

## MANAGEMENT REPORT

### 1. To our shareholders:

It is with great pleasure that we present the Management Report and Consolidated Financial Statements of TPI – Triunfo Participações e Investimentos S.A. (“Triunfo” or “Company”) related to the fiscal year ended December 31, 2009, accompanied by the Independent Auditors’ Report.

### 2. Presentation

Triunfo is a leading Brazilian infrastructure company, which retains interests in firms that administer public utilities in the road, port and energy generation segments.

Since 1999, it has been operating in the road segment through its subsidiaries Concepa, Concer and Econorte, which administer three highways strategically located in Brazil’s South and Southeast regions. It also holds a controlling interest in Rio Guaíba, Rio Bonito and OSR, which provide general services to its concessionaires.

The Company also shares control of Portonave, which is authorized to explore the Navegantes Port Terminal, the most modern container port in the country. Portonave in turn owns 100% of Iceport, a trading company that handles its own cargo and has a cold store facility with a frozen cargo storage capacity of 16,000 tonnes.

It also owns a concession through its subsidiary Rio Verde to explore the Salto Hydroelectric Plant, in Goiás state, with an installed capacity of 116MW. Operational start-up is scheduled for March 2010 and commercial start-up for April 2010.

In addition to the above undertakings, the Company owns a 190 hectare area in the Port of Santos, which will be used for a future port project, as well as a majority interest in NTL and Vessel-Log, owners of the Atlântico and Mediterrâneo vessels, which the Company intends to use when it enters the cabotage segment.

Triunfo focuses on seeking out businesses generated through the progress and improvement of the public utility concession program and public and private partnerships in all public spheres in Brazil, always striving to expand its operational area, while ensuring financial returns for its shareholders.

The main companies in which Triunfo retains an interest are listed below:

<b>Company</b>	<b>Segment</b>	<b>State</b>	<b>Interest (%)</b>
Concepa	Roads	RS	100
Concer	Roads	RJ-MG	62,5
Econorte	Roads	PR	100
Rio Bonito	Roads	RJ-MG	62,5
Rio Guaíba	Roads	RS	100
OSR	Roads	PR	100
Portonave	Ports	SC	50
Santa Rita	Logistics	SP	88
NTL	Logistics	SP	65
Vessel	Logistics	SP	65
Rio Verde (i)	Energy Generation	GO	100

(i) On December 31, 2009 TPI was selling its stake in Rio Verde.

### **3. Market**

#### **Roads**

Brazil's highway concession program was triggered by a lack of government funding, road quality having deteriorated to such an extent that massive investments in repairs, maintenance, operation and network expansion were required. Consequently, partnerships between the public and private sectors gained momentum, and private funding was increasingly regarded as a way out of the crisis. Initially, as of 1995, these funds were raised through concessions. In December 2004, the government had enacted a law regulating public and private partnerships designed to allow private-sector forms to participate in such projects.

The number of highway stretches under private concession has increased gradually since 1995 and totaled 55 in six states at the close of 2009. The São Paulo state government held the last sector bid, which was concluded at the beginning of 2009. A total of five lots were auctioned, all of which are already being operated under the concession of the winning companies.

The federal highway bids in the states of Minas Gerais, Espírito Santo, Bahia and Santa Catarina, originally scheduled for 2009, should take place in 2010. In addition, the São Paulo state government has announced that the bid notice for the southern and eastern sections of the Ring Road, comprising around 105 km, should be published in 2010.

According to the Brazilian Association of Highway Concessions (ABCR), the outlook for the sector, which has already made considerable progress, is one of substantial growth. The World Cup and Olympic Games will almost certainly boost investments and the projects under analysis in the short and mid-term include new highway concessions and the expansion of existing ones.

Equivalent vehicle traffic in all Brazilian concessions grew by 2.2% in 2009 in relation to the previous year, according to the ABCR. We expect traffic to move up in 2010, in close alignment with Brazilian GDP growth.

### **Ports**

With 8,500 kilometers of navigable coastline, Brazil has a port sector that handles over 700 million tonnes of diverse merchandise annually, accounting for more than 90% of its exports. The port system comprises 37 public maritime and river ports, 18 of which are delegated, granted or authorized to carry out operations by state and municipal governments. In addition, there are 42 private terminals and three port complexes operating under private concessions.

The increased volume of cargo transport through Brazil's ports is a direct consequence of the growth in world trade and Brazil's share of this trade, since port cargo handling increases as import and export volume moves up.

Until 1990, the system was essentially made up of ports managed and operated by the federal Portobrás and the Port Authorities of each state. However, in conformity with the privatization process, Portobrás was dissolved, and in February 1993 Law 8630, the so-called Port Modernization Law, was enacted, regulating private participation in the sector. As a result, private-sector firms were allowed to handle own and third-party cargo in terminals located in the organized ports.

Subsequently, private enterprise gradually began to move into the operation and exploration of port areas through port operators, favoring investments in infrastructure and the modernization of port operations in order to: (i) reduce docking times; (ii) enable the handling of third-party cargo in private terminals that were formerly limited to handling their own cargo; (iii) encourage competition between terminals and ports by leasing installations and terminals to private firms; and (iv) adjust port manpower levels in line with the new technological and production processes.

The financial crisis that swept through the world's leading economies in 2008 jeopardized port performance in the first nine months of 2009 as markets shrank and international trade slowed. As a result export and import volume fell back in relation to the upward trajectory in place until mid-2008. The crisis also reduced international agricultural and mineral commodity prices, as well as demand for goods and services, with a consequent reduction in cargo flows. In mid-2009, however, the sector began to recover, and the outlook for 2010 is promising, with agricultural commodity exports as the main driver.

### **Energy Generation**

In 2003 and 2004, the federal government launched the bases of a new model for the Brazilian electricity sector.

In institutional terms, this model created the Energy Research Company (EPE), responsible for the sector's long-term planning, the Energy Sector Monitoring Committee (CMSE), which continuously assesses the safety aspects of power supply, and the Electricity Commercialization Chamber (CCEE), which took over the energy transactions in the National Interconnected System (SIN) previously handled by the Energy Wholesale Market (MAE).

The model laid down a series of measures to be adopted by the sector agents, including: (i) the contracting of total demand by distributors and free consumers; (ii) a new methodology for calculating the base price for energy sales; (iii) the contracting of hydro and thermal power plants in such a proportion as to ensure a better balance between assured supply and cost; and (iv) the permanent monitoring of the continuity and safety of energy supply in order to detect any imbalance between supply and demand.

Based on this new model, in 2006 the Ministry of Mines and Energy approved a ten-year expansion program to increase Brazil's total installed generating capacity from 93.7 GW in 2006 to 134.7 GW in 2015, 103.7 GW of which (77.0%) from hydro plants.

This encouraged the sector to increase generating capacity and guarantee energy supply via more competitive bids. According to the EPE, the sector will require investments of R\$767 billion through 2017 in order to comply with the plan.

Also according to the EPE, Brazil's energy market was severely jeopardized by the international financial crisis in 2009, although most of the damage was concentrated in the industrial sector, with a consequent slowdown in activity.

However, domestic demand remained buoyant, thanks to government measures to mitigate the impact of the crisis, including selective tax breaks, a reduction in interest rates and the expansion of credit. As a result, the residential and commercial segments recorded healthy growth in 2009.

Power consumption is expected to increase by 9.4% in 2010 and the EPE estimates average annual consumption growth of 5.2% between 2010 and 2018.

These estimates are based on an industrial recovery in the post-crisis period, the government's ongoing infrastructure expansion policies, and an upturn in workers' earnings, all of which will fuel residential and, especially, commercial consumption.

#### **4. Operating Performance**

The figures below refer to 100% of the companies.

##### **Road segment**

Triunfo is a leading company in Brazil's road concession sector in Brazil. The highways it currently operates are located in the states of Rio Grande do Sul, Paraná, Rio de Janeiro and Minas Gerais, totaling around 640 kilometers, a significant ratio of the total granted by the federal and state governments.

The table below shows the main figures of our road concessions:

Concessionaire	Highway	State	Extension Managed	Concession Date	End of Concession
Concepa	BR-290	RS	121.0 km	07/04/1997	July 2017
Concer	BR-040	RJ/MG	180.6 km	10/31/1995	October 2020
Econorte	BR-369, PR-323, PR-445, PR-090, BR-153, BR-470	PR	339.08 km	11/14/1997	November 2021
<b>Total</b>			<b>640.68 km</b>		

#### Traffic on our highways (+1.81%)

Traffic volume grew by 1.81% over 2008 to 64.085 million equivalent vehicles, with Concer, Concepa and Econorte recording respective growth of 2.42%, 1.27% and 1.80%.

Although the annual upturn was below the previous year's increase due to the hefty reduction in industrial output that affected sector results at the beginning of 2009, it still represented a strong recovery throughout the rest of the year.

	2009	2008	Change
<b>Total equivalent traffic</b>	<b>64,085</b>	<b>62,946</b>	<b>1.81%</b>
<b>CONCER</b>	<b>24,475</b>	<b>23,895</b>	<b>2.42%</b>
Share of total traffic	38.2%	38.0%	0.2 p.p.
Heavy vehicles ('000)	11,740	11,971	-1.9%
Share of total traffic	18.3%	19.0%	-0.7 p.p.
Light vehicles ('000)	12,734	11,924	6.8%
Share of total traffic	19.9%	18.9%	0.9 p.p.
<b>CONCEPA</b>	<b>27,201</b>	<b>26,860</b>	<b>1.27%</b>
Share of total traffic	42.4%	42.7%	-0.2 p.p.
Heavy vehicles ('000)	12,677	13,073	-3.0%
Share of total traffic	19.8%	20.8%	-1.0 p.p.
Light vehicles ('000)	14,524	13,787	5.3%
Share of total traffic	22.7%	21.9%	0.8 p.p.
<b>ECONORTE</b>	<b>12,410</b>	<b>12,191</b>	<b>1.80%</b>
Share of total traffic	19.4%	19.4%	0.0 p.p.
Heavy vehicles ('000)	7,777	7,694	1.1%
Share of total traffic	12.1%	12.2%	-0.1 p.p.
Light vehicles ('000)	4,633	4,497	3.0%
Share of total traffic	7.2%	7.1%	0.1 p.p.

### Toll revenue on our highways (+10.70%)

Consolidated toll revenue in 2009 moved up 10.70% over 2008 to R\$405.395 million, thanks to the variation in two key components: [i] the 1.81% increase in equivalent vehicle traffic; [ii] the 8.70% upturn in the average effective tariff.

	2009	2008	Change
<b>Toll Collection (R\$ '000)</b>	<b>405,399</b>	<b>366,296</b>	<b>10.67%</b>
Vehicle equivalent traffic ('000)	64,085	62,946	1.81%
Effective average toll	6.33	5.82	8.70%
<b>CONCER</b>	<b>169,225</b>	<b>155,876</b>	<b>8.56%</b>
Effective average toll	6.91	6.52	6.00%
Share of total collections	41.70%	42.60%	-0,8 p,p,
<b>CONCEPA</b>	<b>125,880</b>	<b>114,948</b>	<b>9.51%</b>
Effective average toll	4.63	4.28	8.1%
Share of total collections	31.10%	31.40%	-0.3 p,p,
<b>ECONORTE</b>	<b>110,294</b>	<b>95,472</b>	<b>15.52%</b>
Effective average toll	8.89	7.83	13.5%
Share of total collections	27.20%	26.10%	1.1 p,p,

#### Port segment:

##### Portonave:

The Navegantes Port Terminal handled 413,968 TEUs in 2009, 73.0% more than in 2008.

The revenue presented in the table below reflects TEU handling and port terminal services, excluding revenues from Iceport (Portonave's wholly-owned subsidiary).

	2009	2008	Change
<b>Gross operating revenue (R\$ '000)</b>	<b>144,384</b>	<b>74,494</b>	<b>93.8%</b>
<b>Breakdown of gross operating revenue</b>			
Collection – Quay Handling (R\$ '000)	89,243	46,019	93.9%
Other revenues (R\$ '000)	55,141	28,475	93.6%
<b>TEUs - Twenty-foot equivalent units</b>	<b>413,968</b>	<b>239,312</b>	<b>73.0%</b>
Effective average toll (R\$/TEU)	215.58	192.30	12.1%
<b>Conversion ratio (TEUs/boxes)</b>	<b>1.6829</b>	<b>1.7502</b>	<b>-3.8%</b>
<b>Boxes Handled</b>	<b>245,984</b>	<b>136,734</b>	<b>79.9%</b>
Effective average toll (R\$/box)	362.80	336.56	7.8%

#### Iceport:

Due to the fire that destroyed a large part of the cold room in November 2009, services were provided until November 12 and will only be resumed in 2H10.

	<b>2009</b>
<b>Gross Operating Revenue (R\$ '000)</b>	<b>15,772</b>
Handling Revenue (in-out) (R\$ '000)	1,425
Other Revenues (R\$ '000)	2,626
Trading (R\$ '000)	11,722
Tax on Revenue (R\$ '000)	432
<b>Net Operating Revenue (R\$ '000)</b>	<b>15,341</b>
In-out Volume Handled (tonne)	107,979
Average Effective Handling Tariff (R\$/tonne)	13.20
Handling in (tonnes)	60,892
Share of Total Handling (%)	56.4%
Handling out (tonnes)	47,087
Share of Total Handling (%)	43.6%

#### **Energy Generation:**

The Salto Hydroelectric Plant is in the final phase of construction through the subsidiary Rio Verde Energia. The plant is located in the municipalities of Itarumã and Caçu, in Goiás, and will have an installed capacity of 116MW and assured energy of 558,000 MWh per year. Commercial start-up is scheduled for April 2010.

Rio Verde has entered into an agreement with Votener, a Votorantim Group company, to sell total assured energy output for 16 years as of start-up at an average price of R\$130.00 MW/h, restated annually by the IGPM inflation index.

Construction and start-up investments for this plant are estimated at R\$462 million.

In the fourth quarter of 2009, TPI was sought out by important sector players with serious proposals which are in line with the Company's interests and strategies. In addition, new projects in the road, port and energy generation segments are expected at the beginning of 2010.

In view of these new opportunities and the need for funds to carry out the projects, Triunfo's Management resolved to sell its controlling interest in Rio Verde.

As a result, on December 31, 2009 this stake was transferred to the "Interest to be sold" line under current assets, considering expectations of negotiating this investment within the period established by the Board of Directors.

## 5. Company's Performance in 2009

### Gross operating revenue (+29.4%)

Consolidated gross operating revenue totaled R\$427.002 million in 2009, 29.4% up on 2008.

	2009	2008	Change
<b>Gross Revenues from Operations (R\$ 000)</b>	<b>427,002</b>	<b>329,972</b>	<b>29.4%</b>
Revenues from toll roads	341,940	282,725	20.9%
Port operation	80,078	41,664	92.2%
Other revenues	4,984	5,583	-10.7%

### Deductions from Gross Operating Revenue (+30.1%)

Deductions from consolidated gross operating revenue in 2009 came to R\$39.501 million, 30.1% higher than the previous year.

	2009	2008	Change
<b>Deductions from gross revenue</b>	<b>(39,501)</b>	<b>(30,356)</b>	<b>30.1%</b>
Taxes on gross revenue	(38,728)	(30,227)	28.1%
Other deductions from gross revenue	(773)	(129)	499.2%
Net operating revenue	387,501	299,616	29.3%

The main factors driving the increase in net revenue were:

- The acquisition of an additional 30% stake in Concepa in October 2008 which represented an upturn of 8.2%, corresponding to R\$24.692 million. Excluding this factor, net revenue increased by 21.1% over 2008.
- Port operations, despite the silting up of the channel, increased by 12%, corresponding to R\$35.854 million; and
- Higher road traffic and the tariff increases represented an increase of 9.1%, equivalent to R\$27.339 million.

### Operating Costs (+16.5%)

The main items composing TPI's operating costs are: highway operating and maintenance costs, the depreciation of highway and port facility improvement and expansion works, and personnel expenses related to highway and port operations.

	2009	2008	Change
<b>Operating Costs</b>	<b>(227,064)</b>	<b>(194,922)</b>	<b>16.5%</b>
Highway operation and maintenance	(41,728)	(34,337)	21.5%
Port operations	(17,041)	(14,151)	20.4%
Personnel costs	(28,096)	(21,240)	32.3%
Depreciation of property and equipment	(71,063)	(49,838)	42.6%
Deprecation of surplus value from property and equipment	(56,695)	(65,010)	-12.8%
Concession liabilities	(12,441)	(10,346)	20.2%

Operating costs totaled R\$227.064 million in 2009, 16.5% up on 2008 and equivalent to 58.6% of net operating revenue, 6.5 percentage points less than the 65.1% recorded in the previous year, representing a margin gain.

The main factors impacting our operating costs were:

- The acquisition of the additional 30% stake in Concepa, representing an increase of R\$17.028 million, which alone pushed up operating costs by 8.7%;
- Excluding this factor, these costs moved up by 7.8%, chiefly due to price adjustments in the other cost items, personnel and the depreciation of new investments in property and equipment.

#### **Operating Expenses (-12.9%)**

Operating expenses are represented by expenses with facilities, administrative and consulting services, personnel expenses, which include the compensation of management and support staff, the depreciation of items allocated to the administrative department, goodwill, the sale of permanent assets, the booked balance of items written down from fixed, deferred and intangible assets and other non-recurring revenues.

	2009	2008	Change
<b>Operating Expenses</b>	<b>(65,658)</b>	<b>(75,403)</b>	<b>-12.9%</b>
General and administrative expenses	(39,735)	(31,082)	27.8%
Management compensation	(8,583)	(6,567)	30.7%
Personnel expenses	(20,144)	(13,617)	47.9%
Depreciation of property and equipment	(3,519)	(5,106)	-31.1%
Amortization of goodwill	(3,306)	(22,567)	-85.4%
Other operating revenues, net	9,629	3,536	172.3%

Operating expenses totaled R\$65.658 million in 2009, equivalent to 16.9% of net operating revenue, 8.2 percentage points less than the 25.2% recorded in 2008.

The main factors responsible for this reduction were:

- Operating expenses in both years were adjusted for other operating revenues, chiefly from insurance indemnity payments related to losses in the Navegantes port terminal due to the silting-up of the channel at the end of 2008 and beginning of 2009, and the fire in the cold store facility in the fourth quarter of 2009, resulting in the recognition of R\$10.612 million and R\$4.193 million, respectively, in 2009 and 2008;
- As of 2009, due to the convergence of Brazilian accounting practices with international financial reporting standards (IFRS), goodwill from future profitability, paid on the acquisition of investments, is no longer amortized. As a result the amortization of goodwill in 2009 fell by R\$19.261 million over 2008;
- Excluding these two factors, operating expenses increased by 6%, R\$1.886 million of which, equivalent to 3.6% of the variation in adjusted expenses, came from the acquisition of the additional 30% interest in Concepa.

#### **Net Financial Result (-84.5%)**

The financial result is represented by interest, monetary restatement and remuneration paid to the Company's creditors, adjusted financial revenue and the exchange variation on financing contracted by Portonave from GE Capital, used in the construction of the Navegantes port terminal.

	<b>2009</b>	<b>2008</b>	<b>Change</b>
<b>Net Financial Result</b>	<b>(18,280)</b>	<b>(117,641)</b>	<b>-84.5%</b>
Financial revenue	8,762	7,546	16.1%
Financial expenses	(75,034)	(68,955)	8.8%
Net exchange variation	47,992	(56,232)	-

In 2009, there was a massive reversal of the strong impact caused by the appreciation of the dollar against the Real in 2008, when we recorded a negative exchange variation of R\$56.232 million. In 2009, on the other hand, there was a positive variation of R\$47.992 million. The Company assesses possible FX hedge transactions, always bearing in mind, however, that almost half the revenue from the Portonave operation is pegged to the dollar, thereby acting as a natural hedge.

Excluding the exchange variations in both years, the 2009 financial result was a net expense 7.9% higher than the previous year, mainly due to:

- An increase of R\$1.216 million in financial revenue due to the variation in the average balance of financial investments;

- An increase of R\$6.079 million in financial expenses due to the variation in the Company's debt and the variation in the indices used to restate the debt.

#### **Income Tax and Social Contribution (+1360.3%)**

Taxes are calculated at the nominal rate of 34.0% of adjusted income, pursuant to Brazilian legislation (taxable income method) or by applying the presumed profit margin to gross operating revenue (presumed income method). Therefore, total income tax is impacted by variations that do not necessarily depend on pre-tax earnings.

	2009	2008	Change
<b>Income Tax and Social Contribution</b>	<b>(23,526)</b>	<b>(1,611)</b>	<b>1360.3%</b>
Current	(32,331)	(26,205)	23.4%
Deferred	8,805	24,594	-64.2%

In 2009, deferred taxes fell by R\$15.789 million, essentially due to credits on the exchange loss, treated as temporary differences in relation to the tax calculation base.

Current taxes moved up by 23.4%, basically due to the increase in the tax calculation base.

#### **Minority Interest (+2928.6%)**

The Company recognizes minority interest due to the consolidation of the investments in the subsidiaries NTL, Vessel-log and Santa Rita. The amounts of R\$212 thousand and R\$ 7 thousand in 2009 and 2008, respectively, refer to the interest of the minority shareholders in the results of these subsidiaries.

#### **Net Income**

Due to all the above factors, the Company posted consolidated net income of R\$53.185 million in 2009, versus a net loss of R\$89.954 million in 2008.

#### **EBITDA (+37.6%)**

Consolidated EBITDA totaled R\$239.622 million in 2009, 37.6% up on 2008.

The EBITDA margin, calculated on net operating revenue, adjusted for R\$10.612 million in 2009 and R\$4.193 million in 2008, referring to other operating revenues and insurance indemnity payments, stood at 60.2% in 2009, a 2.9 percentage point improvement over the 57.3% recorded in 2008.

	2009	2008	Change
<b>Net income (loss) for the period</b>	<b>53,185</b>	<b>(89,954)</b>	-
Income tax and social contribution	23,526	1,611	1360.3%
Net financial revenues (expenses)	18,280	117,641	-84.5%
Non-recurring revenues (expenses)	10,260	2,321	342.1%
Minority interest	(212)	(7)	2928.6%
EBIT	105,039	31,612	232.3%
EBIT margin (on NOR)	26.4%	10.4%	16.0 p.p.
Depreciation and amortization	134,583	142,521	-5.6%
EBITDA	239,622	174,133	37.6%
EBITDA margin (on NOR)	60.2%	57.3%	2.9 p.p.

The main factors driving EBITDA growth were:

- The 22.6% increase in toll-road EBITDA, which moved up from R\$ 172.127 million, in 2008, to R\$210.972 million;
- The 200.1% increase in port segment EBITDA, which totaled R\$ 45.317 million, versus R\$ 15.101 million in 2008.

In addition, the expenses of the parent company, for which EBITDA was adjusted in both periods, moved up by 27.3%, from R\$13.095 million in 2008 to R\$16.667 million in 2009.

