	TJLP	2.45% p.a.	03/15/2023	12,853	-	38	-	12,891
BNDES	TRIPCA	2.45% p.a.	03/15/2023	12,123	-	1,442	774	14,339
BNDES	TJLP	2.45% p.a.	03/15/2021	1,787	164	5	-	1,628
BNDES	TRIPCA	2.45% p.a.	03/15/2023	15,362	-	1,385	725	17,472
BNDES	TJLP	2.45% p.a.	03/15/2023	10,509	-	31	-	10,540
BNDES	IPCA	2.45% p.a.	03/15/2023	17,753	-	1,121	599	19,473
BNDES	TJLP	2.45% p.a.	03/15/2023	10,133	-	30	-	10,163
BNDES	TRIPCA	2.45% p.a.	03/15/2023	25,784	-	867	639	27,290
BNDES	TJLP	2.45% p.a.	03/15/2023	12,305	-	37	-	12,342
BNDES	TJLP	2.45% p.a.	03/15/2023	15,310	-	46	-	15,356
BNDES	TRIPCA	2.45% p.a.	03/15/2023	11,077	-	118	98	11,293
BNDES	TRIPCA	2.45% p.a.	03/15/2023	10,227	-	109	91	10,427
Debentures - Series 1	IPCA	5.80% p.a.	12/15/2024	380,000	-	769	1,329	382,098
Debentures - Series 2	IPCA	6.05% p.a.	12/15/2024	370,000	-	780	1,294	372,074
(-) Transaction costs - Debentures								(58,960)
Total								<u>1,267,271</u>
Current								<u>52,448</u>
Noncurrent								<u>1,214,823</u>

The aging list of long-term loans and financing is as follows:

2014	13,726
2015	110,860
2016	71,636
2017	79,136
2018 onwards	981,689
	<u>1,257,047</u>

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
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8. Loans, financing and debentures (Continued)

2nd issue of debentures

The Special General Meeting held on November 9, 2012 approved the Distribution of the 2nd Issue of non-privileged unsecured nonconvertible junior debentures, with additional guarantee, to be converted into cash with security interest, under firm guarantee of placement, for public distribution, structured according to CVM Rule No. 400, in the amount of R\$750,000, issued in two series: "First Series Debentures" and "Second Series Debentures".

Seven hundred fifty thousand (750,000) debentures were issued at par value of R\$750,000. The issue was performed in two series; in the First Series 380,000 debentures were issued according to Law No. 12431/11, and in the Second Series 370,000 debentures, which were not benefited by Law No. 12431/11.

The debentures will mature in 12 (twelve) years, from the issue date, thus, maturing on December 15, 2024, and will bear fixed interest corresponding to 5.80% p.a. for first series debentures and 6.05% p.a. for second series debentures.

Remuneration interest will be paid on an annual basis, from the issue date, always on December 15, beginning in 2013. The last payment will be made on the debenture's maturity date.

The debentures issued have no renegotiation clause.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

8. Loans, financing and debentures (Continued)

2nd issue of debentures (Continued)

Interest charges incurred upon obtaining debentures amounting to R\$59,104 are being allocated to P&L due to the passage of time, at amortized cost using the effective interest method, in accordance with CPC 08 (R1) - "Transaction Costs and Premiums on Issue of Marketable Securities". At September 30, 2013, the balance to be allocated amounts to R\$56,487.

The table below shows the schedule for recognition of financial charges in P&L for the years:

Year	In thousands of R\$
2013	(688)
2014	(3,120)
2015	(3,443)
2016	(3,223)
2017	(3,460)
2018 onwards	(42,553)
	<u>(56,487)</u>

BNDES - Senior

On February 10, 2011, Concessionária 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" amounting to R\$377,575 was made 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.a. 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.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
 September 30, 2013
 (In thousands of reais, unless otherwise stated)

8. Loans, financing and debentures (Continued)

BNDES - Senior (Continued)

Credit was granted to the Company to the extent that evidence that the funds previously granted had been effectively invested is provided. Up to September 30, 2013, BNDES granted R\$613,821 of the total amount of R\$1,052,242.

Sub-loan	Sub-loan amount (R\$)	BNDES sub-loan balance - Senior (In thousands of R\$)							Unreleased balance
		Released up to 12/31/2011	5 th release 01/24/2012	6 th release 01/24/2012	7 th release 01/24/2012	8 th release 01/24/2012	9 th release 01/24/2012		
A TJLP	377,575	377,575	-	-	-	-	-	-	-
B - 1 TJLP	1,787	-	-	1,787	-	-	-	-	-
B - 2 TJLP	9,817	9,817	-	-	-	-	-	-	-
C TJLP	174,285	71,205	12,853	-	10,510	10,133	12,305	57,279	-
D TJLP	15,310	-	-	-	-	-	15,310	-	-
D - 1 IPCA	11,077	-	-	-	-	-	11,077	-	-
D - 2 IPCA	12,123	12,123	-	-	-	-	-	-	-
D - 3 IPCA	15,362	-	-	15,362	-	-	-	-	-
D - 4 IPCA	10,227	-	-	-	-	-	10,227	-	-
D - 6 IPCA	25,784	-	-	-	-	25,784	-	-	-
D - 8 IPCA	17,753	-	-	-	17,753	-	-	-	-
Total	671,100	470,720	12,853	17,149	28,263	35,917	48,919	57,279	

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 per cent) of the gross revenue for the last twelve months. Company management understands this condition was complied with. Additionally, these financing agreements have covenants as to certain financial ratios, which in case of noncompliance cause accelerated maturity of the financing. The financial ratios are:

- Total equity/assets: Present proportion > 20% (twenty per cent).
- ICSD (Debt Service Coverage Ratio) = adjusted EBITDA/(amortizations + short- and long-term interest of financial debts): Keep ratio ≥ 1.2 .

At September 30, 2013, the Company complied with these covenants.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

8. Loans, financing and debentures (Continued)

BNDES - Senior (Continued)

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

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

9. Legal obligations related to legal proceedings

The legal situation of the Company encompasses civil and labor proceedings. The management, based on the opinion of legal advisors, 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

Type	09/30/2013				Provision
	Likelihood of loss			Total	
	Probable	Possible	Remote		
Labor	477	4,375	152	5,004	477
Civil	392	4,691	5,210	10,293	392
	<u>869</u>	<u>9,066</u>	<u>5,362</u>	<u>15,297</u>	<u>869</u>

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
 September 30, 2013
 (In thousands of reais, unless otherwise stated)

9. Legal obligations related to legal proceedings (Continued)

a) Breakdown of risk (Continued)

Type	12/31/2012				Provision
	Likelihood of loss			Total	
	Probable	Possible	Remote		
Labor	448	2,282	180	2,910	448
Civil	101	8,233	341	8,675	101
	549	10,515	521	11,585	549

b) Changes

	Opening balance 12/31/2012	Additions	Write-offs	Closing balance 09/30/2013
Labor	448	29	-	477
Civil	101	291	-	392
Accrued	549	320	-	869

Civil contingencies

The Company is party to civil proceedings brought by customers mainly stemming from incidents that have occurred on the highway system. The Company recognizes proceedings likelihood of loss of which is probable, estimated at R\$392 at September 30, 2013 (R\$101 at December 31, 2012).

Labor contingencies

The Company is party to labor claims filed by former employees and employees of outsourced companies, most of which claim job reinstatement, overtime, equal pay, among others. The Company recognizes proceedings likelihood of loss of which is probable, estimated at R\$477 at September 30, 2013 (R\$448 at December 31, 2012).

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

10. Transactions with related parties

Transactions between any related parties - management and employees, shareholders, subsidiaries or affiliates - are conducted at rates and under conditions agreed between the parties, as approved by relevant managing bodies and disclosed in the financial statements.