#### **Net Debt (-29.2%)**

	2009	2008	Change
Short-term debt (i)	138,775	120,748	14.9%
Long-term debt (i)	383,354	668,873	-42.7%
Gross debt	522,129	789,621	-33.9%
Cash and cash equivalents (ii)	57,529	133,721	-57.0%
Net debt	464,600	655,900	-29.2%

(i) Loans, financing and debentures.

(ii) Cash and short-term financial investments.

Debt comprises outstanding loans, financing and debentures contracted or issued to finance the parent company's investments in new projects and its subsidiaries to finance the investments envisaged in the concession contracts.

Triunfo's consolidated net debt totaled R\$467.600 million in 2009, 29.2% down on the R\$655.900 million recorded at the close of 2008.

The main factor behind the reduction was the allocation of the sale of the subsidiary Rio Verde, at the end of 2009, which was not recognized in the 2009 financial statements. If Rio Verde had been consolidated, net debt would have totaled R\$ 785.459 million, 19.8% up on the year before due to the BNDES financing obtained by this subsidiary for the construction of the Salto plant.

In addition, the net debt/EBITDA ratio closed 2009 at 1.9x, versus 3.8x in 2008. If Rio Verde's debt is included, the ratio comes to 3.3x, 0.5 percentage points down on 2008.

## **6. Social and environmental responsibility**

Triunfo and its subsidiaries are involved in sustainable development projects through social, cultural and environmental initiatives.

In 2009, those projects that reinforced our commitment to respect for human beings and the environment included:

### **Concepa:**

Traffic Education – This program consists of several events: Café da Manhã nas Passarela.; Detran's School Bus at Casa Free Way; Pit Stop, for the overhaul of passenger and cargo vehicles; and the distribution of informative leaflets at toll plazas.

Public Health – In association with health institutions, Concepa holds an annual Health Pit Stop to monitor blood pressure and sugar levels, among other conditions.

Na mão certa – This program was developed by Childhood Brasil (WCF Institute, created in 1999) in order to prevent the sexual exploitation of children and teenagers through informative and educational projects. Concepa has been a partner in the project since 2007, when it signed the Corporate Pact focusing on Brazil's highways.

### **Concer:**

Um Freio na Fome – This campaign aims to foster solidarity by collecting non-perishable food for distribution in the form of food baskets to needy communities adjacent to the BR-040 highway during the Christmas season.

Conceito no Trânsito – The aim of this project is to teach basic traffic safety rules to public school students who have to cross the BR-040 highway between Juiz de Fora and Rio.

Projeto Sementinha e Dia da Árvore – The production of Atlantic Forest seedlings for replanting in natural areas. Almost 8,000 seedlings were distributed in 2009.

### **Econorte:**

Uma Lição na Passarela – A program to teach people how to use the footbridges along Econorte's concession correctly.

Semana Nacional do Trânsito – Held every year with a specific theme, in 2009 Econorte's National Traffic Week distributed informative safety leaflets to motorcyclists.

Educar para Transformar – In 2009, Econorte redesigned its Educate for Change program, which was launched in 2006 and is implemented in public schools in the 15 municipalities within its area of influence.

#### **Portonave**

Portonave Novos Rumos – Aware of the importance of training and preparing youngsters for the future, Portonave developed the New Paths program to encourage enterprise among public school students aged between 16 and 21 with a household income of less than one minimum wage per month.

Embarque no Saber – The program consists of monthly lectures on subjects of common interest and importance to society, held in Navegantes, where the port terminal is located. The current topics attract people interested in specialization or transforming society.

Semana do Meio Ambiente – Held in the June every year, Environment Week is designed to provide intensive environmental education for Portonave's employees and the local community. Through the slogan Recycle your Habits, the 2009 Week focused on the importance of recycling garbage and adopting habits that benefit the environment.

#### **Rio Verde**

Programa de Capacitação – A program to train local people so they can apply for jobs in the region. It also promotes initiatives to help municipal governments to expand their public health, security and education services.

Programa de Educação Ambiental – The Environmental Education Program, which was developed in association with the Municipal Departments of Education, the Environment and Culture, involves teachers and students from public and private schools and the local media (radio and newspapers), as well as the community as a whole. The aim is to develop activities related to environmental preservation in the municipalities where the company operates and promote lectures and courses designed to change people's habits in regard to environmental preservation and the local historical and cultural heritage.

### **7. Human Resources**

Based on the belief that a company's main asset is its people and that the human factor is crucial to its good performance, Triunfo and its subsidiaries invest heavily in the training of their workforce.

At the close of 2009, the Company had approximately 1,800 employees, all of whom are fully engaged and committed to achieving positive results. We are constantly investing in their social and professional development through a support program, academic scholarships and continuous training courses, always seeking to improve the working environment.

We are continuously fine-tuning our benefit, job and wage policies in order to provide encouragement for our employees and offer solid career prospects in line with the development of our business.

We are fully committed to promoting the growth of our professionals in a consistent and responsible manner.

## **8. Corporate Governance**

Given its participation in the Novo Mercado special corporate governance segment of the São Paulo Stock Exchange, Triunfo believes that the adoption of the best corporate governance practices is essential for the strategic and efficient management of its business.

The independent auditing services provided by Ernst&Young impose strict accountability procedures in regard to shareholders and investors. In line with the best corporate governance practices and pursuant to CVM Instruction 381/03, the Company's independent auditors do not provide any other service beyond the external audit.

Our management structure comprises a Board of Directors, a Board of Executive Officers and an Audit and Control Committee.

The Board of Directors is the decision-making body responsible for establishing the general policies and guidelines of the business, including its long-term strategy, in addition to controlling and monitoring the Company's performance and overseeing the performance of the Board of Executive Officers. It consists of eight members, two of whom independent.

The Board of Executive Officers, which consists of five members, manages and executes the business, in accordance with the resolutions taken by the Board of Directors. Officers have individual responsibilities and are appointed by the Board of Directors for a unified two-year term, with the possibility of re-election.

The investiture of Triunfo's Officers and Directors is dependent upon prior signature of the Term of Commitment as required by the Novo Mercado regulations.

Triunfo also constituted an Audit and Control Committee to support the Board of Directors. Consisting of five members (two of whom independent), the committee supervises and guarantees the management, integrity and effectiveness of internal processes in the preparation of financial reports. It meets monthly with the Board of Executive Officers with the participation of the independent auditors on a quarterly basis in order to provide support and protect the interests of shareholders and other stakeholders. Triunfo's operations are also governed by internal regulations that reflect corporate governance principles, such as the committee's standing rules, disclosure, securities trading and sustainability policies, and the code of conduct, all of which are formally disclosed and documented to ensure the uniformity and compliance of the activities carried out by Group's companies and their employees.

The Company is bound to submit all matters of arbitration to the Market Arbitration Chamber, pursuant to the Arbitration Clause in the Company's Bylaws.



In accordance with the Company's Bylaws, shareholders are entitled to receive minimum dividends of 25% of adjusted annual net income. In 2009, Triunfo reversed the accrued losses from previous years and the Board of Directors opted to allocate R\$8.389 million to dividend payments. The proposal will be deliberated by the Annual Shareholders' Meeting.

#### **9. Investor Relations**

Shareholders, investors and market analysts can access information on our website at [www.triunfo.com](http://www.triunfo.com), by sending an e-mail to [ri@triunfo.com](mailto:ri@triunfo.com) or by calling +55 11 2169 3999.

TPI believes that transparent disclosure of its results is essential if the financial community is to form an accurate analysis of its operations.

#### **10. Acknowledgements**

We would like to take this opportunity of thanking our shareholders, customers, service providers and, especially, our employees, who have made such an enormous contribution to our growth, for yet another year of work on behalf of the Company.

## **11. Company Information**

### **Board of Directors**

Luiz Fernando Wolff de Carvalho – Chairman

Fernando Xavier Ferreira – Independent Member

Jorge Michel Lepeltier – Independent Member

Allyrio de Jesus Dipp Filho – Member

Antonio José Monteiro da Fonseca de Queiroz – Member

João Villar Garcia – Member

Miguel Ferreira de Aguiar – Member

Ricardo Stabile Piovezan – Member

### **Board of Executive Officers**

Carlo Alberto Bottarelli – Chief Executive Officer

Ana Cristina Carvalho – Investor Relations Officer

Daniel Haller – Planning and Control Officer

Luiz Alberto Küster – Energy Officer

Sandro Antonio de Lima – Chief Administrative and Financial Officer

### **Accountant**

Hermes de Oliveira – CRC 1 PR051928/O – 9 “S”

## **Financial Statements**

### **TPI – Triunfo Participações e Investimentos S.A.**

December 31, 2009 and 2008  
with Report of Independent Auditors

## **TPI – Triunfo Participações e Investimentos S.A.**

### Financial Statements

December 31, 2009 and 2008

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## Report of independent auditors

To the Board of Directors and Shareholders

**TPI – Triunfo Participações e Investimentos S.A.**

São Paulo - SP

1. We have audited the accompanying stand-alone and consolidated balance sheets of TPI - Triunfo Participações e Investimentos S.A. and subsidiaries and jointly-owned subsidiaries as of December 31, 2009 and 2008 and related statements of operations, changes in shareholders' equity, cash flows and value added for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.
2. We conducted our audits in accordance with auditing standards applicable in Brazil which comprised: (a) the planning of our work, taking into consideration the materiality of balances, the volume of transactions and the accounting and internal control systems of the Company and subsidiaries; (b) the examination, on a test basis, of documentary evidence and accounting records supporting the amounts and the accounting information disclosed; and (c) an assessment of the accounting practices used and significant estimates made by the management of the Company and of its subsidiaries and jointly-owned subsidiaries, as well as an evaluation of the overall presentation of the financial statements.
3. In our opinion, the financial statements referred to in paragraph 1 present fairly, in all material respects, the stand-alone and consolidated financial position of TPI - Triunfo Participações e Investimentos S.A. and subsidiaries and jointly-owned subsidiaries at December 31, 2009 and 2008, and the results of their operations, changes in shareholders' equity, cash flows and value added for the years then ended, in accordance with the accounting practices adopted in Brazil.

4. As mentioned in Note 22, at December 31, 2009 the Company recorded in non-current liabilities R\$9,748 thousand consisting of a loan granted by Siemens S.A. (“Siemens”) to jointly-owned subsidiary Companhia de Concessão Rodoviária Juiz de Fora - Rio S.A. (“Concer”) for Siemens’s installation and go-live of road control systems. In the understanding that the creditor breached contractual clauses, Concer management rescinded the contract in court and accordingly suspended the accounting record of monetary adjustment of debt since January 1, 2000, once, in the opinion of its legal advisors, the likelihood of Concer not prevailing at trial is remote. At December 31, 2009 the fixed assets balance of this liability amounts to R\$10,770 thousand. Had the monetary increases been taken into consideration, the debt would reach R\$32,891 thousand at that date.
5. As described in Note 22, item a), Empresa Concessionária de Rodovias do Norte S.A. (“Econorte”), jointly and/or severally with other concessionaires, filed appeals and suits against the acts of the Government of the State of Paraná as regards the classification as a public interest company whose suits have not yet been judged. Also, as mentioned in Note 22, item b), on February 29, 2008 a trial court sentenced Econorte to suspend toll collection at the Jacarezinho plaza in the State of Paraná. Econorte filed an appeal against the sentence and obtained a preliminary injunction to move on with toll collection while awaiting the decision on the appeal. The financial statements of this subsidiary were prepared on the assumption of its ability to continue as a going concern as a private company, without the effects which might arise from the decision of the merits of suits against the Government of the State of Paraná, as well as the non-interruption of collection at toll plazas. At December 31, 2009 the amount of investment and goodwill of that subsidiary, recorded in the Company, is R\$136,680 thousand (R\$184,794 thousand at December 31, 2008).
6. Accounting practices adopted in Brazil differ in certain significant aspects from the international accounting standards. Information relating to the nature and effect of these differences is presented in Note 32.

São Paulo, February 19, 2010 (except for Note 32, at to which the date is April 12, 2010).

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015199/O-6

Luciano Neris  
Accountant CRC-1PA007729/O-8-S-SP

A free translation from Portuguese into English of financial statements in accordance with accounting practices adopted in Brazil, except for Note 32.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Balance sheets

Years ended December 31, 2009 and 2008

(In thousands of reais, except with indicated otherwise)

	Note	Company		Consolidated	
		12/31/09	12/31/08	12/31/09	12/31/08
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	2,475	8,427	17,960	81,441
Short-term financial investments, committed	6	22,554	23,893	36,325	52,280
Accounts receivable	7	-	-	14,918	5,606
Insurance compensation receivable		-	-	678	4,050
Advances to suppliers		950	-	24,331	-
Taxes recoverable	8	2,951	2,510	5,587	4,946
Deferred tax credits	9	-	-	-	5,969
Accounts receivable - Related parties	10	32,709	26,240	5,043	309
Investment to be sold	11	147,926	-	147,926	-
Expense forecast	12	-	34	3,643	3,940
Other credits		197	107	469	2,709
<b>Total current assets</b>		<b>209,762</b>	61,211	<b>256,880</b>	161,250
<b>Noncurrent liabilities</b>					
Short-term financial investments, committed	6	-	-	3,244	-
Deferred tax credits	9	-	-	9,214	7,061
Accounts receivable - Related parties	10	68,367	56,839	-	7
Deferred expenses	12	84	-	84	3,030
Judicial deposits		18	14	677	350
Taxes recoverable		-	-	537	-
Other credits		-	-	41	117
		<b>68,469</b>	56,853	<b>13,797</b>	10,565
<b>Investments</b>					
In subsidiaries and jointly controlled subsidiaries	13	687,786	653,644	-	-
Other investments	13.c	-	-	31,065	27,936
Fixed assets	14	8,901	8,062	1,207,744	1,438,416
Intangible assets	15	37,176	149,324	170,666	172,475
<b>Total non-current assets</b>		<b>802,332</b>	867,883	<b>1,423,272</b>	1,649,392
<b>Total assets</b>		<b>1,012,094</b>	929,094	<b>1,680,152</b>	1,810,642

	Note	Company		Consolidated	
		12/31/09	12/31/08	12/31/09	12/31/08
Liabilities and shareholders' equity					
Current liabilities					
Suppliers		<b>780</b>	362	<b>37,092</b>	25,351
Loans and financing	16	<b>30,281</b>	9,155	<b>103,158</b>	69,895
Debentures	17	<b>22,625</b>	23,086	<b>46,229</b>	50,853
Payroll, provisions and social contribution		<b>889</b>	549	<b>6,947</b>	5,042
Taxes, charges and contributions	18	<b>42</b>	196	<b>17,680</b>	10,924
Deferred income tax and social contribution	19	-	-	<b>32,385</b>	21,080
Advances from clients		-	-	<b>2,260</b>	1,839
Proposed dividends	23 .b	<b>8,388</b>	-	<b>8,728</b>	-
Accounts payable - Related parties	10	<b>663</b>	661	<b>2,291</b>	12,957
Agreements in force	20	<b>1,111</b>	15,180	<b>1,540</b>	21,673
Other liabilities		<b>3</b>	103	<b>4,838</b>	3,973
Total current liabilities		<b>64,782</b>	49,292	<b>263,148</b>	223,587
Noncurrent liabilities					
Loans and financing	16	<b>32,763</b>	50,000	<b>278,320</b>	528,108
Debentures	17	<b>66,518</b>	89,809	<b>94,422</b>	140,765
Taxes, charges and contributions	18	<b>418</b>	1,192	<b>2,518</b>	3,751
Deferred income tax and social contribution	19	-	-	<b>139,845</b>	150,194
Agreements in force	20	<b>35,124</b>	20,790	<b>35,124</b>	20,790
Deferred revenues, net	21	-	-	<b>5,016</b>	5,481
Provisions for contingencies	22	-	-	<b>13,001</b>	13,840
Other liabilities		-	-	<b>552</b>	594
Total non-current liabilities		<b>134,823</b>	161,791	<b>568,798</b>	863,523
Minority interest		-	-	<b>37,625</b>	29,993
Shareholders' equity					
Capital stock	23	<b>461,947</b>	461,947	<b>461,947</b>	461,947
Capital Reserves	24	<b>592</b>	-	<b>592</b>	-
Revaluation reserves, net	14 .b	<b>306,897</b>	317,941	<b>306,897</b>	317,941
Retained earnings (accumulated losses)		-	(61,877)	<b>(1,908)</b>	(86,349)
Advance for future capital increase		<b>43,053</b>	-	<b>43,053</b>	-
Total shareholders' equity		<b>812,489</b>	718,011	<b>810,581</b>	693,539
Total liabilities and shareholders' equity		<b>1,012,094</b>	929,094	<b>1,680,152</b>	1,810,642

See accompanying notes.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

### Statements of operations

Years ended December 31, 2009 and 2008

(In thousands of reais, except with indicated otherwise)

	Company		Consolidated	
	12/31/09	12/31/08	12/31/09	12/31/08
Gross operating revenue	-	-	<b>427,002</b>	329,972
Deductions from gross operating revenue	-	-	<b>(39,501)</b>	(30,356)
Net operating revenue	-	-	<b>387,501</b>	299,616
Costs of services rendered				
Highway operation, upkeep and maintenance	-	-	<b>(41,728)</b>	(26,638)
Port operation	-	-	<b>(17,041)</b>	(14,151)
Personnel	-	-	<b>(28,096)</b>	(21,240)
Depreciation of property and equipment	-	-	<b>(71,063)</b>	(49,838)
Deprecation of surplus value from property and equipment	-	-	<b>(56,695)</b>	(65,010)
Concession liabilities	-	-	<b>(12,441)</b>	(10,346)
Other operating costs	-	-	-	(7,699)
Total costs of services rendered	-	-	<b>(227,064)</b>	(194,922)
Gross profit	-	-	<b>160,437</b>	104,694
Operating revenues (expenses), net				
General and administrative expenses	<b>(8,038)</b>	(7,682)	<b>(39,735)</b>	(31,082)
Management compensation	<b>(4,695)</b>	(3,112)	<b>(8,583)</b>	(6,567)
Personnel Expenses	<b>(4,937)</b>	(2,779)	<b>(20,144)</b>	(13,617)
Depreciation of fixed assets	<b>(525)</b>	(395)	<b>(3,519)</b>	(5,106)
Amortization of goodwill on investments	<b>(2,370)</b>	(22,334)	<b>(3,306)</b>	(22,567)
Equity income	<b>79,435</b>	2,044	-	-
Other operating revenues (expenses)	<b>(84)</b>	(462)	<b>9,629</b>	3,536
Total operating revenues (expenses), net	<b>58,786</b>	(34,720)	<b>(65,658)</b>	(75,403)
Operating profit (loss) before financial income	<b>58,786</b>	(34,720)	<b>94,779</b>	29,291
Financial income				
Financial revenues	<b>7,291</b>	17,342	<b>8,762</b>	7,546
Financial expenses	<b>(33,417)</b>	(34,254)	<b>(75,034)</b>	(68,955)
Exchange rate variation, net	-	-	<b>47,992</b>	(56,232)
Total financial income (Note 29)	<b>(26,126)</b>	(16,912)	<b>(18,280)</b>	(117,641)
Earnings (losses) before income tax and social contribution	<b>32,660</b>	(51,632)	<b>76,499</b>	(88,350)
Income tax and social contribution				
Current	-	-	<b>(32,331)</b>	(26,205)
Deferred	-	-	<b>8,805</b>	24,594
	-	-	<b>(23,526)</b>	(1,611)
Minority interest	-	-	<b>212</b>	7
Net income (loss) for the year	<b>32,660</b>	(51,632)	<b>53,185</b>	(89,954)
Number of shares (thousands)	<b>136,705</b>	136,705		
Net income (loss) per thousand shares, in Brazilian reais	<b>0.2389</b>	(0.3777)		

See accompanying notes.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Statement of changes in shareholders' equity (Company)

Years ended December 31, 2009 and 2008

(In thousands of reais, except with indicated otherwise)

	Capital stock	Capital reserve	Revaluation reserve effects	Retained earnings (accumulated losses)	Shareholders' equity	Advance for future capital increase	Shareholders' equity and of advances for future capital increases
Balances at December 31, 2007	461,947	-	389,190	(51,210)	799,927	-	799,927
Effects from Law No. 11638/07	-	-	-	(2,013)	(2,013)	-	(2,013)
Revaluation reserve effects, net	-	-	(42,978)	42,978	-	-	-
Provision for impairment of fixed assets	-	-	(28,271)	-	(28,271)	-	(28,271)
Loss for the year	-	-	-	(51,632)	(51,632)	-	(51,632)
Balances at December 31, 2008	<b>461,947</b>	-	<b>317,941</b>	<b>(61,877)</b>	<b>718,011</b>	-	<b>718,011</b>
Advance for future capital increase	-	-	-	-	-	<b>43,053</b>	<b>43,053</b>
Revaluation reserve effects, net	-	-	<b>(37,605)</b>	<b>37,605</b>	-	-	-
Provision for impairment of fixed assets	-	-	<b>26,561</b>	-	<b>26,561</b>	-	<b>26,561</b>
Issue of stock options	-	<b>592</b>	-	-	<b>592</b>	-	<b>592</b>
Net income for the year	-	-	-	<b>32,660</b>	<b>32,660</b>	-	<b>32,660</b>
Allocation:							
Proposed dividends (Note 23.b)	-	-	-	<b>(8,388)</b>	<b>(8,388)</b>	-	<b>(8,388)</b>
Balances at December 31, 2009	<b>461,947</b>	<b>592</b>	<b>306,897</b>	-	<b>769,436</b>	<b>43,053</b>	<b>812,489</b>

See accompanying notes.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

### Statements of cash flow

Years ended December 31, 2009 and 2008

(In thousands of reais, except with indicated otherwise)

	Company		Consolidated	
	12/31/09	12/31/08	12/31/09	12/31/08
Cash flow from operations				
Net income (loss) for the year	32,660	(51,632)	53,185	(89,954)
Adjustments to reconcile income to funds generated (used) in operating activities				
Provision for doubtful accounts	-	-	(69)	(199)
Deferred income tax and social contribution	-	-	(8,805)	(24,594)
Depreciation and amortization	562	395	131,318	119,954
Write-off of fixed, intangible and deferred assets	1,614	1,094	2,759	898
Gains from the sale of fixed assets	-	(1)	-	(397)
Amortization of goodwill and negative goodwill on investments	2,334	22,334	3,265	22,567
Monetary variations of loans, financing and bonds	15,235	28,174	22,606	83,581
Monetary variations of agreements with related companies, non-commercial operations	14,633	(13,334)	-	-
Provision for contingencies, net of write-offs and reversals	-	-	(604)	1,127
Share-based payment	592	-	592	-
Equity income	(79,435)	(2,044)	-	-
Appropriation of deferred revenues, net	-	-	(465)	259
Minority interest	-	-	(212)	(7)
Net cash from interest held for sale	-	-	(578)	-
Changes in assets and liabilities				
(Increase) decrease in assets				
Accounts receivable	-	-	(9,312)	(1,329)
Accounts receivable from associated companies, commercial transactions	-	-	6,056	8,851
Taxes recoverable	(441)	(967)	(1,216)	(2,603)
Deferred expenses and other receivables	243	(569)	(6,200)	(18,524)
(Increase) decrease in liabilities				
Suppliers	418	(99)	24,011	5,845
Accounts payable from associated companies, commercial transactions	-	454	(9,987)	(4,575)
Social and labor obligations	157	30	2,020	1,513
Taxes, charges and contributions	(945)	(150)	60,765	1,287
Provision for current income tax and social contribution	-	-	(31,991)	26,205
Payment of current income tax and social contribution	-	-	(20,574)	(23,239)
Advances from customers and other accounts payable	10,445	1,001	8,561	(57,319)
Net cash generated by (used in) operating activities	(1,928)	(15,314)	225,125	49,347
Cash flow from investment activities				
Investment in subsidiaries and affiliated companies	(75,187)	(42,433)	-	-
Acquisition of investments	(399)	(5,362)	(1,440)	(5,362)
Dividends and interest on own capital received	96,929	43,032	-	-
Acquisition of fixed assets	(1,797)	(501)	(346,574)	(268,221)
Additions to intangible and deferred assets	(8,993)	(10,856)	(15,920)	(19,396)
Net cash generated by (used in) investment activities	10,553	(16,120)	(363,934)	(292,979)
Cash flow from financing activities				
Advance for future capital increase received	43,053	-	43,053	-
Payments to associated companies, non commercial transactions	(26,720)	(43,693)	-	-
Collections from associated companies, non commercial transactions	10,628	4,175	-	-
Interest received from associated companies, non commercial transactions	(5,250)	202	-	-
Funding through loans, financing and debentures	44,203	107,500	311,482	437,613
Payment of loans, financing and debentures	(68,298)	(48,500)	(236,010)	(149,485)
Interest and remuneration paid on loans, financing and debentures	(12,193)	(17,718)	(43,197)	(28,264)
Net cash generated by (used in) financing activities	(14,577)	1,966	75,328	259,864
Increase (reduction) in cash and cash equivalents	(5,952)	(29,468)	(63,481)	16,232
Cash and cash equivalents				
At start of period	8,427	37,895	81,441	65,209
At end of period	2,475	8,427	17,960	81,441
Increase (reduction) in cash and cash equivalents	(5,952)	(29,468)	(63,481)	16,232

See accompanying notes.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Statements of value added

Years ended December 31, 2009 and 2008

(In thousands of reais, except with indicated otherwise)

	Company		Consolidated	
	12/31/09	12/31/08	12/31/09	12/31/08
Revenues	<b>37,605</b>	42,978	<b>501,485</b>	571,662
Sales of services	-	-	<b>427,002</b>	329,972
Revenues from construction of own assets	-	-	-	171,456
Other revenues	<b>37,605</b>	42,978	<b>74,552</b>	70,433
Provision for doubtful accounts	-	-	<b>(69)</b>	(199)
Inputs acquired from third-parties	<b>(7,695)</b>	(7,499)	<b>(114,917)</b>	(248,939)
Costs of services rendered and related to own assets	-	-	<b>(30,204)</b>	(204,616)
Materials, energy, outsourced services and other	<b>(7,611)</b>	(6,406)	<b>(83,435)</b>	(38,392)
Other operating costs	<b>(84)</b>	(1,093)	<b>(1,278)</b>	(5,931)
Gross value added	<b>29,910</b>	35,479	<b>386,568</b>	322,723
Retentions	<b>(2,895)</b>	(22,729)	<b>(134,583)</b>	(142,521)
Depreciation and amortization	<b>(2,895)</b>	(22,729)	<b>(134,583)</b>	(142,521)
Net value added generated by the company	<b>27,015</b>	12,750	<b>251,985</b>	180,202
Value added received in transfer	<b>86,725</b>	19,386	<b>58,518</b>	57,350
Equity income	<b>79,435</b>	2,044	-	-
Financial revenues	<b>7,290</b>	17,342	<b>58,518</b>	57,350
Total value added to distribute	<b>113,740</b>	32,136	<b>310,503</b>	237,552
Value added breakdown	<b>113,740</b>	32,136	<b>310,503</b>	237,552
Payroll and charges	<b>8,384</b>	5,338	<b>48,484</b>	40,166
Direct compensation	<b>7,451</b>	4,839	<b>38,961</b>	31,932
Benefits	<b>694</b>	360	<b>6,790</b>	6,038
Employment security fund (FGTS)	<b>239</b>	139	<b>2,733</b>	2,196
Taxes, charges and contributions	<b>1,477</b>	1,197	<b>81,788</b>	61,044
Federal	<b>1,439</b>	1,164	<b>61,746</b>	40,878
State	<b>4</b>	-	<b>1,110</b>	4,924
Municipal	<b>34</b>	32	<b>18,932</b>	15,242
Payment of capital provided by third parties	<b>33,614</b>	34,255	<b>85,282</b>	183,325
Interest	<b>33,416</b>	34,255	<b>75,856</b>	180,961
Rental	<b>198</b>	-	<b>1,277</b>	1,660
Other	-	-	<b>5,149</b>	704
Payment of own capital and dividends	<b>8,388</b>	-	<b>8,388</b>	-
Losses offset by the portion of realized revaluation reserve	<b>37,605</b>	42,978	<b>37,605</b>	42,978
Retained earnings (accumulated loss) for the year	<b>24,272</b>	(51,632)	<b>48,744</b>	(89,954)
Minority interest	-	-	<b>212</b>	(7)

See accompanying notes.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements  
December 31, 2009 and 2008  
(In thousands of reais, except when indicated otherwise)

### 1. Operations

TPI - Triunfo Participações e Investimentos S.A. (“Triunfo” or the “Company”) was incorporated on January 11, 1999 under the articles of incorporation and is engaged in investing in other companies and deals, ventures and businesses.

#### a) Subsidiaries and jointly-owned subsidiaries

At December 31, 2009 and 2008 Triunfo’s material equity interest, divided into business segments, is as follows:

##### i) *Highway Concessionaires*

The specific purpose of Concessão Rodoviária de Juiz de Fora – Rio S.A. (“Concer”) is to operate, under concession, Highway BR-040/MG/RJ, Juiz de Fora - Petrópolis - Rio de Janeiro section (Missões cloverleaf interchange), pursuant to the Concession Agreement DNER/PG-138/95-00 and its amendments. The section granted totals 179.9 kilometers and includes three toll plazas, located at kilometer 814.4 MG (bidirectional), kilometer 45.5 RJ (bidirectional) and kilometer 104 RJ (bidirectional). The concession started on March 1, 1996, with a 25-year term, which can be extended, as per conditions set forth in the concession agreement.

The specific purpose of Concessionária da Rodovia Osório – Porto Alegre S.A. (“Concepa”) is to operate, under concession, Highway BR-290/RS, Osório - Porto Alegre section, and the intersection of BR-116/RS (Guaíba), pursuant to the Concession Agreement DNER/PG-016/97-00 and its amendments. The section granted totals 121 kilometers and includes three toll plazas, located at kilometer 19.5 (direction Porto Alegre - Osório), kilometer 77.5 (bidirectional) and kilometer 110.7 (direction Osório - Porto Alegre). The concession started on July 4, 1997, with a 20-year term, which can be extended, as per conditions set forth in the concession agreement.

The specific purpose of Empresa Concessionária de Rodovias do Norte S.A. (“Econorte”) is to operate, under concession, lot 1 of the Highway Concession Program of the State of Paraná, pursuant to the Concession Agreement executed with the Highway Department of the State of Paraná – DER/PR-071/97 and its amendments. The granted section totals 340.8 kilometers and includes three toll plazas, located at kilometer 0 of BR-369 (bidirectional), kilometer 126 of BR-369 (bidirectional) and kilometer 3 of BR-323 (bidirectional). The concession started on December 14, 1997, with a 24-year term, which can be extended, as per conditions set forth in the concession agreement.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 1. Operations (Continued)

#### a) Subsidiaries and jointly-owned subsidiaries (Continued)

##### i) *Highway Concessionaires* (Continued)

The specific purpose of Empresa Concessionária de Rodovias do Vale do Itajaí S.A. (“Ecovale”) is to operate, under a concession, the Highway System BR-470/SC, according to Concession Agreement totals 488.1 kilometers and Ecovale is currently in a pre-operating stage, due to the challenge of the Public Finance Court of the State of Santa Catarina, regarding the annulment of the agreement, as presented in Note 22, item c.

Should the concessions be terminated, all the assets transferred to the concessionaires administration will return to the granting authority, the reversible assets incorporated into highways during concessions, rights and privileges arising thereof, free and unencumbered of any lien and charges and all rights arising from the agreements cease for the concessionaires. In the event of termination, the concessionaires will be indemnified by the book value of investments incorporated into concessions not yet amortized.

##### ii) *Electricity generation*

Rio Verde Energia S.A. (“Rio Verde”) specific purpose is the implementation, generation, sale and installation of transmission lines exclusively for its power plant, under a concession to explore the energy potential of the Salto Hydroelectric Plant (“UHE Salto”), located in Verde River, in the municipalities of Itarumã and Caçu, State of Goiás, pursuant to the Concession Agreement executed with Brazilian Electricity Regulatory Agency – ANEEL 090/02. The term is effective for 35 years, beginning on December 11, 2002, and can be extended in case the Company complies with the provisions set forth in the concession agreement.

The plant is currently under implementation phase, and is expected to start operating in March 2010. The plant’s installed capacity will be 116 MW according to the ANEEL approval published in the Official Federal Gazette on March 27, 2009 and its assured energy will be 558,888 MWh/year.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 1. Operations (Continued)

#### a) Subsidiaries and jointly-owned subsidiaries (Continued)

##### ii) *Electricity generation* (Continued)

The Company's Management expects to invest approximately R\$462,000 to start operations in UHE Salto. In September 2008, the Company executed a financing agreement with the Brazilian Development Bank (BNDES) for R\$289,700. Additionally, Triunfo has already contributed R\$147,926 (R\$100,001 in 2008). Due to the changes in UHE Salto's power and the adaptation of the new Transmission Line in 239 KVA Rio Verde contracted a supplementary financing from BNDES in the amount of R\$23,184. The remaining necessary funds were contributed by shareholders.

At the final term of the concession agreement, all the assets and facilities connected with the hydroelectric development will then integrate the assets of the federal government, by means of indemnification paid to Rio Verde of investments made and not yet amortized.

Rio Verde has a Power Purchase Agreement ("PPA") with Votorantim Comercializadora de Energia Ltda. ("Votoner") of the total assured energy of Salto Hydroelectric Plant, for a sixteen-year term which corresponds to the 558,888 MWh/year, counted as of the beginning of operations, at an initial price of R\$126.00 and a final price of R\$132.00 per MW/h, restated by the IGP-M variation.

During the last quarter of 2009 the Company was approached by important market players, which presented proposals for new projects that meet the Company's interests and strategies. Additionally, new projects in the highway, port and energy generation segments are expected for the beginning of 2010.

Given these new opportunities identified by the Company and the expectation of funds needed for these investments, Triunfo's management decided to sell its interest in the subsidiary Rio Verde.

Accordingly, at December 31, 2009 the investment in this subsidiary was transferred to the item "Investment to be sold", in current assets, taking into account the expected negotiation period for this investment, as described in Note 11.

At December 31, 2009, Triunfo maintains feasibility studies for PCH (small hydroelectric plants) and wind energy projects with total investments of R\$3,036.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 1. Operations (Continued)

#### a) Subsidiaries and jointly-owned subsidiaries (Continued)

##### iii) *Port management*

Under Adhesion Agreement MT/DP 098/01, the Federal Government, through the Ministry of Transportation, authorized Portonave S.A. – Terminais Portuários de Navegantes (“Portonave”) to start the operation for private use, located on the left bank of the Itajaí-Açu river, in the region called Ponta da Divinéia, in the municipality of Navegantes, State of Santa Catarina. Portonave has the rights to operate Navegantes Port for 25 years, counted as of August 18, 2006, automatically renewable for another 25 years.

Navegantes Port has three mooring berths in a 900-meter dock and an 11.3-meter and a paved retro-area with capacity for 1.3 million TEUs (twenty equivalent unit, a measurement equivalent to a 20-foot container). Port operation activities started on October 21, 2007.

Once terminated the agreement, the assets and property will be reverted to the federal government. In addition, the federal government may opt, upon the termination of the agreement, for the operation of the port terminal after Portonave being indemnified for such fact.

On July 15, 2008, Triunfo incorporated Santa Rita S.A. – Terminais Portuários (“Santa Rita”), with the purpose of installing and operating port terminal in any of the categories provided for by Law No. 8,630/93, as well as exploring activities related to port terminals operation.

Part of Santa Rita capital stock was composed of investments held by Triunfo in TPB Terminal Portuário Brites Ltda. (“TPB”), in the amount of R\$70,200, acquired on June 25, 2008.

##### iv) *Coastal Shipping Services*

On October 2, 2009, the Company acquired for R\$10,750 all the shares of NTL - Navegação e Logística S.A. (“NTL”), whose only asset is the Brazilian ship Norsul Atlântico, with market value appraised at R\$11,000 by a technical report prepared by specialists. The balance sheet used in this acquisition is shown below:

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 1. Operations (Continued)

#### a) Subsidiaries and jointly-owned subsidiaries (Continued)

##### iv) *Coastal Shipping Services* (Continued)

	<u>NTL</u>
Non-current assets	11,000
Total assets	11,000
Shareholders' equity	11,000
Total liabilities and shareholders' equity	11,000

The transaction gave rise to a negative goodwill of R\$250 as a result of the fair value attributed to the negotiation between Triunfo and Norsul, as demonstrated below:

<u>Investment</u>	<u>Investment appraised at market value</u>	<u>Amount paid at acquisition</u>	<u>Negative Goodwill on acquisition</u>
NTL	11,000	10,750	(250)
<b>Total</b>	<b>11,000</b>	<b>10,750</b>	<b>(250)</b>

On October 14, 2009, the Company acquired 1,955,230 common shares of Vessel-Log Cia. Brasileira de Navegação e Logística S.A. ("Vessel-Log") for R\$1,955, corresponding to 23% of the common shares thereof.

On November 30, 2009, the Company executed a swap agreement to exchange 35% of NTL's shares for 42% of Vessel-Log's shares held by AEL Administração de Empresas, Logística e Navegação S.A. ("AEL") and Marcus Aurélio Coelho. The transaction was conducted based on the equity values of both companies, determined by an appraisal report prepared by specialists.

##### v) *Rendering of highway operation, upkeep and maintenance services*

Subsidiaries Rio Bonito Serviços de Apoio Rodoviário Ltda. ("Rio Bonito"), Rio Guaíba Serviços Rodoviários Ltda. ("Rio Guaíba") and OSR Operações e Serviços Rodoviários Ltda. ("OSR") provide services of paramedical assistance, mechanical assistance (winch) and maintenance of highways (recovery of infrastructure works) to highway concessionaires. Regarding prices, terms, charges and guarantees, these services were hired in similar conditions to those that would take place with third parties, and are regulated by the Concession Agreement and supervised by the granting authority.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 1. Operations (Continued)

#### b) Material events in 2009

##### i) *Blockade of Navegantes Port channel*

Storms occurred in November 2008 in the state of Santa Catarina partially blocked the channel that accesses the Navegantes Port facilities, fully interrupting Portonave's activities for fifteen (15) days.

Regular draft operations, verified before the aggradation of access channel in November 2008, were reestablished on October 16, 2009.

##### ii) *Iceport – Fire*

Portonave has a cold storage chamber for storing its own and third-party cargo, managed and operated by its subsidiary Iceport. On November 12, 2009, part of the cold storage chamber was damaged by a fire. However, only Iceport's storage activity was affected, while its main activity – trading of goods – was unharmed.

Portonave has sufficient insurance to cover the damage caused to goods and to the chamber's infrastructure and the loss of profits resulting from the interruption in Iceport's activities. Portonave's Management is discussing the administrative procedures with the insurance company and expects to be compensated for the losses caused by the fire during the first quarter of 2010. The amounts of R\$1,355 (R\$678 in the consolidated statements), referring to compensation for loss of profits, and R\$42,826 (R\$21,413 in the consolidated statements), referring to damages caused to third-party goods stored on the day of the fire, were recognized in the financial statements for the year ended December 31, 2009.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 2. Summary of significant accounting practices

a) Revenue recognition criterion

Revenues are recognized according to the accrual method. Revenues from service rendering are recognized in income when all the risks and benefits inherent to the services are transferred to the contracting party or user. Revenue is not recognized when there is uncertainty as to its realization.

b) Cash and cash equivalents and restricted financial investments

Cash and cash equivalents include cash balances, bank checking account, cash investments and amounts in transit referring to the collection from toll plazas and cash investments. Cash investments redeemable have immediate liquidity, are presented as cash and cash equivalents and correspond to the amounts invested plus the returns up to the balance sheet date.

The parent company and the subsidiary Concepa maintain cash investments bound to the payment of returns and amortizations of the principal of debentures and bank credit certificates ("CCBs"), whose features as to risk and remuneration are similar to other cash investments held by the Company. And the subsidiary Econorte has financial investments aimed to settle the last installment of the loan contracted with Banco do Brasil S.A.

c) Accounts receivable from clients

These are stated at their realization amounts, and the accounts receivable from clients in the foreign market are updated according to foreign exchange rates in force on the date of the financial statements. A provision was established in an amount that the Management deemed sufficient to cover for credits with doubtful recovery.

d) Expense forecast

These refer substantially to insurance premiums, amortized according to the period of effectiveness of the insurance agreements.

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **2. Summary of significant accounting practices (Continued)**

e) Leasing operations

Financial Lease agreements are recognized in property and equipment and liabilities as loans and financing, for the lower amount between the present value of minimum mandatory installments of the agreement or the asset fair value, accrued, where applicable of direct initial costs incurred in the transaction. The amounts recorded in property and equipment are depreciated by the estimated economic useful life term of the assets. Implicit interest rates on liabilities recognized from loans and financing are appropriated to income according to the duration of the agreement by the effective interest rate method. Operating leasing agreements are systematically recognized as expenses that represents the period in which the benefit over leased asset is obtained, even if these payments have not been made on this systematic basis.

f) Investments

Investments in subsidiaries and direct or indirect associated companies, when significant influence of the Company is evident are accounted for under the equity method.

g) Property and equipment

Stated at acquisition or replacement cost, in the case of revaluated items, less depreciation calculated under the straight-line method at the annual rates, assessed pursuant to the estimated economic useful lives of the assets or the concession period, when applicable.

Supported by specialists' technical reports, the Company had the acquisition or construction costs of highway concession-linked assets revaluated at the replacement cost.

Financial charges on loans and financing obtained to finance the construction of property and equipment items are allocated to the cost of property and equipment in progress, until startup and when revenues started to be earned, are amortized in proportion to the realization of these assets.

h) Intangible assets

Intangible assets are measured in the initial recognition at the acquisition cost and subsequently deducted from accumulated amortization and impairment, where applicable.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 2. Summary of significant accounting practices (Continued)

#### h) Intangible assets (Continued)

Goodwill generated in the acquisition of investments up to December 31, 2008, economically grounded on: (i) the expectation of future profitability has been amortized by the straight-line method for a 5- to 10-year period as of the transaction dates that originated them; and (ii) the acquisition of concession operation rights has been amortized by the remaining concession period, as provided for in CVM Normative Ruling 247/96.

As of January 1, 2009 the balances of goodwill based on the expectation of future profitability will no longer be amortized, but submitted to an impairment test.

#### i) Assessment of long-term asset (impairment test)

The Management annually revises the assets net book value in order to assess events or changes in economic, operating or technological circumstances that may indicate their deterioration or impairment. When this evidence is identified and the net book value exceeds the recoverable value, the Company records a provision for impairment adjusting the net book value to the recoverable value.

Additionally, the revalued value of property and equipment is considered to be the new cost value for purposes of future measurement and determination of the recoverable value of these assets.

#### j) Other assets and liabilities

An asset is recognized in the balance sheet when its future economic benefits are generated to the benefit of the Company only if its cost or value can be safely measured.

A liability is recognized in the balance sheet when the Company and its subsidiaries have a legal obligation or it is established as a result of a past event, and when it is probable that an economic resource may be required to settle it. Provisions are recorded based on the best estimates of the risk involved.

Assets and liabilities are classified as current when their realization or settlement is probable to occur in the following twelve months. Otherwise, they will be stated as non-current.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 2. Summary of significant accounting practices (Continued)

#### k) Current and deferred income and social contribution taxes (Continued)

The provision for income and social contribution taxes, when applicable, is calculated based on taxable income adjusted under specific legislation, at the tax rates prevailing at the balance sheet dates.

As allowed by tax legislation, revenues from services, when applicable, are taxed based on presumed profit. In these cases, income and social contribution taxes are calculated at 8% and 12%, respectively, on gross revenues from medical assistance, towing and highway upkeep (infrastructure recovery) services, 32% on gross revenue from other services, and 100% of financial income.

Income tax is calculated at the rate of 15% plus a 10% surtax on annual taxable income exceeding R\$240 p.a. or a 12-month interest. Social contribution tax is calculated at the rate of 9% on income adjusted as provided for by law.

Deferred income tax assets on temporary differences between accounting and tax books and expected future benefits of income and social contribution tax loss carryforwards are recorded as deferred credit only when their realization can be reasonably assured, pursuant to the provisions of CVM Resolution No. 273/98 and in CVM Rule No. 371/02, and take into consideration the expected generation of future taxable income grounded on a feasibility technical study approved by the Board of Directors.

Additionally, deferred income and social contribution taxes have been recorded on the surplus resulting from the revaluation reserve, classified in current and non-current liabilities, as per expectation of revaluation reserves realization.