When necessary, the decision-making procedure involving the conduction of operations with related parties shall comply with article 115 of Brazilian Corporation Law, which determines that the shareholder or director, as applicable, may refrain from voting in the General or Management's meetings concerning the resolution of matters involving: (i) valuation report of assets for capital formation; (ii) approval of accounts as managing officer; and (iii) any matters that may bring direct benefits or the interest thereof causes conflict with that of the Company.

In relation to intercompany loans carried out between Group Invepar companies and its shareholders, the Company clarifies those are performed given these companies' temporary need of cash for the compliance with their investments and/or operations, being subject to financial charges agreed upon between the parties and approved by management bodies.

	Party's relation with Company	Assets		09/30/2013		P&L (financial expenses)
		Current	Noncurrent	Current liabilities	P&L (cost)	
OAS S.A.	Indirect parent company	-	-	-	(62,550)	-
Concessão Metroviária do Rio de Janeiro S.A. - Metro Rio	Related party	-	-	100	-	-
Linha Amarela S.A. - LAMSA	Related party	-	-	41	-	-
Concessão Litoral Norte - CLN	Related party	-	-	2	-	-
GRU Airport	Related party	605	-	-	-	-
Investimentos e Participações em Infraestrutura S.A. - Invepar	Direct parent company	-	-	3,608	-	-
		605	-	3,751	(62,550)	-
	Party's relation with Company	Assets		12/31/2012		P&L (financial expenses)
		Current	Noncurrent	Current liabilities	P&L (cost)	
Linea Amarilla SAC	Related party	465	-	-	-	-
OAS S.A.	Indirect parent company	-	-	-	(135,436)	-
Investimentos e Participações em Infraestrutura S.A. - Invepar	Direct parent company	71	-	440	(5,182)	(322)
		536	-	440	(140,618)	(322)

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

10. Transactions with related parties (Continued)

Services - assets

On March 5, 2009, an agreement was signed to perform civil construction work between the Company and related party 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 service concession arrangement, 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, whose payments must 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 schedule of the respective agreement.

The overall price shall be adjusted every twelve months as parametric formula contained in the agreement. Exceptionally, regardless of any adjustment that may be earned through the application of this formula, contractual prices shall be adjusted whenever this variation indicates a percentage equal to or exceeding the inflation target disclosed by the Central Bank of Brazil. The balance of the construction work agreement with OAS S.A. as at September 30, 2013 amounts to R\$503,796 (R\$537,604 at December 31, 2012).

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

11. Management compensation

Management compensation of those in charge of planning, managing and control of Company's activities includes the Board of Director's members, statutory officers, and is composed of fees, private pension plan, health and dental care amounting to R\$1,370 at September 30, 2013 (R\$958 at September 30, 2012).

	<u>09/30/2013</u>	<u>09/30/2012</u>
	<u>Officers</u>	<u>Officers</u>
Management fees	428	468
Charges	167	152
Benefits	775	338
	<u>1,370</u>	<u>958</u>

The Company does not provide post-employment or other long-term benefits.

12. Deferred revenue

On December 30, 2011, the Company signed a long-term agreement maturing on March 16, 2039, relating to the lease of fiber-optic infrastructure by TIM Celular S.A. In the course of this negotiation, the Company received a prepayment of R\$53,067, being R\$11,662 in 2011 and R\$41,405 in 2012, equivalent to the total amount of services contracted. At September 30, 2013, the balance of revenue to be allocated amounts to R\$50,211, which is segregated into current and noncurrent liabilities in the amounts of R\$48,240 and R\$1,971 respectively, being allocated to P&L upon availability of leased assets and over the lease period.

On July 3, 2012, the Company entered into an agreement for the lease of fiber-optic infrastructure by TNL PCS S.A. (OI). In the course of this negotiation, the Company received a prepayment of R\$1,746, equivalent to the total amount of contracted services. At September 30, 2013, the balance of revenue to be allocated amounts to R\$10, recorded in current liabilities. The amounts are allocated to P&L upon availability of leased assets held on October 3, 2012, for a 12-month period.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
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12. Deferred revenue (Continued)

On December 23, 2010, the Company entered into an agreement for the lease of fiber-optic infrastructure by Empresa Brasileira de Telecomunicações S.A. - EMBRATEL, first amended at June 30, 2011 and then on May 31, 2012. In the course of this negotiation, the Company received a prepayment of R\$4,240, equivalent to the total amount of contracted services. At September 30, 2013, the balance of revenue to be allocated amounts to R\$3,531. The amounts are allocated to P&L upon availability of leased assets held on August 1, 2013, for a 12-month period.