#### l) Financial instruments

Financial instruments will only be recognized as of the date the Company is a party of the contractual provisions of these financial instruments. They will be recorded at their fair value in their initial recognition, plus transaction costs directly attributed to their acquisition or issue, except for financial assets and liabilities classified in the fair value category through income, where these costs will be directly recorded in income for the period. Its subsequent measurement occurs every closing date of the financial statements, in accordance with the rules established for each type of financial assets and liabilities classification.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 2. Summary of significant accounting practices (Continued)

#### l) Financial instruments (Continued)

- Financial assets: the main financial assets recognized by the Company are: cash and cash equivalents, cash investments, securities and accounts receivable from clients. They are classified amongst the categories below, according to the purpose to which they have been acquired or issued:
  - (i) *Financial assets measured at the fair value through income*: these include financial assets held for trading and assets allocated in the initial recognition at the fair value through income. They are classified as held for trading if originated with short-term sale or repurchase purposes. Interest, monetary restatement, exchange variation and variations deriving from the fair value valuation are recognized in income when incurred as financial revenue or expense.
  - (ii) *Loans and receivables*: non-derivative financial assets with fixed or determinable payments, but not quoted on the active market. After the initial recognition, they are measured by the cost amortized by the effective interest rate method. Interest, monetary restatement to exchange variation and impairment, where applicable, are recognized in income as financial revenues or expenses, when incurred.
  - (iii) *Investments held to maturity*: non-derivative financial assets with fixed or determinable payments, with defined maturities to which the Company has a positive intention and ability to hold them to maturity. After the initial recognition, they are measured by the cost amortized by the effective interest rate method. This method uses a discount rate that, when applied over the future estimated receivables during the expectation of financial instrument effectiveness, results in the net book value. Interest, monetary restatement, exchange variation and impairment, where applicable, are recognized in income as financial revenues or expenses, when incurred.
  - (iv) *Available for sale investments*: financial assets that are not qualified in the categories (i) to (iii) above. Interest, monetary restatement and exchange variation, where applicable, are recognized in income when incurred and the variations arising from the difference between the value of the investment restated by contractual conditions and the fair value valuation are recognized, net of taxes under shareholders' equity in the equity valuation adjustments account while asset is not realized, and will be reclassified to income after realization.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 2. Summary of significant accounting practices (Continued)

#### l) Financial instruments (Continued)

- Financial liabilities: The main financial liabilities recognized by the Company are accounts payable to suppliers, loans, financing and debentures. They are classified amongst the categories below according to the nature of the financial instruments contracted or issued:
  - (i) Financial liabilities not measured at fair value: non-derivative financial liabilities that are not usually traded before maturity, which, after the initial recognition, are measured by the cost amortized by the effective interest rate method. Interest, monetary restatement and exchange variation, where applicable, are recognized in income as financial revenues or expenses, when incurred.
  - (ii) Financial liabilities not measured at fair value: non-derivative financial liabilities that are not usually traded before maturity, which, after the initial recognition, are measured by the cost amortized by the effective interest rate method. Interest, monetary restatement and exchange variation, where applicable, are recognized in income as financial revenues or expenses, when incurred. For the years ended December 31, 2009 and de 2008, the Company and its subsidiaries and jointly-owned subsidiaries did not have operations with derivative financial instruments.

#### m) Conversion of transactions into foreign currency

The rights and obligations subject to exchange variations are stated at their values restated according to the foreign currency rates up to the balance sheet date, in accordance with the accrual period. Gains and losses that result from the adjustment of these assets and liabilities are recognized in income as financial revenue or expenses.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 2. Summary of significant accounting practices (Continued)

#### n) Use of estimates

The process of preparation of the financial statements requires the use of estimates in the measurement and recognition of certain assets and liabilities. The determination of these estimates takes into account past and current events, assumptions referring to future events and other objective and subjective factors. Significant items subject to estimate include: the selection of useful lives of fixed and intangible assets; the allowance for doubtful accounts; the provision for investment losses; the recovery analysis of fixed and intangible assets value; the deferred income and social contribution taxes; the fees and terms used to determine the present value adjustment of certain assets and liabilities; the provision for contingencies, the measurement of financial instruments fair value; considerations on the recognition and measurement of development costs capitalized as intangible assets; the estimates for the disclosure of the sensitivity analysis chart of derivative financial instruments, pursuant to CVM Rule 475/08, among others.

The settlement of the transactions involving these estimates may result in amounts significantly diverging from those recorded in the financial statements, due to inaccuracies that are inherent to the preparation process. The Company reviews its estimates and assumptions on a quarterly basis.

#### o) Present value adjustment of assets and liabilities

Long-term monetary assets and liabilities must be adjusted at their present value. The same method is applied in short-term items when the effect is relevant for the financial statements taken as a whole.

The present value adjustment is calculated taking into account the contractual cash flows and the explicit interest rate or in certain cases, implicit interest rates of respective assets and liabilities. Thus, interest embedded in revenues, expenses and costs associated with these assets and liabilities are discounted so they can be recognized in compliance with the accrual basis. Subsequently, interest rates are reallocated under the item financial revenues and expenses in income by utilizing the effective interest rate method in relation to contractual cash flows.

Implicit interest rates applied were determined based on assumptions and are considered accounting estimates.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 2. Summary of significant accounting practices (Continued)

o) Present value adjustment of assets and liabilities (Continued)

The balances of loans, financing, debentures, loan agreements or other accounts with related parties and other short and long-term liabilities substantially refer to items subject to post-fixed variations, their amounts are periodically restated and presented by their currency value on the date of preparation of the financial statements. According to the Company's Management assessment, there are no significant adjustments in the financial statements.

p) Provision for contingencies

These are determined based on the opinion of legal counsels and the Management as to the probable results of pending issues and it is restated until the date of the financial statements by the probable loss amount, observing the nature of each contingency.

q) Statements of cash flows and value added

The statements of cash flows have been prepared and are stated pursuant to CVM Resolution No. 547 of August 13, 2008 which approved the CPC 03 – Statement of Cash Flows, issued by CPC.

Statements of value added have been prepared and are presented pursuant to CVM Resolution No. 557 of November 12, 2008, which approved the CPC 09 – Statement of Value Added, issued by CPC.

r) Net income or loss per thousand shares

This is calculated based on the number of outstanding shares on the closing date of the financial statements.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 3. Presentation of the financial statements

The authorization to conclude the preparation of these financial statements was given at the board of executive officers meeting held on February 18, 2010, except for note 32 that was approved by the board of executive officers on April 6, 2010.

Individual and consolidated financial statements were prepared under the responsibility of the Company's Management and are presented in thousands of reais, except when otherwise stated.

The financial statements were prepared in compliance with the provisions set forth in the Brazilian Corporate Law, its amendments and the accounting rules and procedures established by the Brazilian Securities and Exchange Commission (CVM).

A few items in the income statement for December 31, 2008 were reclassified to allow comparison between the periods. The reclassification adjustments were conducted as follows:

	Parent Company			Consolidated		
	31/12/08		31/12/08	31/12/08		31/12/08
	Presented	Adjustment	Reclassified	Presented	Adjustment	Reclassified
Management compensation	(1,721)	(1,391)	(3,112)	(5,176)	(1,391)	(6,567)
Personnel expenses	(4,170)	1,391	(2,779)	(15,008)	1,391	(13,617)

On December 31, the subsidiary Rio Verde Energia S.A. was classified in the item "Investment in subsidiaries and jointly controlled subsidiaries", and included in the consolidated financial statements. As described in Note 11, in 2009 the subsidiary is presented in the item "Interest to be sold"; consequently, the financial statements for the year ended December 31, 2009 did not include the consolidation of the subsidiary Rio Verde Energia S.A. See Note 11.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 4. Consolidated financial statements

Pursuant to Article 249 of Law 6,404/76, complying with provisions in CVM Rule 247/96, the consolidated financial statements are presented herein. The consolidated financial statements include equity account balance and income of the Company and its subsidiaries at the following proportion of interest:

Subsidiaries	Ownership	12/31/09		12/31/08	
		Interest (%)		Interest (%)	
		Direct	Indirect	Direct	Indirect
Empresa Concessionária de Rodovias do Norte S.A. ("Econorte")	Subsidiary	100.0	-	100.0	-
OSR Operações e Serv. Rodoviários Ltda. ("OSR")	Subsidiary	99.0	-	99.0	-
Concessionária da Rodovia Osório – Porto Alegre S.A. ("Concepa")					
(i)	Subsidiary	70.0	30.0	70.0	30.0
Rio Guaíba Serv. Rodov. Ltda. ("Rio Guaíba") (ii)	Subsidiary	70.0	30.0	70.0	30.0
Esparta Part. e Investimentos S.A. ("Esparta")	Subsidiary	100.0	-	100.0	-
BS Participações Ltda. ("BS") (ii)	Subsidiary	-	100.0	-	100.0
Concessão Rodoviária Juiz de Fora – Rio S.A. ("Concer")	Jointly-owned subsidiary	62.5	-	62.5	-
Rio Bonito Serviços de Apoio Rodoviário Ltda. ("Rio Bonito")	Jointly-owned subsidiary	62.5	-	62.5	-
Concessionária das Rodovias do Vale do Paraíba S.A. - Convale ("Convale")	Subsidiary	100.0	-	-	-
Rio Paraíba Serviços Rodoviários Ltda. ("Rio Paraíba")	Subsidiary	100.0	-	99.0	-
Empresa Concessionária de Rodovias do Vale do Itajaí S.A. ("Ecovale").	Jointly-owned subsidiary	52.5	-	52.5	-
Portonave S.A. – Terminais Portuários de Navegantes ("Portonave")					
(iii) (vi)	Jointly-owned subsidiary	-	50.0	16.7	33.3
Iceport Terminal Frigorífico de Navegantes S.A. ("Iceport") (iv)	Jointly-owned subsidiary	-	50.0	-	50.0
Teconave Terminais de Contêineres de Navegantes S.A. ("Teconave") (iv)	Jointly-owned subsidiary	-	50.0	-	50.0
Maris Gaudium Empreendimentos e Participações S.A. ("Maris Gaudium") (vi)	Subsidiary	-	100.0	100.0	-
Starport Participações Ltda. ("Starport") (vi)	Subsidiary	-	99.9	99.9	-
Santa Rita S.A. – Term. Portuários ("Santa Rita") (vi)	Subsidiary	-	88.0	88.0	-
TPB Terminal Portuário Brites Ltda. ("TPB") (v)	Subsidiary	-	88.0	-	88.0
Maestra Navegação S.A. ("Maestra")	Subsidiary	99.7	-	99.7	-
Vessel-Log Comp. Bras. de Navegação e Logística S.A. ("Vessel-Log")	Subsidiary	65.0	-	-	-
Tucano Energia S.A. ("Tucano")	Subsidiary	99.0	-	99.0	-
Retirinho Energia S.A. ("Retirinho")	Subsidiary	99.0	-	99.0	-
Guariroba Energia S.A. ("Guariroba")	Subsidiary	99.0	-	99.0	-
Freijó Participações Ltda. ("Freijó")	Subsidiary	99.0	-	99.0	-
Rio Dourado Participações Ltda. ("Rio Dourado")	Subsidiary	99.0	-	99.0	-
TPI – Log S.A. ("TPI-Log")	Subsidiary	100.0	-	100.0	-
NTL – Navegação e Logística S.A. ("NTL")	Subsidiary	65.0	-	-	-
Trevally Participações e Investimentos S.A. ("Trevally")	Subsidiary	100.0	-	-	-
Lubina Participações e Investimentos S.A. ("Lubina")	Subsidiary	100.0	-	-	-
Sabalo Participações e Investimentos S.A. ("Sabalo")	Subsidiary	100.0	-	-	-
Caddis Participações Ltda. ("Caddis")	Subsidiary	100.0	-	-	-
Guaru Participações Ltda. ("Guaru")	Subsidiary	100.0	-	-	-

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 4. Consolidated financial statements (Continued)

- (i) Subsidiary BS Participações holds 30.0% interest in subsidiary Concepa.
- (ii) Subsidiary Esparta holds 30.0% interest in subsidiary Rio Guaíba and 100% interest in BS Participações.
- (iii) Subsidiaries Maris Gaudium and PNP hold each 16.7% interest in Portonave. TPI-Log acquired Triunfo's interest in Portonave by means of investment transfer, based on the report prepared by specialists.
- (iv) Subsidiary Portonave holds 100.0% interest in subsidiaries Iceport and Teconnave.
- (v) Subsidiary Santa Rita holds 100.0% interest in subsidiary TPB.
- (vi) On December 2, 2009 Triunfo transferred 100% of its shares invested in Portonave, Santa Rita, Starport, Maris Gaudium and each Goodwill related to each investee to TPI-Log.

In the preparation of the consolidated financial statements intercompany investments, balances receivables, balances payable and revenues and expenses were eliminated.

The reconciliation between the Company's net income and the consolidated for the year ended December 31, 2009, is as follows:

	<u>12/31/09</u>
Company's net income	<u>32,660</u>
Equity in the earnings of subsidiaries not recognized in the Company	
Portonave	<u>22,844</u>
Esparta	<u>(1,955)</u>
Rio Paraíba, Ecovale and others	<u>(364)</u>
Consolidated net income	<u>53,185</u>

In the period which was the basis for preparation of the financial statements, subsidiaries Esparta, Rio Paraíba and Ecovale recorded unsecured liability. As a result, the equity in the earnings of these subsidiaries was recognized by the Company up to the limit of interest in each subsidiary's shareholders' equity.

Additionally, at December 31, 2008 the subsidiary Portonave had unsecured liabilities and the equity income was recognized by the parent company up to the investment limit. In 2009 Portonave reversed this situation, but the parent company did not recognize the equity income until the unsecured liabilities had been reversed.

The investments in the Esparta and Rio Paraíba subsidiaries are recorded as zero in the Company's financial statements. Additionally, no reserves have been recognized, deriving from the subsidiary's liabilities, as there are no guarantees, sureties, mortgages or collateral granted by the Company to the benefit thereof.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 4. Consolidated financial statements (Continued)

The balances of the balance sheet and net income for the year ended December 31, 2009 of subsidiaries, excluding the effect of proportional interest, used in the consolidation are stated below:

#### a) Highway segment:

	Econorte	OSR	Concepa	Rio Guaíba	Esparta	BS	Concer	Rio Bonito	Convale	Rio Paraíba	Ecovale
Current assets	11,614	5,646	22,497	3,840	4,786	-	7,530	6,309	153	-	14
Non-current assets	223,772	2,261	323,248	895	58,308	50,653	607,712	1,975	326	27	-
Total assets	235,386	7,907	345,745	4,735	63,094	50,653	615,242	8,284	479	27	14
Current liabilities	48,246	4,921	57,530	2,345	6,001	-	63,011	3,233	17	406	7
Non-current liabilities (i)	78,181	30	119,372	140	58,473	-	167,597	412	-	-	-
Shareholders' equity (unsecured liabilities) (i)	108,959	2,956	168,843	2,250	(1,380)	50,653	384,634	4,639	462	(379)	7
Total liabilities and shareholders' equity	235,386	7,907	345,745	4,735	63,094	50,653	615,242	8,284	479	27	14
Net operating revenues	102,273	30,628	117,002	33,082	-	-	156,472	44,603	-	-	-
Costs of services rendered	(77,791)	(16,777)	(96,748)	(10,130)	-	-	(114,830)	(19,360)	-	-	-
Gross profits	24,482	13,851	20,254	22,952	-	-	41,642	25,243	-	-	-
Operating expenses, net of other expenses	(7,890)	(1,563)	(8,807)	(952)	5,175	(30)	(14,232)	(1,612)	(7,606)	(662)	-
Earnings before the financial result	16,592	12,288	11,447	22,000	5,175	(30)	27,410	23,631	(7,606)	(662)	-
Financial result, net	(6,312)	(34)	(11,229)	(59)	(7,823)	-	(11,524)	(421)	(4,280)	-	-
Income (loss) before taxes on income	10,280	12,254	218	21,941	(2,648)	(30)	15,886	23,210	(11,886)	(662)	-
Income tax and social contribution											
Current	(2,844)	(1,664)	(6,377)	(1,671)	-	-	(15,979)	(2,713)	-	-	-
Deferred	-	-	6,261	-	-	-	10,563	-	-	-	-
Net income (loss) for the year	7,436	10,590	102	20,270	(2,648)	(30)	10,470	20,497	(11,886)	(662)	-

- (i) The balances of advance for future capital increase in the subsidiaries, recorded in non-current liabilities, have been reclassified into the shareholders' equity.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 4. Consolidated financial statements (Continued)

#### b) Ports segment:

	TPI-Log	Portonave	Iceport	Teconnave	Maris Gaudium	Starport	Santa Rita	TPB
Current assets	1	27,050	42,286	1	-	-	34	-
Non-current assets	193,229	408,941	-	-	13,818	13,818	77,257	72,321
Total assets	193,230	435,991	42,286	1	13,818	13,818	77,291	72,231
Current liabilities	2	139,767	44,127	-	6	-	509	-
Non-current liabilities (i)	-	213,315	-	25	-	-	1,952	-
Shareholders' equity (unsecured liabilities) (i)	193,228	82,909	(1,841)	(24)	13,812	13,818	74,830	72,231
Total liabilities and shareholders' equity	193,230	435,991	42,286	1	13,818	13,818	77,291	72,231
Net operating revenues	-	136,873	15,336	-	-	-	-	-
Costs of services rendered	-	(65,898)	(16,891)	-	-	-	-	-
Gross profits	-	70,975	(1,555)	-	-	-	-	-
Operating expenses, net of other revenues	3,769	(12,613)	(2,008)	(14)	13,807	13,817	(443)	(27)
Earnings before the financial result	3,769	58,362	(3,563)	(14)	13,807	13,817	(443)	(27)
Financial result, net	-	89,777	(649)	-	-	-	(3)	-
Loss before taxes on income	3,769	148,139	(4,212)	(14)	13,807	13,817	(446)	(27)
Income and social contribution taxes								
Current assets		-	-	-	-	-	-	-
Deferred		(19,541)	-	-	-	-	-	-
Loss for the year	3,769	128,598	(4,212)	(14)	13,807	13,817	(446)	(27)

(i) The balances of advance for future capital increase in the subsidiaries, recorded in non-current liabilities, have been reclassified into the shareholders' equity.

#### c) Energy and others:

	Tucano	Retirinho	Guariroba	Trevally	Lubina	Sabalo	Caddis	Guaru
Current assets	1	-	-	1	1	1	1	1
Non-current assets	1,093	244	1,693	-	-	-	-	-
Total assets	1,094	244	1,693	1	1	1	1	1
Current liabilities	2	2	709	3	3	3	-	-
Non-current liabilities (i)	-	-	-	-	-	-	-	-
Shareholders' equity (i)	1,092	242	984	(2)	(2)	(2)	1	1
Total liabilities and shareholders' equity	1,094	244	1,693	1	1	1	1	1
Operating expenses, net of other revenues (ii)	(8)	(11)	5	(3)	(1)	(1)	(1)	(1)
Profit (loss) for the year, net	(8)	(11)	5	(3)	(1)	(1)	(1)	(1)

(i) The balances of advance for future capital increase in the subsidiaries, recorded in non-current liabilities, have been reclassified into the shareholders' equity.

(ii) The investees under implementation phase had their pre-operating expenses recorded in the group "Operating expenses, net of other revenues", due to the elimination of the group "Deferred assets", in non-current assets, and the impossibility to recognize these expenses in other assets groups.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 4. Consolidated financial statements (Continued)

#### d) Coastal shipping services

	<b>Maestra</b>	<b>Vessel-Log</b>	<b>NTL</b>
Current assets	1	2,635	72
Non-current assets	-	9,947	18,219
Total assets	1	12,583	18,291
Current liabilities	3	83	368
Non-current liabilities (i)	-	4,294	4,572
Shareholders' equity (i)	(2)	8,206	13,351
Total liabilities and shareholders' equity	1	12,583	18,291
Operating expenses, net of other revenues	(13)	(386)	(148)
Loss before financial income	(13)	(386)	(148)
Net financial income	-	(2)	-
Loss before income taxes	(13)	(388)	(148)
Loss for the period	(13)	(388)	(148)

(i) The balances of advance for future capital increase in the subsidiaries, recorded in non-current liabilities, were reclassified to shareholders' equity.

### 5. Cash and cash equivalents

	<b>Company</b>		<b>Consolidated</b>	
	<b>12/31/09</b>	<b>12/31/08</b>	<b>12/31/09</b>	<b>12/31/08</b>
Cash and banks	2,460	8,041	17,103	15,838
Financial investments	15	386	857	65,603
	<b>2,475</b>	<b>8,427</b>	<b>17,960</b>	<b>81,441</b>

Financial investments refer to short-term fixed income transactions, mainly in investment funds. Investment fund portfolios comprised government securities and private securities held by financial institutions and are recorded for their realizable values.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 6. Restricted financial investments

Triunfo and its subsidiary Concepa recorded cash reserve to pay monthly interest rates and amortizations of debentures and subsidiary Econorte recorded a monetary reserve for the payment of the loan with Banco do Brasil maturing in August 2013, as outlined in Notes 17 and 16, respectively. The establishment of these reserves is supervised by the trustee and Banco do Brasil. The balances presented are as follows:

	Consolidated	
	12/31/09	12/31/08
Triunfo (company)	22,554	23,893
Concepa	13,771	13,718
Econorte	3,244	10,646
Esparta	-	4,023
	<b>39,569</b>	<b>52,280</b>
Current	36,325	52,280
Non-current	3,244	-

The characteristics and remunerations of these investments are similar to those described in Note 5.

### 7. Accounts receivable

	Consolidated	
	12/31/09	12/31/08
Toll (toll card and toll ticket)	5,532	3,244
Port services (loading, unloading and storage)	8,746	1,781
Other receivables	701	676
	<b>14,979</b>	<b>5,701</b>
Allowance for doubtful accounts	(61)	(95)
	<b>14,918</b>	<b>5,606</b>

The balance of accounts receivable as of December 31, 2009, per maturity, is as follows:

	12/31/09
Current	14,918
Past-due over 360 days	61
	<b>14,979</b>

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 8. Recoverable taxes

	Company		Consolidated	
	12/31/09	12/31/08	12/31/09	12/31/08
IRPJ (corporate income tax)	2,222	1,028	2,222	1,136
CSLL (social contribution on net income)	-	261	33	284
IRRF (withholding income tax)	565	1,158	1,176	1,741
PIS (social integration program)	8	8	180	182
COFINS (contribution for social security financing)	-	-	783	804
Other	156	55	1,193	799
	<b>2,951</b>	<b>2,510</b>	<b>5,587</b>	<b>4,946</b>

### 9. Deferred tax credits

#### a) Deferred tax credits

Deferred tax credits derive from income and social contribution tax loss carryforwards and temporary differences recorded in the subsidiaries that calculate income through taxable income.

As regards their nature, the balances are stated as follows:

	Consolidated	
	12/31/09	12/31/08
Deferred income tax	6,775	9,582
Deferred social contribution	2,439	3,448
	<b>9,214</b>	<b>13,030</b>
Current	-	5,969
Non-current	9,214	7,061

Deferred tax credits recorded and expected realization are based on income projections grounded on budgets approved by the Companies' Management, as follows:

Year	12/31/09
2010 onwards (i)	9,214
	<b>9,214</b>

(i) The portion of deferred credits deriving from temporary differences is subject to the conclusion of operations that originated them.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 10. Related parties transactions

Transactions with related parties were carried out in conditions and terms similar to the market, and its main balances and amounts are described as follows:

	Company					
	12/31/09			12/31/08		
	Assets	Liabilities	Income	Assets	Liabilities	Income
Interest on equity and dividends receivable:						
Econorte	8,958	-	-	1,509	-	-
Concer	23,751	-	-	24,731	-	-
Others:						
Econorte (i)	-	567	-	-	567	-
Rio Bonito	-	-	-	-	-	7
Other	-	96	-	261	94	-
Total current	32,709	663	-	26,501	661	7
Financial loans:						
Portonave (ii)	40,126	-	(10,678)	50,495	-	12,657
Esparta (iii)	5,492	-	564	6,337	-	144
Concepa (iv)	16,017	-	797	-	-	-
NTL (v)	4,572	-	-	-	-	-
Other:						
Santa Rita	1,952	-	-	-	-	-
Other	208	-	-	7	-	-
Total non-current	68,367	-	(9,317)	56,839	-	12,801
Total	101,076	663	(9,317)	83,340	661	12,808

- (i) Credits of advance interest on equity.
- (ii) Loan referring to Portonave's funding with Triunfo, restated by the U.S. dollar variation + 5.7452% p.a., corresponding to the rate adjusted to Portonave's foreign shareholder in order to avoid unequal partners' interest.
- (iii) Loan referring to Esparta's funding with Triunfo, restated by 100% of the Interbank Deposit Certificate (CDI) variation, plus a 2.5% p.a. spread, corresponding to Triunfo's funding cost.
- (iv) Loan referring to the assignment of credits of Rio Guaíba with Concepa to Triunfo, restated by 1.2445% rate per month, corresponding to annual 16%.
- (v) Loan referring to NTL's funding with Triunfo, restated by 100% of the Interbank Deposit Certificate (CDI) variation, plus a 3.75% p.a. spread, corresponding to Triunfo's funding cost.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 10. Related parties transactions (Continued)

	Consolidated							
	12/31/09				12/31/08			
	Assets		Liabilities	Revenue / Expenses	Assets		Liabilities	Revenue / Expenses
Property and equipment	Other	Property and equipment			Other			
Services rendering: (i)								
Consórcio TRS (Concepa) (ii)	14,474-	-	-	2,422	12,291	-	155	1,925
CTSA (Portonave) (iii)	332-	-	-	-	3,443	-	-	-
CTSA (Econorte) (ii)	10,756	4,727	-	2,184	6,881	-	30	3,597
CTSA (Rio Verde) (iii)	-	-	-	-	82,930	-	7,669	-
BR-040 (Concer) (ii)	-	-	493	-	-	-	2,865	-
Financial loans:								
Portonave (iv)	-	-	1,057	-	-	-	1,474	-
Others:								
Others	-	316	741	-	-	309	764	-
Total current	25,562	5,043	2,991	4,606	105,545	309	12,957	5,522
Services rendering:								
BR-040 (Concer) (ii)	1,203	-	-	-	20,029	-	-	-
Others:								
Others	-	-	-	-	-	7	-	-
Total non-current	-	-	-	-	20,029	7	-	-
Total	26,765	5,043	2,991	4,606	125,574	316	12,957	5,522

- (i) The Highway Concessionaires engaged jointly-owned subsidiary Rio Bonito or subsidiaries Rio Guaíba and OSR to provide medical assistance, towing and highway upkeep (infrastructure recovery) and other services. These services were engaged, as regards prices, terms, charges and guarantees, in conditions similar to third parties operations, regulated by the Concession Agreement and monitored by ANTT. Balances related to services, in the amounts of R\$28,876, R\$35,353 and R\$32,937, respectively, were entirely eliminated in the consolidation of the Financial Statements, due to the fact of being intercompany operations consolidated in the Financial Statements, as presented in Note 4.
- (ii) Highway Concessionaires engaged Construtora Triunfo S.A. ("CTSA"), directly or jointly with other companies, through Contractor Consortia in which CTSA is party, to execute structural expansion and recovery works in the highways. The prices and number of works executed in highways are in accordance with the established in the Concession Agreement and works and services set forth in the Concession Agreement are monitored by the Granting Authority. Econorte made an advance payment to Construtora Triunfo S.A. ("CTSA") for provision of services.
- (iii) Subsidiary Rio Verde contracted CTSA to execute implementation works at Salto plant, which are carried out under conditions similar to those in which they would be with third parties.
- (iv) Triunfo and Backmoon, Portonave's shareholders, have a loan with this investee. The balances of the remittances made by the partners when not equivalent are not excluded in the consolidation, the difference between the remittances is recorded as assets if creditors and as liabilities if debtors.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 11. Investment to be sold

As described in Note 1<sup>a</sup>, item ii, at December 31, 2009 the investment in the subsidiary Rio Verde is currently for sale, classified in current assets, according to the Company's expectation of the period needed to conclude the sale.

The investment, appraised according to the equity account method, as provided for in CVM Instruction 247/96, was not included in the consolidated financial statements for the year ended December 31, 2009, and is represented by the following amounts:

	<u>Interest (%)</u>	<u>Interest to be sold</u>
Shareholders' equity	99.99	130,000
Advance for future capital increase	100	<u>17,926</u>
		<u>147,926</u>

Also in compliance with CVM Instruction 247/96, the balances of the main assets and liabilities, cash flow and added values of investee Rio Verde S.A. that were not consolidated at December 31, 2009 are demonstrated below:

#### Balance sheet

Current assets	
Cash and cash equivalents	578
Expense forecast	1,198
Other credits	195
Total current assets	<u>1,971</u>
Non-current	
Expense forecast	1,822
Property and equipment	485,456
Intangible assets	25
Non-current assets	<u>487,303</u>
Total assets	<u>489,274</u>
Current liabilities	
Loans and financings	14,818
Suppliers	12,270
Tax obligations	2,782
Other obligations	4,859
Total current liabilities	<u>34,729</u>
Non-current liabilities	
Loans and financings	306,619
Total non-current liabilities	<u>306,619</u>
Shareholders' equity	
Capital Stock	130,000
Advance for future capital increase	17,926
Total shareholders' equity	<u>147,926</u>
Total liabilities and shareholders' equity	<u>489,274</u>

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 11. Investment to be sold (Continued)

#### Statement of cash flow

##### Variation in assets and liabilities

Advance expenses and other amounts receivable	1,551
Supplier and related parties	(4,974)
Social obligations	41
Tax obligations	1,751
Net cash generated by activities	(1,631)
Investment activities	
Acquisition of property and equipment	(224,572)
Additions to intangible	(5)
Net cash applied to investment activities	(224,577)
Financing activities	
Capital contributed by shareholders	30,000
Advance for future capital increase	17,925
Funding through loans and financings	159,669
Payment of loans and financings	(44,300)
Payment of interest on loans	(905)
Net cash generated by financing activities	162,389
Decrease in cash and cash equivalents	(63,819)
Cash and cash equivalents	
at the beginning of the period	64,397
at the end of the period	578
Decrease in cash and cash equivalents	(63,819)

#### Statement of value added

Revenues	245,488
Revenues related to construction of own assets	245,488
Inputs acquired from third parties	214,905
Costs applied to own assets	(208,118)
Materials, energy, outsourced services and others	(6,787)
Gross value added	30,583
Depreciation, amortization and exhaustion	(87)
Net value added generated by the company	30,496
Value added received in transfer	1,727
Financial revenues	1,727
Total value added to be distributed	32,223
Value added distribution	32,223
Personnel	1,992
Direct compensation	1,493
Benefits	426
Employment security fund (F.G.T.S)	73
Taxes, charges and contributions	9,193
Federal	1,426
State	7,729
Municipal	38
Payment of capital provided by third parties	21,038
Interest	21,038

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 11. Investment to be sold (Continued)

Additionally, since this project is under implementation, there is no impact on income for the year ended December 31, 2009.

### 12. Expense forecast

	Parent company		Consolidated	
	12/31/09	31/12/08	31/12/09	31/12/08
Expenses with insurance policies (i)	-	34	<b>3,280</b>	5,222
Other expenses	<b>84</b>	-	<b>447</b>	1,748
	<b>84</b>	34	<b>3,727</b>	6,970
Current	-	34	<b>3,643</b>	3,940
Non-current	<b>84</b>	-	<b>84</b>	3,030

(i) These are amortized within same effectiveness term of the insurances contracted.

### 13. Investments

#### a) Permanent investments

Investment	Shareholders' equity	Interest %	Equity pick-up	Other	Permanent investments on 12/31/09
Econorte	108,959	100.0%	108,959	-	<b>108,959</b>
OSR	2,956	99.0%	2,956	-	<b>2,956</b>
Concepa	168,843	70.0%	118,190	-	<b>118,190</b>
Rio Guaíba (i)	2,250	70.0%	1,575	287	<b>1,862</b>
Esparta (ii)	(1,487)	100%	(1,487)	1,487	-
Concer (iv)	346,634	62.5%	216,646	26,561	<b>243,207</b>
Rio Bonito	4,639	62.5%	2,900	-	<b>2,900</b>
Convale	462	100.0%	462	-	<b>462</b>
Rio Paraíba	(379)	100.0%	(379)	379	-
Ecovale	7	52.5%	3	(3)	-
Maestra	(2)	99.7%	(2)	2	-
Vessel-Log (iii)	8,206	65.0%	5,334	(4)	<b>5,330</b>
Tucano	1,092	99.0%	1,092	-	<b>1,092</b>
Retirinho	242	99.0%	242	-	<b>242</b>
Gaipava	984	99.0%	984	-	<b>984</b>
TPI - Log	193,229	100.0%	193,229	-	<b>193,229</b>
NTL (iii)	13,351	65.0%	8,678	(307)	<b>8,371</b>
Trevally	(2)	100.0%	(2)	2	-
Lubina	(2)	100.0%	(2)	2	-
Sabalo	(2)	100.0%	(2)	2	-
Caddis	1	100.0%	1	-	<b>1</b>
Guaru	1	100.0%	1	-	<b>1</b>
<b>Total</b>			<b>659,378</b>	<b>28,408</b>	<b>687,786</b>

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 13. Investments (Continued)

- (i) At December 31, 2009, an adjustment was made to the balance of investments in Rio Guaíba due to partners' withdrawals in the amount of R\$287 for Triunfo.
- (ii) Equity in the earnings of subsidiary Esparta was not recognized in the company, as per described in note 4.
- (iii) Interest acquired or established in 2009, as stated in Note 1.
- (iv) At December 31, 2009, following the review and update of the impairment test, the Company's Management decided for reversing the provision for reappraised asset, adjusted according to the portion that would be realized during 2009 in the amount of R\$26,561, as provided for in CPC 01, and this effect is only recognized in the parent company's financial statements.

Fixed and intangible assets with indefinite useful lives are subject to annual impairment analysis. The assumptions on the future cash flows and growth projections are based on 2010 budget and on the long-term business plan of the Company and its subsidiaries and jointly-owned subsidiaries, approved by the Board of Directors. The main assumptions used comprise the concession term, considering: (i) growth the projected revenues with increase in the average volume and annual average revenues, (ii) operating costs and expenses projected in the history (iii) the maintenance levels provided for by concession agreements and (iv) capital goods investments. Future estimated cash flows have been discounted at rate equivalent to the weighted average cost of the Company's capital.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 13. Investments (Continued)

#### b) Permanent investments breakdown

Investment	Permanent investments on 12/31/08	Capital contribution, acquisition	Equity in the earnings of subsidiaries	Dividends and interest on equity paid	Other	Goodwill on transfer of investments	Investment transfer	Permanent investments on 12/31/09	Equity in the earnings of subsidiaries on 12/31/08
Econorte	154,740	-	7,436	(53,217)	-	-	-	108,959	3,671
OSR	1,336	-	10,590	(8,970)	-	-	-	2,956	7,912
Concepa	118,874	1,417	72	(2,173)	-	-	-	118,190	(1,476)
Rio Guaíba	2,813	-	14,189	(15,140)	-	-	-	1,862	11,279
Esparta	-	693	(693)	-	-	-	-	-	(2,057)
Concer	233,853	-	6,543	(23,750)	26,561	-	-	243,207	(382)
Rio Bonito	191	-	12,812	(10,103)	-	-	-	2,900	11,961
Convale	-	12,348	(11,886)	-	-	-	-	462	-
Rio Paraíba	-	282	(282)	-	-	-	-	-	(2)
Ecovale	-	12	(12)	-	-	-	-	-	(97)
Portonave (iii)	-	-	12,547	-	-	-	(12,547)	-	(9,552)
Maris Gaudium(iii)	-	5	12,542	-	-	-	(12,547)	-	(9,555)
Starport (iii)	-	1	12,546	-	-	-	(12,547)	-	(9,551)
Santa Rita (i)	40,546	4,736	(356)	-	-	-	(44,926)	-	(47)
Maestra	-	11	(11)	-	-	-	-	-	-
Vessel-Log	-	5,526	(187)	-	(9)	-	-	5,330	-
Rio Verde (ii)	100,001	47,925	-	-	-	-	(147,926)	-	-
Tucano	1,066	35	(9)	-	-	-	-	1,092	(15)
Retirinho	223	31	(12)	-	-	-	-	242	(2)
TPI-Log (iii)	1	1	3,769	-	-	106,891	82,567	193,229	(37)
Freijo	-	-	-	-	-	-	-	-	(2)
Rio Dourado	-	-	-	-	-	-	-	-	(2)
Guariroba	-	990	(6)	-	-	-	-	984	(2)
NTL	-	8,775	(154)	-	(250)	-	-	8,371	-
Trevally	-	1	(1)	-	-	-	-	-	-
Lubina	-	1	(1)	-	-	-	-	-	-
Sabalo	-	1	(1)	-	-	-	-	-	-
Caddis	-	1	-	-	-	-	-	1	-
Guaru	-	1	-	-	-	-	-	1	-
<b>Total</b>	<b>653,644</b>	<b>82,793</b>	<b>79,435</b>	<b>(113,353)</b>	<b>26,302</b>	<b>106,891</b>	<b>(147,926)</b>	<b>687,786</b>	<b>2,044</b>

- (i) As presented in Note 1, item a, iii, on July 15, 2008 Triunfo incorporated Santa Rita, transferring investment in the subsidiary TPB in the amount of R\$70,200 to this new company. On the same date, Triunfo transferred interest equivalent to 12% of the total of capital stock estimated to Santa Rita, corresponding to R\$30,000 to new shareholders, as part of the payment set forth in the agreement for the acquisition of TPB.
- (ii) As presented in Note 1, item a, ii, at December 31, 2009 the investment in the subsidiary Rio Verde is for sale.
- (iii) On December 2, 2009, the investment in Portonave, Starport, Maris Gaudium and Santa Rita was transferred in proportion to Triunfo's to TPI-Log, plus the amount of goodwill in the subsidiaries Maris Gaudium and Starport, in the amounts of R\$21,163 and R\$85,728, respectively, as shown in Note 4.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 13. Investments (Continued)

#### c) Other permanent investments

This refers to the amount of R\$31,065 (R\$27,936 at December 31, 2008) recorded in subsidiary Portonave, disbursed to build, set up and furnish the cold storage chamber used by the subsidiary Iceport for handling its own and third-party cargo. The operation is subject to the Adhesion Agreement and refers to the evidence of owned cargo handling.

### 14. Property and equipment

#### a) Property and equipment breakdown

	(i)	Consolidated				
		12/31/09		12/31/08		
		Acquisition cost	Revaluation value	Accumulated depreciation	Residual value	Residual value
Land	-	4,901	-	-	4,901	2,741
Port land	-	84,504	-	-	84,504	84,505
Pavements	13	180,797	82.032	(135,296)	127,533	83,257
Highway expansion	8	176,682	221.265	(136,720)	261,275	371,867
Protection and security devices	5	4,783	29.366	(4,623)	29,526	6,262
Structures (bridges and viaducts)	5	2,439	3.196	(1,443)	4,192	4,013
Lighting system	7	365,528	358.443	(264,025)	459,946	417,238
Retaining structures	4	28,336	-	(2,517)	25,819	26,867
Drainage	4	14,983	-	(1,340)	13,643	14,253
Toll plaza facilities	10	66,341	-	(14,831)	51,510	58,240
Other improvements on highways	10	42,625	-	(8,593)	34,032	36,789
Ships	10	23,873	-	-	23,873	-
Machinery, devices and equipment – Leasing	10	28	-	(3)	25	27
Buildings	5	14,536	-	(5,184)	9,352	8,290
Vehicles	20	10,505	-	(5,900)	4,605	4,874
Vehicles – Leasing	20	51	-	(15)	36	465
IT equipment	20	8,822	-	(5,082)	3,740	3,008
Concession management - Leasing	10	1,452	-	(824)	628	-
Implementation	14	5,036	2,154	(4,640)	2,550	17,063
Other property and equipment	9	19,470	-	(7,728)	11,742	12,799
Goodwill on the acquisition of property and equipment	(ii)	51,389	-	(21,074)	30,315	35,190
Financial charges on property and equipment	-	-	-	-	-	1,966
Advance for acquisition of property and equipment	-	900	-	-	900	-
Imports in transit	-	1,673	-	-	1,673	2,355
Construction in progress	-	21,424	-	-	21,424	289,182
Allowance for impairment of revalued property and equipment	(iii)	-	-	-	-	(42,835)
		<b>1,131,078</b>	<b>696,504</b>	<b>(619,838)</b>	<b>1,207,744</b>	<b>1,438,416</b>

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 14. Property and equipment (Continued)

- (i) Weighted average depreciation rate.
- (ii) On October 3, 2008, Esparta acquired 30.0% interest in Concepa. Considering that this transaction was conducted after the revaluation of October 31, 2007, Esparta considered the amount of property and equipment on the acquisition date as the cost value not recording its revaluation reserve reflected in its individual financial statements. In the consolidated, the revaluation effects are recorded in the item "Goodwill in the acquisition of property and equipment", amortized at the same proportion of revaluation reserve realization in subsidiary Concepa.
- (iii) At December 31, 2008, the parent company Concer recognized, due to an impairment test, the amount of R\$42,835 referring to the provision for impairment of reappraised property and equipment. At December 31, 2009, the Company's Management decided for reversing the provision, adjusted according to the portion that would be realized during 2009, as provided for in CPC 01.

#### a) Property and equipment breakdown (Continued)

The depreciation rates of the subsidiaries are based upon the estimated economic useful lives of assets or, when applicable, the concession period, whichever is lower, and correspond to the weighted average rates of depreciation used by Triunfo and its subsidiaries.

Depreciation charges in the amounts of R\$131,277 (R\$3,519 as operating expenses and R\$127,758 as costs of services) and R\$119,954 (R\$5,106 as operating expenses and R\$114,848 as costs of services) were recognized in the statements of operations for the periods ended December 31, 2009 and 2008, respectively.

Triunfo offered the headquarters building, appraised at R\$6,920, as guarantee to the letter of bank guarantee submitted to obtain a financing with FINEP mentioned in Note 16.

As guarantee for the contract with the National Bank for Economic and Social Development – BNDES (Finame), mentioned in Note 16, the subsidiary Concepa pledged R\$4,895 in machinery and equipment.

#### b) Asset revaluation

At December 31, 2003, the Management of subsidiaries Econorte and Concepa, supported by a technical report prepared by the companies EBRAPE and Mynarski, respectively, approved the revaluation recognition and registry of its assets related to the concession.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 14. Property and equipment (Continued)

#### b) Asset revaluation (Continued)

At December 31, 2004, the Management of subsidiary Concer, supported by a technical report prepared by expert company Mynarski, approved the revaluation recognition and registry of its assets related to the concession.

On October 31, 2007, the Management of subsidiaries Econorte, Concepa and Concer approved the recognition and registration, supported by a report prepared by Mynarski, of the periodic revaluation of their previously revalued assets, as required by CVM Resolution 183/95, pursuant to which revalued assets shall be revised every four years at most.

Through the changes introduced by Law 11,638/07, in effect as of January 1, 2008, the revalued amount of property and equipment, existing in the beginning of the period, started to be considered the new cost value, excluding the possibility of new spontaneous revaluation of assets.

The effect of these revaluations on the financial statements of the respective subsidiaries, adjusted to Triunfo's ownership interest percentage, and on the consolidated financial statements is as follows:

	Concepa	Econorte	Concer	Consolidated	
				12/31/09	12/31/08
Ownership interest – % (%)	70.0	100.0	62.5		
Pavements	64.243	-	17.789	<b>82,032</b>	82,032
Protection and security devices	4.769	-	8.673	<b>13,442</b>	13,442
Structures	774	-	1.641	<b>2,415</b>	2,415
Highway expansion	85.297	70.935	65.081	<b>221,313</b>	221,313
Retaining structures	-	-	15.924	<b>15,924</b>	15,924
Drainage/current structures	-	-	12.834	<b>12,834</b>	12,834
Buildings, operation and control	-	-	781	<b>781</b>	781
Lighting system	-	-	1.726	<b>1,726</b>	1,726
Other improvements:					
Operations infrastructure	-	34.357	-	<b>34,357</b>	34,357
Highway repair	-	78.175	11,079	<b>89,254</b>	89,254
Specific works - operating program	-	-	197,108	<b>197,108</b>	197,108
Tunnels	-	-	444	<b>444</b>	444
System implementation	2.154	-	-	<b>2,154</b>	2,154
Initial recovery	-	22.720	-	<b>22,720</b>	22,720
Provision for losses in the property and equipment	-	-	-	-	(42,835)
	157.237	206.187	333.480	<b>696,504</b>	653,669
Accumulated depreciation				<b>(213,846)</b>	(154,524)
Revalued property and equipment, net				<b>482,658</b>	499,145
Deferred taxes (i)				<b>(166,413)</b>	(169,710)
				<b>318,554</b>	329,435
Portion of revaluation made in the subsidiary prior to the acquisition of additional ownership interest (ii), (iii)				<b>(16,138)</b>	(11,494)
Revaluation reserve balance in shareholders' equity, net of taxes				<b>306,897</b>	317,941

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 14. Property and equipment (Continued)

- (i) Deferred income and social contribution taxes on the revaluation reserve were recorded in current and non-current liabilities according to their expected realization, see Note 19.
- (ii) On August 15, 2005, Triunfo increased its interest in subsidiary Econorte to 50.00% by acquiring new shares of this subsidiary. Considering that the transaction was conducted after the revaluation of December 30, 2003, Triunfo continued recording a revaluation reserve in subsidiaries in its individual financial statements with the same ownership interest percentage at the date of revaluation, i.e., 25.0% of the reserve recorded in the subsidiary.
- (iii) On October 3, 2008, Triunfo increased its interest in subsidiary Concepa, through its subsidiary Esparta, by acquiring new shares of this subsidiary and now holding 100% interest as of this date. Considering that this transaction was conducted after the revaluation of October 31, 2007, Triunfo continued recording a revaluation reserve reflected in the individual financial statements with the same ownership interest percentage on the revaluation date, i.e., 70.0% of the reserve recorded in this subsidiary.

### 15. Intangibles

	Amortization rate (%)	Consolidated			Residual Value
		Historical cost	Accumulated amortization	12/31/09	
Goodwill in the acquisition of Econorte (i)	11,75	41,253	(13,532)	27,721	30,054
Goodwill in the acquisition of Portonave (ii)	Undetermined	123,323	(16,431)	106,892	106,892
Goodwill in the acquisition of Concepa (iii)	11,43	8,142	(1,163)	6,979	7,909
Goodwill in the acquisition of Vessel	-	9	-	9	-
Projects development (iv)	-	16,324	-	16,324	12,771
Installation in third-party properties	4 and 10	13,991	(1,523)	12,468	13,414
Use licenses of software	20	340	(85)	255	1,418
Trademarks and patents	Undetermined	18	-	18	17
		<b>203,400</b>	<b>(32,734)</b>	<b>170,666</b>	<b>172,475</b>

- (i) In July 2005 and November 2007, Triunfo acquired additional of 25.0% and 50.0% interest in Econorte. Goodwill will be proportionally amortized during the remaining concession term until October 2021.
- (ii) In June 2007, Triunfo acquired, through holdings Starport and Maris Gaudium the additional interest of 33.3% in Portonave. Goodwill is based on the expected future profitability of Portonave, and is amortized under the straight-line method over a ten- and six-year period, respectively, as per valuation report and financial projections of Portonave, until December 31, 2008, as required by CVM Rule 247/96, and submitted to asset impairment test. As of January 1, 2009 amortization was suspended according to OCPC 02, remaining only the application of impairment test required by CPC 01. On December 2, 2009, the investments in the subsidiaries Maris Gaudium and Starport, including the non-amortized goodwill balances, were transferred to TPI-Log at the book values determined by appraisal reports prepared by specialists.
- (iii) In October 2008, Triunfo, through subsidiary Esparta, acquired an additional interest of 30% in Concepa. Goodwill is based on the right acquisition to operate the concession, which will be amortized proportionally to the remaining term of the concession, until June 2017.