On April 11 and June 3, 2013, the Company entered into 17 (seventeen) agreements with Empresa Brasileira de Telecomunicações S.A. - EMBRATEL referring to the occupation of the right-of-way on a provisional basis and for valuable consideration. In the course of this negotiation, the Company received a prepayment of R\$481 equivalent to the total amount of contracted services. At September 30, 2013, the balance of revenue to be allocated amounts to R\$342, recorded in current liabilities. The amounts are allocated to P&L upon authorizations for use over a 12-month period.

13. Equity

At September 30, 2013, the Company's authorized capital is limited to R\$715,000 (R\$715,000 at December 31, 2012).

At September 30, 2013, the Company's capital was as follows:

	09/30/2013			
	Number of shares	% - Interest	Common shares	Preferred shares
Investimentos e Participações em Infraestrutura S.A. - INVEPAR	1,026,969,956	100	513,484,978	513,484,978

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 offerings of shares for the same price and under the same conditions as common shares.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

14. Net operating revenue

	<u>09/30/2013</u>	<u>09/30/2012</u>
Gross toll revenue	175,756	156,026
Additional revenues	9,210	3,536
Revenue from construction contract	86,577	123,353
Deductions from revenue	(16,315)	(13,843)
	<u>255,228</u>	<u>269,072</u>

15. Cost of sales

	<u>09/30/2013</u>	<u>09/30/2012</u>
Operating	(35,823)	(46,695)
Amortization	(43,188)	(38,261)
Provision	(10,630)	(5,145)
Personnel	(16,423)	(6,495)
Contractual costs	(5,698)	(5,899)
	<u>(111,762)</u>	<u>(102,495)</u>

16. Net financial income (expenses)

	<u>09/30/2013</u>	<u>09/30/2012</u>
Financial income		
Discounts obtained	1	2
Monetary gain	16	14
Short-term investment yield	19,662	3,720
	<u>19,679</u>	<u>3,736</u>
Financial expenses		
Commissions and banking fees	(950)	(884)
Interest on loans	(32,380)	(30,896)
Interest on debentures	(34,672)	(30,547)
Cost of debentures	(2,472)	-
Monetary loss	(34,336)	(1,294)
Other	(48)	(255)
	<u>(104,858)</u>	<u>(63,876)</u>
	<u>(85,179)</u>	<u>(60,140)</u>

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

17. Earnings (loss) per share

In compliance with CPC 41, the Company sets out below information on earnings (loss) per share for the nine-month period ended September 30, 2013 and 2012.

Basic earnings (loss) per share are calculated by dividing P&L for the period attributed to the Company's common and preferred shareholders by the weighted average number of common and preferred shares available in the period.

The tables below present P&L data and shares used in the calculation of basic and diluted earnings (loss) per share:

	09/30/2013			09/30/2012		
	Common	Preferred	Total	Common	Preferred	Total
Basic numerator						
Net loss attributable to common and preferred shareholders	(18,221)	(18,221)	(36,441)	(10,045)	(10,044)	(20,089)
Basic and diluted denominator						
Weighted average of shares (in thousands)	513,485	513,485	1,026,970	467,706	467,706	935,412
Basic and diluted loss per share (expressed in R\$)	(0.0355)	(0.0355)	-	(0.0236)	(0.0236)	-

At September 30, 2013 and 2012, the Company has no dilution instruments, therefore there is no difference between the calculation of basic and diluted earnings (loss) per share.

18. Concession commitments

The Company's concession term and liabilities stemming from the Service Concession Arrangement agreed with ARTESP is projected to end in 2039.