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **15. Intangible (Continued)**

- (iv) It basically refers to project development expenses in highway, port and electricity generation segments. These expenses will be part of the cost of assets under construction to be amortized according to the estimated useful lives, after the beginning of operations.

As described in Note 13, item b (iii), the goodwill recorded in the parent company referring to the subsidiaries Maris Gaudium and Starport was transferred to its subsidiary TPI-Log based on the shareholders' equity appraisal report prepared by specialists.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 16. Loans and financing

Type of loan	Guarantees	Index	Consolidated	
			12/31/09	12/31/08
<b>Triunfo (company):</b>				
Bank Credit Certificate – CBC – Votorantim	Company shares(Triunfo)	CDI + 2.5% p.a.	50,101	50,091
Bank Credit Certificate – CBC – Votorantim	Company shares (Triunfo)	CDI + 6.5% p.a.	-	4,061
Secured account – ABN Amro	Executive Board's surety	CDI + 3.25% p.a.	3,710	-
Secured account – ABN Amro	Executive Board's surety	CDI + 6% p.a.	-	5,003
FINEP	Letter of bank guarantee	8% p.a.	9,234	-
<b>Concepa:</b>				
Property and equipment financing – Finame – BNDES	Operation-subject assets	TJLP + 8.5% p.a.	675	1,574
Property and equipment financing - Bradesco	Promissory notes (shareholders)	16.9% + 24.02 p.a.	-	20
Secured account – Bradesco	Promissory notes (shareholders)	CDI + 8.73 % p.a.	-	3,029
Working capital – Fibra	Promissory notes (shareholders)	CDI + 6.0 % p.a.	5,184	-
Bank Credit Certificate – Banif	Collection of toll fees (receivables)	IGP-M + 11% p.a.	30,708	39,124
<b>Concer:</b>				
Property and equipment financing – BNDES	Concer shares	UM BNDES + 6.625% p.a.	2,275	-
Property and equipment financing – BNDES	Concer shares	TJLP + 6.625% p.a.	15,456	22,382
Property and equipment financing – BNDES	Concer shares	TJLP + 4.65% p.a.	2,823	3,384
Property and equipment financing – FINEP	Letter of bank guarantee	8.0% p.a.	2,736	-
Bank Credit Certificate – ABN Amro	Shareholders' surety	CDI + 2.7% p.a.	8,803	12,120
Bank Credit Certificate – ABC Brasil	Company's surety (Triunfo)	CDI + 12.68% p.a.	2,371	1,881
Bank Credit Certificate – ABC Brasil	Company's surety (Triunfo)	CDI + 6.99% p.a.	4,446	-
Working capital – Fibra	Company's surety (Triunfo)	CDI + 6.0 % p.a.	3,247	-
Leasing – Bradesco	Promissory note	34.5% p.a.	321	379
<b>Portonave:</b>				
Property and equipment financing – GE Capital	Shares of Portonave, Iceport and Teconnave	Exchange Variation + 5.7452% p.a.	119,098	186,548
Secured account – HSBC	Promissory note and executive board's surety	CDI + 6.17% p.a.	-	638
Secured account - Bradesco	Executive Board's surety	CDI + 7.11% p.a.	-	914
<b>Iceport:</b>				
Secured account – HSBC	Promissory note and executive board's surety	CDI + 6.17% p.a.	47	-
Secured account – Bradesco	Factoring and executive board's surety	CDI + 16.49% p.a.	234	-
Secured account – Banco do Brasil	Executive board's surety	CDI + 2.7% p.a.	-	-
Secured account – Safra	Iceport sales	CDI + 6.17% p.a.	30	-
Secured account – Daycoval	Iceport sales	CDI +21.6% p.a.	247	-
<b>Econorte:</b>				
Bank Credit Certificate – ABN Amro	Company's surety (Triunfo)	CDI + 2.7% p.a.	11,702	16,642
Secured account - Banco do Brasil	CDI + 3.416% p.a.	CDI + 3.416% p.a.	980	-
Bank Credit Certificate – Unibanco	Company's (Triunfo) surety and fiduciary credit assignment – Visanet receivables	23.87% p.a.	-	2,989
Bank Credit Certificate – Banco do Brasil	Econorte shares, assignment of credit rights for transactions with revenue from toll collection in Banco do Brasil account and financial investment account connected with the operation	CDI + 5.6% p.a.	45,125	-
Secured account – BIC Banco	Company's surety (Triunfo)	CDI + 12.68% p.a.	1,193	-
Leasing – Dibens	Promissory note	18.2% a 19.2% p.a.	-	159
<b>Rio Gualba:</b>				
Property and equipment financing	Operation-subject assets	14.03% a 16.9% p.a.	405	101
<b>Os:</b>				
Secured account – Banco do Brasil		CDI + 3.416% p.a.	917	-
<b>Rio Bonito:</b>				
Bank Credit Certificate – CCB - Bradesco	Operation-subject assets	6.17% p.a.	-	121
Property and equipment financing – Finame – Bradesco	Operation-subject assets	TJLP + 6.9% p.a.	315	126
Leasing – Bradesco	Promissory note	19.4% p.a.	115	74
<b>Rio Verde:</b>				
Property and equipment financing – BNDES	Rio Verde shares	TJLP + 1.81% p.a.	-	185,935
<b>Esparta:</b>				
Bank Credit Certificate – Votorantim	Company shares (Triunfo)	CDI + 2.93% p.a.	58,980	60,708
			<b>381,478</b>	<b>598,003</b>
Current			103,158	69,895
Non-current			278,320	528,108

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 16. Loans and financing (Continued)

The Company and its subsidiaries took over economic-financial commitments with loan creditors, such as not to conduct operations that do not comprise its corporate purpose; not to apply funds from financings to purposes different from the ones set forth in agreement; to continue the proper disclosure of economic-financial data, pursuant to Law 6,404/76, ratio among debt and EBITDA and indebtedness, among other. As of December 31, 2009, all debt covenants are being complied with by the Company and its subsidiaries.

The maturity of the amount recorded from loans and financing in non-current liabilities at December 31, 2009, is distributed as follows:

Year	Company	Consolidated
2011	32,763	108,206
2012	-	64,268
2013	-	61,068
2014	-	23,684
2015	-	20,253
2015 onwards	-	841
	32,763	278,320

### 17. Debentures

	Consolidated	
	12/31/09	12/31/08
Triunfo (company)	89,143	112,895
Concepa	51,508	64,717
Econorte	-	14,006
	140,651	191,618
Current	46,229	50,853
Non-current	94,422	140,765

#### a) Triunfo

On January 1, 2002, 60,000 registered nonconvertible debentures were issued, with total face value of R\$60,000, amortized in five equal annual installments. The balance at December 31, 2009 is R\$89,143.

Debentures are adjusted based on the IGP-M variation and monthly remunerated based on the unit value restated up to December of each year at the rate of 1% on the outstanding balance of the last day of the month and paid on the fifth business day of the subsequent month.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 17. Debentures (Continued)

a) Triunfo (Continued)

Issue expenses, net of goodwill and negative goodwill in the placement are recorded as deduction from outstanding balance and they represent R\$1,571 (R\$2,473 at December 31, 2008), and jointly with monthly fixed remuneration fee they include the operation effective rate of 1.2% p.m.

b) Concepa

At December 31, 2009 and 2008, the following debentures are currently outstanding:

- a) 20,000 public registered nonconvertible debentures from the second issue debentures, issued on April 1, 2004, having a five-year grace period and maturing in two annual installments, with final payment in April 2010. The debentures are monetarily adjusted based on the 12-month accumulated variation of the IGP-M and have a fixed interest rate of 10.5% per year on the unit value of the outstanding debentures, which are paid on the first business day of the month subsequent to that of calculation. At December 31, 2009, the balance of these debentures was R\$13,528. (R\$27,213 in 2008).
- b) 32,000 public registered nonconvertible debentures from the fourth issue, issued on September 1, 2006, having a four-year grace period and maturing in four annual installments, with final payment in September 2013. The fourth issue debentures are adjusted based on the 12-month accumulated variation of the IGP-M and have a fixed interest rate of 10% per year, paid monthly on the unit value of the outstanding debentures. The balance of these debentures was R\$39,125 at December 31, 2009 (R\$38,558 in 2008).

In addition to the guarantees of the toll fee collection, the Company and its subsidiaries took over economic-financial commitments with debenture creditors, such as not to conduct operations that do not comprise its corporate purpose; to continue the proper disclosure of economic-financial data, pursuant to Law 6,404/76, indebtedness ratio, among other. As of December 31, 2009, all debt covenants have been complied with by the Company and its subsidiary.

For the annual amortization of the debentures according to the indenture, the Company recorded an amortization reserve and Concepa recorded a monthly reserve from toll collection. These funds are maintained in a specific account until the date of each amortization and are stated in Note 6.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 17. Debentures (Continued)

#### b) Concepa (Continued)

The installment registered in non-current liabilities as of December 31, 2009, with maturity up to 2013, and the breakdown is as follows:

Year	Company	Consolidated
2011	22,172	31,474
2012	22,173	31,474
2013	22,173	31,474
	66,518	94,422

### 18. Taxes, fees and contributions

	Company		Consolidated	
	12/31/09	12/31/08	12/31/09	12/31/08
Social contribution on net income	-	-	3,206	1,488
Corporate income tax	-	-	8,982	4,387
Withholding income tax	12	54	301	437
COFINS (Contribution for Social Security Financing)	-	443	1,098	1,820
PIS (Social Integration Program)	-	105	1,344	1,365
SS (Social Security National Institute)	-	3	229	85
Tax on services	1	2	3,947	3,529
Tax on financial operations	426	768	432	768
Social contribution withheld at source	21	13	251	216
Other taxes and contributions	-	-	408	580
	460	1,388	20,198	14,675
Current	42	196	17,680	10,924
Non-current	418	1,192	2,518	3,751

### 19. Deferred income and social contribution taxes

#### a) Tax loss carryforwards

The balances of tax loss carryforwards on the income of the Company and its subsidiaries can be carried forward indefinitely and can be offset pursuant to Law No. 9065/95, which restricted said tax credit offset at the ratio of 30% of taxable income verified in each base period when taxes were collected, and are stated as follows:

	12/31/09	12/31/08
Concepa	-	5,022
Portonave	24,635	29,058
TPI	168,745	133,259
	193,380	167,339

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 19. Deferred income and social contribution taxes (Continued)

#### a) Tax loss carryforwards (Continued)

Tax credits on Portonave's income and social contribution tax loss carryforwards were recognized with the expectation of generating future taxable income according to the results projections approved by the Company's Management and based on the criteria determined by CVM Rule 371/02. Tax credits on TPI's income and social contribution tax loss carryforwards were not recorded since there is no history of profits and due to the fact they do not comply with the requirements for the initial recognition.

#### b) Deferred income and social contribution taxes liabilities

	Consolidated	
	12/31/09	12/31/08
Deferred income tax on revaluation reserve	120,608	124,787
Deferred social contribution on revaluation reserve	43,496	44,923
Deferred income tax on foreign exchange variation	4,920	-
Deferred social contribution on foreign exchange variation	1,772	-
Other deferred taxes	1,434	1,564
	<b>172,230</b>	<b>171,274</b>
Current	32,385	21,080
Non-current	139,845	150,194

Highway concessionaires recorded deferred tax liability on revaluation reserve, as reported in the Note 14, item b, which are realized on a straight-line basis to the revaluated assets realization.

### 20. Agreements for assets acquisition

Liabilities assumed in the acquisition of investments, equipment, land and other permanent assets and rights are recognized by restated amounts, as per contractual conditions, until December 31, 2009.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 20. Agreements for assets acquisition (Continued)

At December 31, 2009 main balances of agreements for assets acquisition payable are the following:

	Parent Company		Consolidated	
	12/31/09	12/31/08	12/31/09	12/31/08
Supply of port equipment	-	-	429	2,528
Acquisition of investment in NTL	1,081	-	1,081	-
Acquisition of investment in TPB	35,154	35,970	35,154	36,946
Acquisition of land	-	-	-	2,989
	<b>36,235</b>	35,970	<b>36,664</b>	42,463
Current	1,111	15,180	1,540	21,673
Non-current	35,124	20,790	35,124	20,790

As reported in Note 1, item a iii, on June 25, 2008, Triunfo executed with Pedro e Joaquim Rocha Brites the agreement to acquire 100% of TPB quotas for R\$70,200, R\$30,000 were paid with shares of subsidiary Santa Rita, an amount of R\$5,000 upon the signature of the agreement and the balance of R\$35,200 in semi-annual installments, adjusted by IGP-M, plus monthly interest rates of 0.5%, in the amounts of R\$5,200, two installments of R\$5,000 plus two final installments of R\$10,000.

Triunfo renegotiated the balance of the agreement of R\$35,154 which shall be paid in biannual installments, restated by IGP-M, plus monthly interests of 0.5% p.m. as of 2011.

### 21. Deferred income, net

Deferred income correspond to advance receipts, net of costs and amortizations, resulting from the agreements for the use of right of way of highways managed by subsidiary Concepa and by subsidiary Concer, executed with Embratel in September, 2007.

The agreement provides that Embratel will pay a total remuneration in the amount of R\$27,383 (R\$19,617 in the consolidated) for the remaining concession term, of which R\$11,587 (R\$8,701 in the consolidated) were paid in advance and recognized as deferred income. The agreement balance amounts to R\$15,796 (R\$10,917 in the consolidated) will be received in annual installments, yearly restated by the IGP-M variation.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 21. Deferred income, net (Continued)

The amount paid in advance, net of taxes, corresponds to R\$9,971 (R\$7,259 in the consolidated) of which R\$3,416 (R\$2,243 in the consolidated) were appropriated to income. The remaining balance of R\$6,555 (R\$5,016 in the consolidated) will be amortized by the agreement's effective term.

In the period ended December 31, 2009, the amounts of R\$1,616 and R\$1,053 (R\$1,441 and R\$865 in the consolidated) related to deferred income, net of taxes, were appropriated to income.

### 22. Provision for contingencies

The Company and its subsidiaries, based on their legal counsel's opinion, established a provision for contingencies considered sufficient to cover losses classified as probable in the administrative and legal proceedings in progress.

The breakdown and the balances of provisions are shown below:

	12/31/08	Additions	Consolidated Payments	Reversions	12/31/09
Civil lawsuits	13,023	118	(271)	(2)	12,868
Labor lawsuits	1,090	43	-	(763)	370
Court deposits	(273)	-	36	-	(237)
Provision for contingencies	13,840	161	(235)	(765)	13,001

In addition, the Company and its subsidiaries are defendants in proceedings and the plaintiffs chances of success were classified by our legal counsels as possible in the amounts of R\$21,949 (R\$5,620 at December 31, 2008), to which no provisions have been recorded.

Labor claims basically refer to the payment of salary differences, severance pay, overtime, salary parity, night work pay and hazardous work premium.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 22. Provision for contingencies (Continued)

The amounts related to civil actions are basically due to Concer litigation referring to the agreement executed with Siemens S.A. ("Siemens") for the supply, installation and operation of highway control systems, which was terminated by Concer in January 2000, since it failed to comply with terms and schedules and due to contractor's negligence. As the agreement was cancelled, Siemens filed a collection action against Concer.

A lawsuit for termination of agreement, cumulated with annulment of legal act and enforcement of debt instrument promoted by Siemens, which was embargoed by Concer, as well as provisional remedies to stay protest, all of them favorable to Concer. Siemens already filed special and extraordinary appeals, opposed by Concer, awaiting State Appeals Court's analysis on the acceptance thereof. The provision amount recognized in the financial statements ended at December 31, 2009 is R\$9,748. Default charges incurred until December 31, 1999, excluding as of January 2000 and if additions had been included at December 31, 2009, the approximate amount would be R\$52,625 (R\$32,891 in consolidated).

In addition, highway concessionaires are parties in indemnification actions for losses incurred in managed highways.

#### a) Litigation on Econorte concession

On July 7, 2003, Law 14,061 was enacted, authorizing the Executive Branch to take over the concession subject matter of agreement 071/97 to operate lot 1 of the State of Paraná Highway Concession Program. On January 8, 2004, the Paraná State and taking other measures. On December 2, 2003, the Federal Regional Court (TRF) of the 4<sup>th</sup> Region accepted an appeal (bill of review) filed by the Concessionaires. The decision established that before the intended takeover an administrative proceeding would be started to give parties an opportunity to confront one another and to guarantee due process of law, for determining a fair indemnity to be paid to the companies.

At the end of 2006 a partial relief was granted, declaring the decree that has created the Audit and Valuation Commission for expropriation purposes shall be null and void and also sentencing the state of Paraná to guarantee the opportunity to confront the other party and due process of law, as well as to not create one-sided valuation commissions. Federal institutions have not been sentenced. Currently, the proceeding awaits decision on appeal on the merits of the case at the Regional Federal Court of the 4<sup>th</sup> Region, and no trial docket has been anticipated.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 22. Provision for contingencies (Continued)

a) Litigation on Econorte concession (Continued)

On January 8, 2004, as an alternative to avoid the legal regime applicable to takeovers and the effects of court decisions that upheld the Concessionaires' interests, the Governor of State of Paraná issued Decree No. 2,464 making 100% (one hundred percent) of Econorte voting shares as public utility, for purposes of expropriation and acquisition of controlling interest.

On February 4, 2004, the Concessionaires filed a lawsuit challenging the expropriation decrees. On April 2, 2004, the Concessionaires and their controlling shareholders obtained from the 16<sup>th</sup> Federal Court of the Federal District the granting of a request for advance relief (granting of an injunction) "to suspend the effects of Decrees Nos. 2463, 2464 and 2465, all issued by the Governor of State of Paraná, and defendants should refrain from performing any acts likely to conduct the expropriation of the common shares held by the plaintiffs in view of the concessions to manage the State of Paraná Integration Highway System, lots 1, 2 and 6" (final provision of said decision).

On February 6, 2006, the other shareholders of Econorte obtained a similar granting from the Federal Regional Court of the 1<sup>st</sup> Region, and the effects of State of Paraná Decree No. 2,464 were suspended both legally and in relation to the shareholders. Until the present date, there are no relevant changes in the proceeding.

Concurrently with the progress of expropriation-related issue previously mentioned, DER/PR filed an administrative proceeding to evaluate the establishment of the concession forfeiture. The Company received Official Letter OF/CPA-L1 001-04 issued by the Litigation Commission, dated February 12, 2004. The Official Letter was accompanied by a "Statement for Appointment of the Commission Established by Administrative Rule No. 84/2004", the text of said administrative rule and Attachments I to V, in which a term of 15 days was granted for: (a) presentation of defense related to the facts that are the subject of the administrative proceeding filed; and (b) specification of evidence.

On March 2, 2004, the Company presented its defense, filing a motion for refusal of the Commission's members, which was judged and rejected by the Commission. Simultaneously, on March 9, 2004, in order to maintain the order and guarantee legal security, the Company also filed a motion for relief to recognize the nullity of the forfeiture administrative proceeding, whose records are in the 13<sup>th</sup> Federal Court of the Federal District (Lawsuit 2004.34.00.008230-1).

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 22. Provision for contingencies (Continued)

a) Litigation on Econorte concession (Continued)

On March 31, 2004, a decision was rendered rejecting the motion for relief submitted with the purpose of suspending through an injunction the administrative proceeding filed. A bill of review was filed (on April 23, 2004) against this decision, and is awaiting judgment in the Federal Regional Court of the 1<sup>st</sup> Region. To date, the administrative defense presented by the Company has not been judged.

b) Litigation on Jacarezinho toll plaza at Econorte

On February 29, 2008, the Federal Judge of Jacarezinho sentenced seven Econorte's lawsuits, among those; two established the cancellation of the toll collection in the toll plaza of Jacarezinho, State of Paraná, 10 days as of the notification. In this case, the Federal Court of Jacarezinho established that Econorte cancelled the toll collection and the execution of works and services as well, under the fine of R\$100 per day.

The abovementioned order was only valid for the area under the respective jurisdiction of Jacarezinho Judiciary Subsection. The decision also sentenced Econorte to refund users with the amounts paid at toll plaza in the city of Jacarezinho since November 2002, as well as the fine in the approximate amount of R\$20,000.

Econorte has adopted all the legal processes for the regular maintenance of the concession agreement and their addenda in order to reverse the legal status aforementioned.

Econorte, based on the evaluation of its legal counsels, considers as likely the disbursement risk with this lawsuit and, as a consequence, does not register provision for contingencies related to it.

Particularly, in face of decisions that established the immediate compliance of its control (cancellation of toll fee collection), Econorte brought appeals and filed legal proceedings with the purpose of reverse the determination of immediate compliance, which, is currently suspended by the Federal Regional Court of the 4<sup>th</sup> Region "TRF".

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 22. Provision for contingencies (Continued)

#### b) Litigation on Jacarezinho toll plaza at Econorte (Continued)

The President of TRF of 4<sup>th</sup> Region, at the Stay of Injunction Execution, determined the stay of the sentence establishment, allowing the Company to collect a toll fee in Jacarezinho. This decision remains the same up to the *res judicata* of the decision, or up until the Special Court renders its decision, should the Federal Public Prosecutor Office file a reasonable appeal.

On October 24, 2008, Econorte was notified about the decision rendered by the Federal Judge of Jacarezinho, who decided for the immediate compliance with the sentence, consisting of suspending the collection of toll fees at the toll plaza of that municipality. The decision was a result of the trial that took place at the Special Federal Regional Court - 4<sup>th</sup> Region on October 23, 2008, where the decision rendered by the Chief Justice of that court was not acknowledged.

It is worth mentioning that Econorte obtained a favorable decision by the Federal Supreme Court in the motion to stay the injunction No. 274, where the Minister Gilmar Mendes declared "the motion to stay the effects of the decisions rendered by the Regional Federal Court of the 4<sup>th</sup> Region, in the Appeal records No. 2006.70.13.002434-3 and Writs of Prevention No. 2008.04.00.007277-0 and No. 2008.04.00.007276-9, determining the attachment of these records to the Stay of Advance Protection No. 291." Due to legal reasons, the Federal Supreme Court Chief Justice's decision prevails in full up to the *res judicata* of the decision, or up until the Plenary Session of the Federal Supreme Court renders its decision, in view of the Special Appeal lodged by other parties.

As of December 31, 2009, TPI's investment in Econorte represented approximately 24.76% of total investments and the net operating revenue of this subsidiary represents 29.56% of the consolidated net operating revenue.

In the case of forfeiture, considering operating and economic aspects, an unfavorable outcome of the action represents loss of concession, without any right to prior indemnity, and financial issues will be determined over the course of the respective proceedings. The forfeiture declaration would also result in the execution of contractual guarantees for compensation for any losses of DER/PR and retention of any receivables arising from the Concession Agreement, up to the limit of losses caused to DER/PR or the State of Paraná. In the event of discontinuance of concession for forfeiture, when there are still obligations due to financial institutions, DER/PR should preferably assign to such financial institutions the payment of any indemnities up to the amount due.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 22. Provision for contingencies (Continued)

b) Litigation on Jacarezinho toll plaza at Econorte (Continued)

In the other two cases, which depend on the State of Paraná's interest of proceeding with the actions, both cases are linked by law to the prior indemnity to Triunfo for unilateral termination of the Concession Agreement.

In the case of expropriation, considering operating and economic aspects, an unfavorable outcome of the action represents loss of concession, which can only occur upon payment by the State of Paraná of a prior indemnity to Triunfo.

In the case of the expropriation decrees, considering operating and economic aspects, an unfavorable outcome of the lawsuit represents assumption of the Company's control by the Granting Authority, since the voting shares represent 100% of Triunfo's shares. Thus, there would be also an assumption of the Econorte's assets and liabilities by the Granting Authority.

c) Suspension of Ecovale concession agreement

Subsidiary Ecovale had the agreement suspended by the State of Santa Catarina Public Finance Court ("TCE/SC"). The Federal Budget Oversight Court ("TCU") accepted the Santa Catarina's TCE suggestion of cancelling the bidding process and, therefore, cancelling Ecovale's concession agreement executed in the scope of this process. The concessionaire filed for an injunction with the Federal Supreme Court (STF) against the decision of TCU to stay this decision until the appeal is judged.

Based on the legal counsel's opinion, Ecovale's Management considers the likelihood of an unfavorable outcome as possible.

Since Ecovale is in the pre-operating stage, it does not have operating revenues and, therefore, an unfavorable outcome of this lawsuit would have no impact on the Company's operations.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 22. Provision for contingencies (Continued)

d) Litigation on the Complexo Ayrton Senna/Cavalho Pinto Guarantee Insurance Policy

The Company has been notified on the prompt execution of the Guarantee Insurance Policy, issued by Áurea on behalf of the State of São Paulo – ARTESP. On June 29, 2009, an injunction was issued on the Writ of Mandamus records, which prevents, until the process' final decision, the policy to be immediately executed. On the same date, the Company filed an lawsuit requiring the recognition of the extraordinary facts not pertaining to its jurisdiction which has temporarily prevented the Concession Agreement to be executed and, thus, to be recognized that the Company had no contribution for this episode, which prevents, definitely, the application of any management sanction.

The Company's Management, based on its legal advisor's report, considers the possibility of succeeding in this matter as possible.

### 23. Shareholders' equity

a) Capital stock

The Company's authorized capital, as approved by the Extraordinary General Meeting held on May 24, 2007, is represented by 200,000,000 common shares with no par value, and as of December 31, 2009, capital is represented by 136,704,528 registered, book-entry common shares, with no par value, totaling R\$461,947.

On June 28, 2007, Management authorized the Company to make a public offering of shares. The trading of the Company shares at the Novo Mercado (New Market) level of the São Paulo Stock Exchange (BOVESPA) started on July 23, 2007 and was settled on July 25, 2007.

On October 9, 2009 the Board of Directors approved to increase the Company's capital stock by an additional 9,295,472 common shares with no par value at the price of R\$5.49 per share, totaling a R\$51,032 increase, after which the capital shall be comprised of 146,000,000 common shares with no par value, corresponding to R\$512,979.

By December 31, 2009 7,842,128 shares had been paid up in the amount of R\$43,053, recognized as advance for future capital increase. The remaining shares were fully paid up through the auction held on January 19, 2010, as described in Note 34, after which the capital increase was confirmed.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 23. Shareholders' equity (Continued)

#### b) Dividends

Shareholders are entitled to a minimum dividend of 25.0% of the annual net income adjusted as per corporate law.

The amount of R\$8,389 in dividends to be paid at December 31, 2009 refers to the balance of dividends proposed for 2009, subject to the approval of the Annual General Meeting, as follows:

Net income for the year	32,660
Accumulated losses offset	(61,877)
Adjusted net income for the year	<u>(29,217)</u>
Realization of reflex revaluation reserve	<u>37,605</u>
Dividend calculation basis	8,388
Management proposal:	
Proposed dividends	8,388

#### c) Revaluation reserve

Surplus calculated in the revaluation outlined in Note 14 "b", proportional to Triunfo's interest in the subsidiaries, in the amount of R\$693,865 (R\$653,669 in 2008), was added to property and equipment in December 2007, after the approval of appraisal reports by the subsidiaries' Management, with a corresponding entry to the item "Revaluation reserve", in shareholders' equity.

Deferred taxes were levied on recognized surplus as corresponding entry to the account "deferred income and social contribution taxes" under liabilities, according to the realization term outlined in Note 14.

The realization of revaluation reserve, net of deferred taxes, occurs proportionally to the realization of assets that generated them, against retained earnings/ accumulated losses accounts.

The depreciation effects, net of taxes, of revaluated assets surplus in the financial statements of December 31, 2009 and 2008 were R\$56,695 and R\$65,010, respectively.

The realized portion of the revaluation reserve, net of taxes, recorded in the item "Retained earnings" in accordance with CVM Deliberation 183/95 of Law 6,404/76, comprises the basis for calculating interest and dividend distribution.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 24. Share-based compensation

On June 29, 2007, the Extraordinary General Meeting approved the general conditions for the Stock Option Plan, which sets forth to the granting of call options of up to 2 million shares issued by the Company to management and employees, at the exercise price of nine reais (R\$9.00), corresponding to the minimum price in the issuance and sale price range per share disclosed in the Preliminary Prospect of Initial and Secondary Public Offering of Common Shares Issued by the Company.

This plan is managed by the Board of Directors which sets forth the criteria for the granting of stock options to each category of eligible professionals, freely defining, which eligible professionals will participate, the number of shares that each participant will be able to acquire when exercising the options, and also the effectiveness and conditions for the option exercise.

On September 23, 2009, the Board of Directors approved the granting of stock options for 500,000 of the Company's shares, elected beneficiaries, defined the number of shares that each participant will be able to acquire when exercising the options, and also set forth the plan's terms and conditions.

The options' vesting period will extend from the granting date until April 10, 2010. Every year, following the date of the Company's Annual General Meeting that resolves on the approval of the previous year's financial statements, beneficiaries will be granted up to 25% of all the shares approved at the July 27, 2007 Meeting. The options are valid for a period of up to eight years as of the grant date, maturing by September 23, 2017. Information on the number of options related to the effective Stock Option Plan is summarized as follows:

	Parent Company and Consolidated			
	12/31/09		12/31/08	
	Number	Weighted average price – R\$	Number	Weighted average price – R\$
Balance at the beginning of the year	-	-	-	-
Transactions				
Granted	500,000	9.00	-	-
Balance at the end of the year	500,000	9.00	-	-

The market value for each option granted, estimated on the grant date, was determined based on the Black-Scholes options' pricing model, considering the following assumptions: expected dividends is 0%; volatility is 55.97%; risk-free interest rate is 8.96% p.a.; and maturity term is 8 years. The expense recognized in the period is R\$592; R\$514 recorded in the item expense with management compensation, and R\$78 recorded under personnel expenses.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

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(In thousands of reais, except when indicated otherwise)

### 25. Insurance (Consolidated)

The policy adopted by TPI, its subsidiaries and its jointly-owned subsidiaries is to maintain insurance coverage considered sufficient, based principally on the concentration of risks and the significance of the assets, the nature of their activities, and the advice of their insurance consultants.

	Type of coverage	Insured amount (i)
Econorte	Property damage and loss of revenue	463,122
Concepa	Surety bond	11,500
Econorte	Civil liability	1,425
Concer	Bodily injuries and accidents	12,344
Concer	Concession agreement	12,041
Concer	Property damage and loss of revenue	61,158
Concepa	Operating risks	21,080
Portonave	Port operator insurance	US\$ 72,000
Concer, Concepa, Portonave and Rio Verde	Vehicle fleet	100% of the FIPE table (ii)

- (i) The insured amount corresponds to 100% of the policies amount. TPI's interest percentage is not considered. The analysis of the sufficiency of the insurance coverage, determined and assessed by the Company's Management, is not included in the scope of our auditors' work.
- (ii) Average replacement price, calculated by the Institute of Economic Research (FIPE).

### 26. Management compensation

Management compensation expenses in the financial statements ended December 31, 2009 and 2008 totaled R\$4,695 and R\$3,112 (R\$8,583 and R\$6,567 in the consolidated statement), respectively.

Triunfo's management overall compensation for 2009, approved at the Extraordinary General Meeting held on April 30, 2009 is R\$6,000.

In addition, as outlined in Note 24, the Company has an additional remuneration based on stock option plan. The expense recorded up to December 31, 2009 is R\$514.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 27. Income and social contribution taxes on income

Reconciliation of income and social contribution taxes calculated by applying effective rates and amounts reflected in income for the years ended December 31, 2009 and 2008 are shown below:

	Parent Company		Consolidated	
	12/31/09	12/31/08	12/31/09	12/31/08
Income (loss) before taxes on income (IRPJ and CSLL)	32,660	(51,632)	76,654	(88,350)
IRPJ and CSLL at the nominal rate of 34%	(11,104)	(17,555)	(26,062)	30,039
Tax credits offset	-	-	1,707	1,809
Permanent exclusions (additions)	11,104	17,555	(2,536)	(31,650)
Temporary additions	-	-	(10,512)	(26,403)
Current IRPJ and CSLL	-	-	(32,331)	(26,205)
Deferred IRPJ and CSLL	-	-	8,805	24,594
IRPJ and CSLL in income for the year	-	-	(23,526)	(1,611)

The Company, as it does not have expectations for future taxable income, does establish tax credit over its temporary differences, according to the criteria defined by CVM Rule 371/02.

### 28. Financial instruments

On December 17, 2008, CVM issued Resolution 566, which sets forth the presentation of derivative financial instruments in notes to the Financial Statements. The Company and its subsidiaries do not have derivative financial instruments.

Additionally, the Company's management prepared and has been stating in note 30 "a", the sensitivity analysis of US dollar exchange rate variation to which the subsidiary Portonave's debt is indexed.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 29. Financial result

	Company		Consolidated	
	12/31/09	12/31/08	12/31/09	12/31/08
Financial revenue:				
Income from financial investment	985	3,574	3,404	6,198
Received interest	4,610	13,511	3,616	812
Monetary restatement of loans and financings	-	-	276	-
Other interest and discounts	1,696	257	1,466	536
Financial expense:				
Interest and remuneration on debentures	(11,257)	(24,111)	(17,177)	(37,740)
Interest on financing and working capital	(6,003)	(4,936)	(40,281)	(12,970)
Monetary restatement of loans and financings	(14,852)	(938)	(3,253)	(10,584)
Other interest, fines and restatements	(1,068)	(2,040)	(13,617)	(4,113)
Taxes on financial operations	(237)	(2,229)	(706)	(3,548)
Net foreign exchange variations	-	-	47,992	(56,232)
Financial result	(26,126)	(16,912)	(18,280)	(117,641)

### 30. Risk factors

#### a) Exchange rate risk

As of December 31, 2009, the subsidiary Portonave recorded the amount of R\$238,196 (R\$373,096 in 2008) and R\$119,098 in the consolidated (R\$186,548 in 2008) related to the loan ratified with GE Capital, as described in Note 15, indexed to the US dollar, without long exchange hedge positions.

When the Company's Management evaluates the exchange rate exposure risk, 50.0% of the subsidiary Portonave's revenues were contracted in the same currency, which minimizes the impacts of exchange rate variations.

With the purpose of verifying the sensitivity to the US dollar variation on the loan ratified with GE Capital by Portonave, five different scenarios have been defined, taking into account the exchange rate variation on the closing date for the US dollar average rate for 2010, published by Bacen on January 29, 2010, with variations ranging between 25.0% and 50.0%, increase or drop.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 30. Risk factors (Continued)

#### a) Exchange rate risk (Continued)

The scenarios are prepared taking into account the probable cash flows to settle this loan:

Operation	Risk	Exchange variation result expected for 2010					
		Balance 12/31/09	Minus 50.0%	Minus 25.0%	BACEN's expectation	Plus 25.0%	Plus 50.0%
Index	US dollar variation	1.7412	0.8800	1.3200	1.7600	2.2000	2.6400
GE Capital	US dollar variation	119,098	58,906	28,810	(1,286)	(31,382)	(61,478)
<b>Total</b>		<b>119,098</b>	<b>58,906</b>	<b>28,810</b>	<b>(1,286)</b>	<b>(31,382)</b>	<b>(61,478)</b>

The objective of these analyses is to illustrate the sensitivity to changes in market variables in the Company's financial instruments. The sensitivity analyses shown above are established by using assumptions and presuppositions in relation to future events.

The Company's Management regularly revises these estimates and assumptions used in the calculations. Nonetheless, the settlement of transactions involving these estimates can result in amounts different from those estimated due to the subjectivity inherent to the process used when preparing these analyses.

#### b) Credit risk

More than 90.0% of highway concessionaires' revenues are received in cash, maintaining the delinquency ratio close to zero.

Portonave is in its second year of activities and has a low track record of client delinquency, represented by international shipping lines.

#### c) Interest rate risk

The Company has not entered into derivative agreements to post hedge against variation risks in rates applied to loans and financing or debentures mentioned in Notes 16 and 17, respectively. The Company's Management continuously monitors the market's interest rates with the purpose of evaluating the eventual need of contracting derivatives to hedge against the volatility risk of such rates.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 30. Risk factors (Continued)

d) Price risk

Toll tariffs are regulated by the Granting Authority and its adjustments are renegotiated yearly, recovering for inflation losses or as a result of change in tax laws. In addition, concession agreements provide for the maintenance of internal tariffs that ensure their economic and financial breakeven.

The subsidiary Rio Verde executed a 14-year “PPA” with annual restatement according to the General Market Price Index (IGPM) variation, as presented in Note 1 item ii, and the subsidiary Portonave negotiates its prices on the market.

e) Market risk

In the capacity of infrastructure services operator in diversified segments and with cash flows highly predictable, the Company plans to reduce risks of being exposed to market conditions.

f) Regulatory risk

The jointly-owned subsidiary Econorte has takeover, expropriation and forfeiture actions filed by the Granting Authority (State of Paraná Highway Department - DER/PR). In any of the three assumptions mentioned, all rights and obligations of Triunfo under the Concession Agreement would no longer be applicable, with the assessment of indemnity amounts payable to shareholders in case of takeover or expropriation.

The agreement of the subsidiary Ecovale was suspended by the State of Santa Catarina Public Finance Court, as described in Note 22 “c”.

g) Operating risk

The subsidiary Santa Rita is in the pre-operating stage, and the investment risks are linked to the future economic situation at the time of the startup of its operations.

The subsidiaries NTL and Vessel-Log are in the pre-operating stage, and the investment risks are linked to the future economic situation at the time of the startup of its operations.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 31. Concession commitments

Commitments related to the concessions of the subsidiaries are as follows:

a) Concer

Under the Highway Operation Program (PER), updated at December 31, 2009, Concer's investment schedule establishes the investment of R\$1,347 billion in the highway during the concession period. Until December 31, 2009, approximately R\$934 million (R\$951 million up to December 31, 2008) had already been invested, funded by short and long-term financing, own capital and funds from toll revenues.

Additionally, inflows of funds from long-term financing in the amount of approximately R\$412,270 are expected mainly to finance the construction of a road up to Petrópolis. The schedule of new investments in the highway estimates the following disbursements:

<u>Year</u>	<u>Amount</u>
2010	32,661
2011	130,358
2012	154,569
2013	50,380
2014 onwards	44,302
	<u>412,270</u>

b) Concepa

According to the national highway concession program, Concepa assumed the highway estimating that it would make significant investments during the first 12 years of the concession. The Highway Operation Program (PER), updated as of December 31, 2009, establishes new investments, for the next five years, in the approximate amount of R\$96,506. The schedule of these new investments in the highway establishes the following disbursements:

<u>Year</u>	<u>Amount</u>
2010	35,267
2011	29,317
2012	25,471
2013	5,965
After 2013	486
	<u>96,506</u>

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 31. Concession commitments (Continued)

c) Econorte

Econorte's concession period will be the period necessary to comply with all the obligations deriving from the Concession Agreement entered into with the DER/PR, scheduled to terminate in 2021. The Highway Operation Program (PER), updated as of December 31, 2009, establishes investments in the approximate amount of R\$442,850. The schedule of investments in the highway establishes the following disbursements:

Year	Amount
2009	11,919
2010	12,639
2011	13,661
2012	21,862
2013	26,567
2013 onwards	356,202
	<u>442,850</u>

d) Portonave

By signing the Adhesion Agreement with the federal government to operate the Navegantes Port Terminal, Portonave is free from any encumbrances as regards payment for this concession, both to obtain it and while performing its activities.

e) Rio Verde

As compensation for the energy potential under the Concession Agreement with ANEEL, Rio Verde shall pay to the federal government, as from the beginning of the operations until the 35<sup>th</sup> concession year, or while the company operates the hydroelectric development of Salto plant, monthly installments equivalent to 1/12 of the proposed annual payment of R\$450. The installments will be adjusted on an annual basis or within the periodicity permitted by legislation, based on the variation of the IGP-M, beginning in June 2002.

f) Ecovale

The continuity of the investments, as well as the improvements to be made in the highway, depends on the outcome of the lawsuit discussing the nullity of the Concession Agreement, presented in Note 22 "c".

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS)**

In compliance with the "Novo Mercado" Listing Rules issued by the São Paulo Stock Exchange (BM&FBovespa), following is shown the reconciliation prepared for income (loss) for the years and shareholders' equity between Accounting Practices Adopted in Brazil (BR GAAP) and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

In preparing this reconciliation the Company used the financial statements prepared under BR GAAP as well as the accounting policies outlined in Note 2 to the financial statements. Accounting practices adopted in Brazil differ from IFRS in certain aspects. When preparing this reconciliation, Management employed its best knowledge of rules and interpretations, facts, circumstances and accounting policies that would be applied as if the Company was preparing complete financial statements in accordance with IFRS.

The note reconciling shareholders' equity and income (loss) for the years with IFRS, presented to comply with the "Novo Mercado" special corporate governance rules, does not represent a full set of financial statements which would comprise a balance sheet, statement of income, statement of changes in shareholders' equity and a statement of cash flows, which would be reported with respective notes, as required by IFRS. In addition, the Company applied the IFRS 1 – "First-Time Adoption of International Financial Reporting Standards", for the purposes of measuring the adjustments to the opening balance sheet, as mentioned below. The assumptions and options used may change when the Company reports its first complete financial statements according to IFRS.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)

As the transition date has not yet been defined and the first complete financial statements under the IFRS have not yet been prepared, we cannot regard the identification and the measurement of accounting principles and practices differences between BR GAAP and IFRS as conclusive. Rules may change or additional rules and interpretations may be issued by the International Accounting Standard Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) or by regulatory entities, and accordingly, current accounting rules and interpretations may be amended.

Therefore, when the first complete and consolidated financial statements of the Company are prepared and when the effective transition date is defined, as set forth by IFRS 1, there is the possibility that other accounting principles and practices differences between BR GAAP and IFRS may arise.

The fiscal years reference dates to which the reconciliation with IFRS has been prepared are December 31, 2009 and 2008. January 1, 2008 was the date established as the opening balance sheet date for the purpose of preparing this reconciliation note.

The Company elected the following optional exemptions provided for in IFRS 1 to prepare the opening balance sheet:

Optional exemptions	Election of optional exemptions by Triunfo
a) Business combinations	For transactions which were conducted before the date of transition, the Company decided to elect the option not to re-measure the business combinations, in accordance with IFRS 3; therefore, goodwill arising from such acquisitions before January 1, 2008 were retained at their net BR GAAP amortized balances at December 31, 2007.
b) Classification of previously recorded financial instruments	Triunfo classified and measured its financial instruments at the date of transition in accordance with IAS 32 and 39 and did not retroactively analyze financial instruments prior to the transition date to IFRS. All financial instruments contracted after the transition date were classified and measured on the contracting date in accordance with IAS 32 and 39.
c) Measurement of the fair value of financial assets and liabilities in the initial recognition.	
d) Leasing	Triunfo elected to apply this exemption and applied the transitory provisions of IFRIC 4 to determine whether an agreement existing on the date of transition to IFRS, contained a lease based on the facts and circumstances existing at that date.
e) Services concession agreements	Triunfo elected to apply this exemption and applied the transitional provisions of IFRIC 12 in all agreements, where it was impracticable to adopt the interpretation fully retroactively. Therefore, on the transition date, intangible assets were recognized based on the figures presented under BR GAAP at December 31, 2007.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### 32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)

The reconciliation of net income (loss) for the years and shareholders' equity is shown below:

	Shareholders' Equity			Net Income (loss) for the years	
	12/31/09	12/31/08	1/1/2008	12/31/09	12/31/08
According to the BRGAAP	<b>810,581</b>	693,539	799,927	<b>53,185</b>	(89,954)
Adjustments:					
a) Impairment of concession intangible assets (fixed assets)	-	-	(50,363)	-	7,528
a) Reversal of Impairment	-	-	-	<b>42,835</b>	-
b) Lease agreements	-	-	109	-	(48)
c) Amortization of operation rights intangible assets	<b>19,145</b>	19,580	-	<b>(435)</b>	19,580
d) Depreciation of concession intangible assets (property and equipment)	<b>(11,574)</b>	(11,704)	-	<b>130</b>	(11,704)
e) Debt issuance costs	<b>(311)</b>	487	2,177	<b>(798)</b>	(557)
f) Provision for highway maintenance services	<b>(100,299)</b>	(80,447)	(65,532)	<b>(19,852)</b>	(14,914)
g) Deferred charges write-off	-	(5,940)	4,813	<b>5,940</b>	1,917
h) Construction revenues - continuing operations	-	-	-	<b>45,116</b>	225,573
h) Construction cost - continuing operations	-	-	-	<b>(45,116)</b>	(225,573)
h) Construction revenues - discontinued operations	-	-	-	<b>245,488</b>	-
h) Construction cost - discontinued operations	-	-	-	<b>(245,488)</b>	-
Total adjustments, before tax effects	<b>(93,039)</b>	(78,024)	(108,796)	<b>27,820</b>	1,802
Tax effects:					
i) Effects of deferred income and social contribution taxes over GAAP differences	<b>31,633</b>	24,509	36,991	<b>(7,110)</b>	68
Total tax effects	<b>31,633</b>	24,509	36,991	<b>(7,110)</b>	68
Total according to IFRS, attributable to TPI	<b>749,175</b>	640,024	728,122	<b>73,895</b>	(88,084)
j) Minority interest	<b>37,625</b>	29,993	-	<b>(212)</b>	(7)
Total According to IFRS	<b>786,800</b>	670,017	728,122	<b>73,683</b>	(88,091)

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### a) Impairment

According to IFRS, there are specific rules to analyze the recoverability of all non-financial assets except for inventories, assets deriving from construction agreements, deferred income tax assets, employees benefits-related assets, among others. On the date of each financial statement, the Company must analyze if there is evidence that an asset is impaired. If this evidence is identified, the entity must estimate the asset's recoverable amount.