Upon executing the Highway Service Concession Arrangement No. 002/ARTESP/2009, related to International Public Notice No. 004/2008, the Company assumed the following obligations:

a) Investments

The main investments arising 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), customer service centers.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
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18. Concession commitments (Continued)

a) Investments (Continued)

- iii) Construction of nine toll plazas and demolition of two existing toll plazas (Presidente Bernardes and Caiuá).
- iv) Implementation and improvements to ramps, clover-leaf interchanges, loop ramps, pedestrian walkways, interchange devices and improvements to inter-sections safety devices.

b) Fixed and variable concession fees

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

I. *Fixed concession fees*

Fixed concession fees of R\$634,000 in favor of DER/SP, fully settled on September 16, 2010.

II. *Variable concession fees*

Percentage of gross toll revenue and additional revenues effectively obtained by the Company to be paid on a monthly basis.

The percentage of variable concession fees on gross revenue has been reduced from 3% (three per cent) to 1.5% (one point five per cent) since July 1, 2013, according to a resolution of the Board of Directors of ARTESP, published in the São Paulo Official Gazette on June 27, 2013.

The amount committed at September 30, 2013 totaled R\$324 (R\$652 at December 31, 2012).

During the nine-month period ended September 30, 2013, the Granting Authority was paid R\$4,580 (R\$4,657 at September 30, 2012) related to variable concession fees.

Concessionária Auto Raposo Tavares S.A.

Notes to quarterly information (Continued)
September 30, 2013
(In thousands of reais, unless otherwise stated)

18. Concession commitments (Continued)

c) Guarantees

The Company maintains surety bond, for purposes of compliance with the following contractual guarantees:

1. Guarantee of compliance with the expansion corresponding to 1.5% under the agreement terms, limited to 10% of the amount invested. The guarantee shall be cleared according to the completion of expansion commitments, maximum limit of indemnity shall be of R\$109,808. Effective at least for 12-month term.
2. Guarantee of compliance with operating commitments, upkeep and payment of variable monthly amount to the maximum indemnity limit of R\$117,413. Effective for 12 months.

d) Financial resources

The Company started up on March 17, 2009. The financial resources required to make investments and payment of concession fees shall be obtained through capital contribution of shareholders and capital market funding.

19. Insurance coverage

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

<u>Type</u>	<u>Maximum indemnity</u>	<u>Effectiveness</u>	<u>Insurance company</u>	<u>Object</u>
Expansion guarantee	R\$109,808	03/16/2013 to 03/16/2014	Austral Seguradora	(a)
Operating commitments guarantee	R\$117,413	03/16/2013 to 03/16/2014	Austral Seguradora	(b)
Civil liability	R\$50,000	08/01/2013 to 08/01/2014	Tóquio Marine	(c)
Operational risks	R\$200,000	08/01/2013 to 08/01/2014	Tóquio Marine	(d)

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Notes to quarterly information (Continued)
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19. Insurance coverage (Continued)

- a) Ensure the realization of expansion commitments referred to in item 29.1 of the Service Concession Arrangement 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, upkeep and variable monthly payment referred to in item 29.1.a of the Service Concession Arrangement 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.

20. Financial instruments and risk concentration

The estimated realizable values of the Company's financial assets and liabilities were determined based on available market information and adequate valuation methodologies. However, considerable judgment was required in interpreting market data to develop the most adequate estimate of realizable value. Consequently, the estimates presented do not necessarily reflect the amounts that may be realized in the current exchange market. The use of different market methodologies may generate changes in the estimated realizable values.

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Notes to quarterly information (Continued)
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20. Financial instruments and risk concentration (Continued)

These instruments are managed through operational strategies intended for liquidity, profitability and risk minimization. Control policy consists of permanent monitoring of contracted rates versus market rates in effect, as well as assessing the financial situation of the institutions involved. The Company does not make speculative investments in derivatives or in any other risky assets.