The recoverable amount of an asset is the higher of: (i) its fair value less costs to sell and (ii) its value in use. The value in use corresponds to the discounted cash flows (pre-tax) as a result of continued use of asset until the end of its useful life, or concession term, whichever is shorter.

Apart from any indicators of impairment, balances of: goodwill deriving from business combinations and intangible assets with indefinite useful live must be tested for impairment at least once a year.

When the net book value of an asset exceeds its recoverable amount, the entity must recognize an impairment of this asset.

Any impairment must be recognized in income (loss) for the period or against "Revaluation reserve" if that provision is related to a revaluated asset.

Should the recoverable value of an asset not be individually determinable, then, the recoverable amount of the cash generating unit to which the asset belongs must be calculated.

Except in relation to goodwill impairment, the reversal of impairments previously recognized is allowed. The reversal of such impairments in these circumstances is limited to the depreciated balance the asset would have reported, on the reversal date, had the reversal never been recorded.

With the accounting standard CPC-01 Impairment of Assets issued in 2008 by the Brazilian Committee on Accounting Standards ("CPC"), Brazil's impairment was aligned with IFRS. Prior to this a defined methodology for the measurement of an asset's value in use did not exist and the calculation of discounted cash flows was not required.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### a) Impairment (Continued)

For the purposes of IFRS, we considered the recoverable amounts of cash generating units in accordance with the requirements of IAS 36 for January 1, 2008, the date of opening balance sheet under IFRS, and December 31, 2008, considering future cash flows, discounts rates of weighted average cost of capital, assets useful lives and concession terms and concluded that a provision for impairment of revalued assets of the subsidiary Concer was required, in the amount of R\$50,363 on the opening balance sheet date under IFRS with the corresponding entry to retained earnings, as required by IFRS 1.

For the balance sheet ended December 31, 2008, the provision for asset impairment for the purposes of IFRS equals the provision in accordance with BR GAAP, in the amount of R\$42,835. A partial reversal of this impairment charge of R\$7,528 was recognized in 2008, which resulted in an increase in the income for the year ended December 31, 2008.

At December 31, 2009, after reviewing and updating the subsidiary Concer's impairment test, as described in Note 14, Company management decided to reverse the previously established impairment allowance. For IFRS purposes, the opening balance of revalued PP&E deemed to be intangible assets in light of IFRIC 12 was valued at "deemed cost". Accordingly, the reversal was recorded in P&L for the year, amounting to R\$42,835, as set forth in IAS 36. According to BR GAAP, this reversal was recorded as a matching entry to "revaluation reserve" in shareholders' equity.

#### b) Lease agreements

In accordance with BR GAAP, up to December 31, 2007, the capitalization of assets acquired through finance lease agreements was not required, with all agreements being accounted for as if they were operating leases. Any payment to acquire the asset at the end of the lease term was recorded in property and equipment, upon its payment, which may be diluted over the term of the lease agreement or at its end. The depreciation of this payment was initiated at the end of the lease agreement and for the remaining estimated useful life of the asset.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### b) Lease agreements (Continued)

In 2008, the accounting standard CPC-06 was issued, which set forth that all tangible assets to be used in the Company's and its subsidiaries' operations, arising from finance lease agreements in force on January 1, 2008, must be recorded as property and equipment (in the case of Triunfo, partially under property and equipment and partially under Intangible Assets – assets that will be delivered to the granting authorities at the end of the concession term) and depreciated over the estimated useful life of the respective assets, or the concession term, whichever is the shorter, where applicable.

For the purposes of IFRS, in accordance with IAS 17, leasing agreements can be classified as finance or operating leases. Leases which substantially transfer the risks and benefits of the assets ownership to the Company are classified as financial leases and recorded as purchases of leased assets.

In the analysis for classification, the following were taken into account as indicators of finance leases: (i) at the end of the lease term the asset ownership is transferred to the Company; (ii) there is a purchase option at the end of the lease term on the asset by the Company, for an amount substantially lower than its market value; (iii) the term represents a substantial portion of the asset's useful life; (iv) the present value of the minimum payments over the lease term represent a substantial portion of the asset's market value; and (v) the specialized nature of the leased assets.

The Company recorded in the opening IFRS balance sheet the difference between BR GAAP in force at the time (all leases classified as operating leases) and IAS 17 (finance and operating lease concepts) in the amount of R\$109. The income statement impact for the year ended December 31, 2008 was a reduction of R\$48.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### c) Amortization of operation rights intangible assets

The operating rights intangible assets created by the acquisition of additional interests in the subsidiaries Econorte, OSR, Concepa and Rio Guaíba, recognized as goodwill at December 31, 2007, were amortized according to BR GAAP, until December 31, 2008, based on the recoverability period determined to be up to 10 years. On January 1, 2009, the Company reviewed its accounting policy to converge with IFRS. For the purposes of IFRS, amortization of these assets is based on the remaining contractual term of the concession over than 10 years, which management believes best reflects the usage pattern of the assets acquired and the cash flows generated by those assets. As a result, the shareholders' equity for the year ended December 31, 2009 and 2008 were increased by R\$19,145 and 19,580 respectively.

#### d) Amortization of concession intangible assets (improvement and expansion work)

For the purposes of IFRS, the Company reviewed the depreciation rates of all classes of property and equipment that will be delivered to the granting authorities and used the concession term or assets' useful lives to determine the depreciation rate, whichever is the shorter.

As a result shareholders' equity and income (loss) for the year ended December 31, 2008 were reduced by R\$11,704 and R\$11,704 respectively.

On January 1, 2009, the Company has revised and amortized the rates set forth in BR GAAP to be in line with those set forth in IFRS and as a result, the shareholders' equity and income for the year ended December 31, 2009 in accordance with IFRS were reduced by R\$11,574 and increased by R\$130, respectively.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### e) Debt issuance costs

Under IFRS, financial charges incurred when raising funds from third parties must be appropriated to income in accordance with their terms, based on the amortized cost method. This method takes into account the internal rate of return (IRR) of the transaction for the appropriation of the financial charges during the effective term of the agreement. The use of amortized cost makes the financial charges reflect the effective cost of the financial instrument and not only its contractual interest rate, i.e., they include the interest rate and the transaction cost of the financing, as well as the premiums received, goodwill, negative goodwill, discounts, monetary adjustments and others. As a result, the internal rate of return takes into account all cash flows, from the net value received for the consummation of the transaction up to the payments made or to be made until the settlement of the transaction.

On applying IFRS, shareholders' equity of opening balance sheet was increased by R\$2,177. In addition, at December 31, 2008, shareholders' equity and the income (loss) for the year were increased by R\$487 and (R\$557), respectively. For December 31, 2009 shareholders' equity and the net income for the year were decreased by R\$311 and R\$798, respectively.

Concerning that BR GAAP has converged with IFRS with of the issuance of CPC – 08 Transaction Costs and Premiums on the Issue of Securities, after January 1<sup>st</sup>, 2008 new financial charges incurred when raising funds from third parties have been appropriated to income in accordance with their terms, based on the amortized cost method.

#### f) Provision for highway maintenance services

Under IFRIC 12, the contractual obligation to perform highway maintenance services established in the concession agreements are recognized on the balance sheet date at present value. Under BR GAAP, the highway maintenance expenses are capitalized when incurred. On January 1, 2008 the Company recognized the opening balance of the provision for R\$65,532, which adjusted shareholders' equity at that date. At December 31, 2008 the Company recognized R\$13,903, consisting of the reversal of recoveries recognized as fixed assets in BR GAAP, plus the increase in the amount of the provision by R\$1,011, which totaled R\$14,914, thus impacting P&L for the year 2008 and cumulatively reduced shareholders' equity by R\$ 80,447. For the year ended December 31, 2009 the

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

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### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

reversal of recoveries amounted to R\$20,031, net of R\$179 regarding the reversal of the provision for adjustment of the amount realized in the year, representing an impact on P&L for R\$19,852. Also, shareholders' equity at December 31, 2009 was reduced by R\$100,299 for the cumulative effect of these adjustments.

#### g) Deferred charges write-off

Under IFRS, the deferral of operating or pre-operating expenses as assets and certain other assets is usually not acceptable. The Company carried out an analysis of the elements recorded in deferred charges and other assets and reclassified those that could be classified as other assets, such as intangible assets, property and equipment. The items not meeting these criteria were written-off on the date of transition resulting in an increase of R\$4,813 in shareholders' equity on the opening balance sheet. This increase is mainly due to exchange gains related to pre-operating activities recorded in deferred charges according to the BR GAAP.

For December 31, 2008 shareholders' equity was reduced by R\$5,940 and income (loss) was increased by R\$1,917. For December 31, 2009 net income was increased by R\$5,940 due to equalization with the practices adopted in Brazil.

On December 17, 2008, the Brazilian Securities and Exchange Commission approved CPC 13 which provides guidance on first-time adoption of Law 11.638/07 and Provisional Measure 449/08, which removed the ability to defer such charges under BR GAAP thereby aligning BR GAAP with IFRS.

#### h) Revenues and expenses with construction cost

Under IFRIC 12, when the operator builds infrastructure in exchange for the rights or license to collect tariffs from public utility users, it must recognize construction revenue in accordance with IAS 11 – Construction Agreements and apply the intangible asset model to recognize the right to charge the users of the infrastructure.

In practice, for the Company's concession agreements, there is no distinction between the amount incurred for the construction of assets and amounts paid to the government for the right to explore the license to operate the infrastructure, since the amounts of each component is not determined. Further, there are no active markets to determine the fair value of specific construction services,

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

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December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### h) Revenues and expenses with construction cost (Continued)

therefore, revenue recognized during the construction phase is limited to the amount of cost incurred that in the year ended December 31, 2008 resulted in the recognition of revenues and corresponding costs of R\$225,573, of which R\$54,053 for the highway segment and R\$171,520 for the energy segment.

For the year ended at December 31, 2009 this resulted in the recognition of revenues and corresponding costs of R\$45,116 only for the highway segment (continuing operation) as the energy segment has being recorded as assets held for sale in accordance with IFRS 5. Under IFRS 5, the Company has presented and disclosed information to evaluate the financial effects of discontinued operations. In 2009, the revenues and costs of energy construction related to discontinued operations is R\$245,488. Additionally the profit (loss) after tax for the year ended December 31, 2009 from discontinued operation is zero. The disclosure for BR GAAP is showed in Note 11.

#### i) Deferred income and social contribution taxes over GAAP differences

According to the IFRS, income tax effects must be reflected in the consolidated financial statements in the same periods in which the assets and liabilities generating said effects are recorded. The differences between the accounting basis (presented in the financial statements) and tax basis (amount that will be deductible or taxable for the purposes of income tax) of the assets and liabilities are classified as temporary differences.

Deferred tax assets must only be initially recognized insofar as it is likely that they will be realized against taxable gains to be generated in the future. Deferred tax assets and liabilities are always classified as non-current, and are not discounted.

As shown in the reconciliation of shareholders' equity and loss for the year, the assets and liabilities under the IFRS present certain differences in relation to the BRGAAP. These differences were the object of an analysis for recording the deferred income and social contribution taxes in the statements according to the IFRS.

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December 31, 2009 and 2008

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### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### j) Minority interest

According to BR GAAP, the portion corresponding to minority interest of entity's subsidiaries is highlighted in a separate group of accounts in the consolidated balance sheet, immediately preceding shareholders' equity and under specific item preceding the net income in the statement of income.

According to IAS 1 "Reporting of financial statements", the portion corresponding to minority interest is not separated from shareholders' equity and consolidated income (loss) for the year. For the balance sheet ended December 31, 2009 and 2008, the shareholders' equity were increased by R\$37,625 and R\$29,993 respectively and the income (loss) for the year ended in 2009 and 2008 were decreased by R\$212 and R\$7 respectively.

#### k) Earnings per share

Under IFRS, publicly-held companies must disclose basic earnings per share and diluted earnings per share in the consolidated statement of income.

The basic earnings or loss per share must be calculated by dividing the net income for the period attributable to shareholders by the weighted average of the number of outstanding shares during the period, including issues of rights and warrants.

An entity must calculate the diluted earnings or loss per share, considering the net income or loss attributable to shareholders and the weighted average number of outstanding shares, accrued of the effects of all potential shares. All the instruments and agreements that result in the issue of shares are deemed as potential shares. Comparative amounts must be adjusted in order to reflect capitalizations, warrant issues or share splits. Should these changes occur after the balance sheet date, but preceding the authorization to issue the consolidated financial statements, the calculations per share of those or any financial statements of previous periods must be based on the new number of shares.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

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### 32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)

#### k) Earnings per share (Continued)

	<u>12/31/09</u>	<u>12/31/08</u>
Numerator		
Income (loss) attributed to holders of common shares	<u>73,683</u>	<u>(88,091)</u>
Denominator		
Weighted average of outstanding common shares – basic	136,704,528	136,704,528
Weighted average of options exercisable at the end of the year – diluted	61,306	
Weighted average of options exercisable at a value lower than average market price – diluted	(61,306)	-
Weighted average of shares exercisable at a value lower than the average market price - diluted	1,307,511	-
Weighted average of subscribed common shares - diluted	<u>138,012,039</u>	<u>136,704,528</u>
Earnings (loss) per share (R\$) - Basic	0.5390	(0.6444)
Earnings (loss) per share (R\$) - Diluted	<u>0.5339</u>	<u>(0.6444)</u>

As per Note 24, on September 23, 2009, the Board granted the total of 500,000 stock options to the Company's executives and employees. In 2009 the issuance of these options will not impact the diluted earnings per share calculation as the exercise price of the option is greater than the average stock market price for the period.

Also, according to Note 23, on October 9, 2009, the Company's management decided to issue 9,292,472 common shares, having subscribed for 7,842,128 of which until December 31, 2009, considered in the weighted average of shares for calculation of the diluted earnings per share for that year.

In addition, there are no other instruments convertible into shares and agreements that may result in potential issue of new shares. In 2009 and 2008, the number of shares was not altered.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

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### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### **l) New IFRS and IFRIC interpretations (The International Financial Reporting Interpretations Committee)**

Certain new IASB accounting procedures and IFRIC interpretations have been published and/or reviewed and their adoption is optional or mandatory for the financial year starting January 1, 2010.

The IASB and the IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements.

Currently, the Company's management does not currently anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the IFRS first-time adoption period.

#### **IAS 24 Disclosure Requirements for Government-Related Entities and Definition of a Related Party**

The revised version of IAS 24 simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard addresses concerns that the previous disclosure requirements and definition of a 'related party' were too complex and difficult to apply in practice, particularly in environments where government control is pervasive, by providing a partial exemption for government-related entities and a revised definition of a related party. This amendment was issued in November 2009 and is effective for financial years beginning on or after January 1, 2011. The Company believes that adoption of these new requirements will not impact its consolidated financial statements.

#### **IAS 27 Consolidated and Separate Financial Statements (revised)**

In January 2008, the IASB issued an amended version of IAS 27 'Consolidated and Separate Financial Statements'. This requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. Such transactions will no longer result in goodwill or gains or losses. When control is lost, any remaining interest in the entity is remeasured to fair value and a gain or loss recognized. The amendment is effective for annual periods beginning on or after July 1, 2009 and is to be applied retrospectively, with certain exceptions. The Company plans to adopt the new requirement with effect from January 1, 2010 and does not expect it will have an impact on the consolidated financial statements.

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### IAS 32 Classification of Rights Issues

In October 2009, the IASB issued an amendment to IAS 32 on the classification of rights issues. For rights issues offered for a fixed amount of foreign currency, current practice requires such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all of an entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is effective for financial years beginning on or after February 1, 2010. The Company believes that adoption of these new requirements will not impact its consolidated financial statements.

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

Notes to the consolidated financial statements (Continued)

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### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

This amendment was issued in July 2008 and is effective for financial years beginning on or after July 1, 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The Company plans to adopt the new requirement with effect from January 1, 2010 and does not expect it will have an impact on the consolidated financial statements.

#### IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions

In June 2009, the IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. This amendment is effective for financial years beginning on or after January 1, 2010. The Company believes that adoption of these new requirements will not impact its consolidated financial statements.

#### IFRS 1 Additional Exemptions for First-Time Adopters

The amendments to IFRS 1 address the retrospective application of IFRSs to particular situations and are aimed at ensuring that entities applying IFRSs will not face undue cost or effort in the transition process. The amendments exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets and exempt entities with existing lease contracts from reassessing the classification of those contracts in accordance with IFRIC 4 'Determining whether an Arrangement contains a Lease' when the application of their national accounting requirements produced the same result. This amendment was issued in July 2009 and is effective for financial years beginning on or after January 1, 2010. The Company believes that adoption of these new requirements will not impact its consolidated financial statements.

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

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### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### IFRS 3 Business Combinations (revised)

In January 2008, the IASB issued a revised version of IFRS 3 'Business Combinations'. The revised standard still requires the purchase method of accounting to be applied to business combinations but will introduce some changes to existing accounting treatment. For example, contingent consideration is measured at fair value at the date of acquisition and subsequently remeasured to fair value with changes recognized in profit or loss. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs are expensed. The standard is applicable to business combinations occurring in accounting periods beginning on or after July 1, 2009 and the Company to adopt it with effect from January 1, 2010. The Company believes that adoption of these new requirements will not impact its consolidated financial statements.

#### IFRS 9 Financial Instruments – Classification and Measurement

IFRS 9 Financial Instruments completes the first part of the project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a simple approach to determine whether a financial asset is measured at amortized cost or fair value. The new approach is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The standard also requires a single impairment method to be used. This standard is effective for financial years beginning on or after January 1, 2013. The Company has not yet completed its evaluation of the effect of adopting this interpretation.

#### IFRIC 14 Prepayments of a Minimum Funding Requirement

This amendment is to remedy an unintended consequence of IFRIC 14. The amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. This amendment is effective for financial years beginning on or after January 1, 2011. This amendment will not have an impact on the Company's consolidated financial statements.

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

Notes to the consolidated financial statements (Continued)

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### **32. Reconciliation of shareholders' equity as of December 31, 2009 and 2008 and income (loss) for the year then ended prepared according to the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) (Continued)**

#### IFRIC 17 Distributions of Non-cash Assets to Owners

This interpretation is effective for annual periods beginning on or after July 1, 2009 with early application permitted. It provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. The Company does not expect IFRIC 17 to have an impact on the consolidated financial statements as the Company has not made non-cash distributions to shareholders in the past. The Company believes that adoption of these new requirements will not impact its consolidated financial statements.

#### IFRIC 18 Transfer of Assets from Customers

IFRIC 18 was issued in January 2009 and is effective prospectively from July 1, 2009. This interpretation clarifies the treatment of IFRS, particularly IAS 18 'Revenue' for agreements in which an entity receives an item of property, plant and equipment from a customer to connect to an ongoing supply of goods and services. The Company believes that adoption of these new requirements will not impact its consolidated financial statements.

#### IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 was issued in November 2009 and is effective prospectively from July 1, 2010. This interpretation clarifies the requirements of International Financial Reporting Standards when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The Company believes that adoption of these new requirements will not impact its consolidated financial statements.

There are no other standards and interpretations in issue but not yet adopted that Management anticipate will not have a material effect on the reported income or net assets of the Company.

## TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries

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December 31, 2009 and 2008

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### 33. Changes in accounting practices and required disclosures

During 2009, the Brazilian Accounting Pronouncements Committee (CPC) issued and the Brazilian Securities and Exchange Commission (CVM) approved several Technical Pronouncements, Interpretations and Guidelines whose application will be mandatory only as of January 1, 2010, requiring that the Company present again the financial statements of the comparative year.

Optionally, the Company could have chosen the early adoption and applied the pronouncements during the year ended December 31, 2009, provided they were adopted in full. The Company chose not to do so for its 2009 financial statements, and it presents below a brief description of the changes to be made to the accounting practices adopted previously that, to the best of its judgment, may be relevant to its financial statements of December 31, 2009 and comparative period.

Up to the date of preparation of these financial statements, 37 (\*) new technical pronouncements had been issued by CPC and approved by CVM Deliberations for mandatory application as of 2010. The CPCs that may be applicable to the Company and its subsidiaries, considering their operations, are the following:

CPC	Title
17	Construction Agreements
20	Borrowing Costs
21	Interim Statement
22	Information by Segment
24	Subsequent Event
25	Provisions, Contingent Liabilities and Contingent Assets
26	Presentation of Financial Statements
27	Fixed Assets
30	Revenues
32	Taxes on Income
33	Employee Benefits
36	Consolidated Financial Statements
37	Initial Adoption of the International Accounting Standards
38	Financial Instruments: Recognition and Measurement
39	Financial Instruments: Presentation
40	Financial Instruments: Reporting
43	Initial Adoption of Technical Pronouncements CPC 15 through 40
ICPC 01	Concession Agreements
ICPC 08	Accounting for the Proposal for Payment of Dividends
ICPC 10	Clarifications on Technical Pronouncements CPC 27 – Fixed Assets and CPC 28 – Real Estate for Investment

(\*) Total new technical pronouncements issued up to December 31, 2009.

## **TPI - Triunfo Participações e Investimentos S.A. and Subsidiaries**

Notes to the consolidated financial statements (Continued)

December 31, 2009 and 2008

(In thousands of reais, except when indicated otherwise)

### **33. Changes in accounting practices and required disclosures (Continued)**

The Management of the Company and its subsidiaries is reviewing the impacts resulting from the application of these new technical pronouncements issued by the CPC, since the procedures for recording the concessions will be substantially altered by ICPC 01 – Concession Agreements.

### **34. Subsequent events**

a) Triunfo

i) *Auction of Shares Issued by the Company*

On January 19, 2010, the 1,453,344 shares remaining from the capital increase described in Note 23 were auctioned. The price of the shares at the auction, net of expenses, was R\$6.32, of which R\$7,979 referred to the capital increase and R\$1,193 referred to the goodwill on the issue price of R\$5.49 per share.

b) Rio Verde

i) *Loan facility to implement Salto plant*

On January 15, 2010, Bridging Loan entered into with Banco Itaú, “hot account” type, was renewed in the amount of R\$10,000, with maturity due on February 26, 2010, and principal amount restated at the CDI variation plus a 1.5% spread per year.

On January 21, 2010, Rio Verde received the first installment of the supplementary credit contracted from BNDES in the amount of R\$11,600.