The amounts recorded in asset and liability accounts, as financial instruments, are restated as contracted through September 30, 2013 and approximate their market value. These amounts are substantially represented by 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, Company management reports that the risk factors to which the Company is exposed are:

a) General considerations

The Company participates in transactions involving financial instruments, including short-term investments, trade accounts receivable, trade accounts payable, 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 quarterly information (Continued)
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20. Financial instruments and risk concentration (Continued)

c) Exposure to interest rate risks

The main market risk factor that may affect the Company's business is the interest rate. This risk derives from the possibility of the Company incurring losses due to fluctuations in interest rates that increase financial expenses related to loans, financing and debentures taken out in the market. The Company did not enter into derivative contracts for swap transactions against this risk. However, by closely monitoring market interest rates, the Company assesses the need, if any, to contract derivatives to hedge against interest rate volatility.

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 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 Rule 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.

The following rates were considered:

Index	Scenario I	Scenario II	Scenario III
	Probable	Possible - adverse	Extreme - adverse
CDI	8.85%	6.64%	4.43%
TJLP	5.00%	6.25%	7.50%
IPCA	5.86%	7.33%	8.79%

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

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Notes to quarterly information (Continued)
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20. 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:

Instrument	Maturity	Risk	Interest to be incurred		
			Scenario I Probable	Scenario II Possible - adverse	Scenario III Extreme - adverse
Cash equivalent		Decrease in DI rate	41,981	30,271	19,407
Short-term investments		Decrease in DI rate	12,193	9,138	6,099
First series debentures	Dec/2024	Increase in IPCA	588,586	723,480	876,309
Second series debentures	Dec/2024	Increase in IPCA	585,757	718,341	868,513
BNDES - Senior	Mar/2021	Increase in TJLP	131,482	135,784	157,148
BNDES - Senior	Mar/2023	Increase in IPCA	77,716	83,218	89,189

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

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

The sensitivity analyses are established based on assumptions and estimates about future events. Company management regularly revises estimates and assumptions used in these calculations. However, settlement of transactions involving these estimates may result in amounts different from those estimated due to the subjectivity inherent in the process used to prepare such analyses.

e) Credit risk exposure

Operations subject the Company to concentrations of credit risk are primarily based on current bank accounts and short-term 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.

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Notes to quarterly information (Continued)
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20. Financial instruments and risk concentration (Continued)

e) Credit risk exposure (Continued)

At September 30, 2013, the Company stated trade accounts receivable amounting to R\$13,922, of which 89%, i.e., R\$12,338 refer to receivables from CGMP - Centro de Gestão de Meios de Pagamento S.A., 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, Company management considers unlikely the credit risk from these receivables by considering these mitigated between the concession companies of the highway sector.

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 September 30, 2013.

At September 30, 2013, the Company has no derivative financial instruments, or other financial instruments linked thereto.

g) Market value

At September 30, 2013, the market values of trade accounts receivable and payable approximate the amounts stated in the quarterly statements due to their short-term nature.

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

h) Exposure to liquidity risk

Company monitors the risk of shortage of resources through a liquidity planning tool.

The Company's goal is to maintain the balance between continuity of funds and flexibility through secured accounts, bank loans and debentures.

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20. Financial instruments and risk concentration (Continued)

i) Capital management

The main objective of the Company's capital management is to ensure maintenance of a strong credit rating and a capital ratio able to support business while maximizing shareholder value. The Company manages its capital structure and makes adjustments considering changes in economic conditions.

	<u>09/30/2013</u>	<u>12/31/2012</u>
Loans and financing	552,491	572,058
Debentures	762,836	695,212
Cash and cash equivalents	(108,582)	(147,078)
Short-term investments	(203,561)	(240,056)
Net debt	<u>1,003,184</u>	880,136
Equity	<u>525,524</u>	561,965
Equity and net debt	<u><u>1,528,708</u></u>	<u><u>1,442,101</u></u>

j) Fair value hierarchy

The Group uses the following hierarchy to determine the fair value of financial instruments:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, whether directly or indirectly.

Level 3: Techniques using data that have a significant effect on fair value recorded which are not based on observable market data.