Mills Estruturas e Serviços de Engenharia S.A.

(Free Translation from Portuguese Original)

Presentation of Interim Financial Information as at September 30, 2011 and Independent Auditor's Report on Review of Interim Financial Information

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of
Mills Estruturas e Serviços de Engenharia S.A.
Rio de Janeiro – RJ

Introduction

We have reviewed the accompanying interim financial information (ITR), of Mills Estruturas e Serviços de Engenharia S.A. ("Company") for the quarter ended September 30, 2011, which comprises the balance sheet as at September 30, 2011 and the related statements of income and comprehensive income for the three-month and nine-month periods then ended, changes in equity and cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of interim financial information in accordance with CPC 21 - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

Other matters

Interim Statements of Value Added

We also have reviewed the interim statements of value added ("DVA"), for the nine-month period ended September 30, 2011, presentation of which is required by the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Interim Financial Information, and is considered as supplemental information for IFRS, that does not require presentation of DVA. This statement was subject to the same review procedures described above and based on our review, nothing has come to our attention that causes us to believe that it is not prepared, in all material respects, in relation to the interim financial information taken as a whole.

Examination and review of comparative amounts

The amounts for the year ended December 31, 2010 and the three-month period and nine-month periods ended September 30, 2010, presented for comparative purposes, were previously audited and reviewed by other independent auditors who issued an unqualified report dated February 25, 2011 and an unqualified review report dated May 12, 2011, respectively.

The accompanying financial information has been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, November 7, 2011

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Antônio Carlos Brandão de Sousa
Engagement Partner

(Free Translation from Portuguese Original)

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

BALANCE SHEETS AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010
(In thousands of Brazilian Reais)

	Note	At Sep, 30, 2011	At Dec, 31, 2010
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	72,241	6,192
Marketable securities	4	-	136,146
Trade receivables	5	126,549	122,136
Inventories		11,838	5,630
Recoverable taxes	6	21,169	26,157
Advances to suppliers		9,577	7,275
Other current assets		4,074	4,379
		245,448	307,915
NONCURRENT ASSETS			
Trade receivables	5	3,173	3,781
Recoverable taxes	6	28,480	3,943
Deferred taxes	14	21,968	8,057
Deposits in court	15	7,802	7,328
		61,423	23,109
Investments	7	87,965	
Property, plant and equipment	8	788,600	551,174
Intangible assets	9	44,680	41,895
		921,245	593,069
TOTAL ASSETS		1,228,116	924,093

(continues)

(Free Translation from Portuguese Original)

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

BALANCE SHEETS AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010
(In thousands of Brazilian Reais)

	Note	At Sep. 30, 2011	At Dec. 31, 2010
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables		12,138	32,743
Borrowings and financings	10	41,022	46,698
Debentures	11	15,802	-
Salaries and payroll charges		33,311	21,264
Tax refinancing program (REFIS)		713	717
Taxes payable		9,851	4,357
Profit sharing payable		4,695	17,504
Dividends payable and interest on capital invested	18	18,879	28,112
Derivative financial instruments	22	4,999	7,003
Other current liabilities		5,092	2,392
		146,502	160,790
NONCURRENT LIABILITIES			
Borrowings and financings	10	77,143	85,925
Debentures	11	268,310	-
Tax refinancing program (REFIS)		10,394	10,041
Provision for tax, civil and labor risks	15	12,678	11,139
Deferred taxes	14	9,430	-
Other noncurrent liabilities		602	1,046
		378,557	108,151
Total liabilities		525,059	268,941
STOCKHOLDERS' EQUITY			
Capital	16	526,797	525,123
Earnings reserves	16	144,062	145,202
Capital reserve	16	(6,502)	(8,170)
Valuation adjustments to equity	16	(3,072)	(7,003)
Retained earnings	16	41,772	-
Total stockholders' equity		703,057	655,152
TOTAL LIABILITIES AND EQUITY		1,228,116	924,093

The accompanying notes are an integral part of the interim financial information.

(Free Translation from Portuguese Original)

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands of Brazilian Reais, except share data)

	Note	September 30, 2011 (3rd Quarter)	September 30, 2011 (9 months)	September 30, 2010 (3rd Quarter)	September 30, 2010 (9 months)
Net revenues from sales and services	19	175,059	484,044	148,881	395,667
Cost of products sold and services rendered	20	(92,263)	(244,786)	(70,489)	(178,318)
GROSS PROFIT		82,796	239,258	78,392	217,349
General and administrative expenses	20	(52,071)	(130,962)	(35,455)	(100,704)
OPERATING PROFIT		30,725	108,296	42,937	116,645
Financial revenues	21	4,619	12,043	7,090	13,854
Financial expenses	21	(16,584)	(34,016)	(7,180)	(19,955)
NET FINANCIAL INCOME (EXPENSES)	21	(11,965)	(21,973)	(90)	(6,101)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		18,760	86,323	42,847	110,544
Income tax and social contribution	14	(883)	(23,691)	(14,392)	(37,322)
NET INCOME FOR THE PERIOD		17,877	62,632	28,455	73,222
Basic earnings per share - Reais and centavos	18(a)	0.14	0.50	0.23	0.59
Diluted earnings per share - Reais and centavos	18(b)	0.13	0.49	0.22	0.58

The accompanying notes are an integral part of the interim financial information.

(Free Translation from Portuguese Original)

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands of Brazilian Reais)

	September 30, 2011 (3rd Quarter)	September 30, 2011 (9 months)	September 30, 2010 (3rd Quarter)	September 30, 2010 (9 months)
NET INCOME FOR THE PERIOD	17,877	62,632	28,455	73,222
OTHER COMPONENTS OF COMPREHENSIVE INCOME				
Cash flow hedges	7,612	3,931	(3,671)	(4,179)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	25,489	66,563	24,784	69,043

The accompanying notes are an integral part of the interim financial information.

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2010
((In thousands of Brazilian Reais)

	Capital		Capital	Earnings reserves			Valuation adjustment	Retained	
	Subscribed	To be paid in	reserve	Legal	investment	Especial	to equity	earning	Total
BALANCES AT JANUARY 1, 2010	81,003	(322)	5,728	3,419	77,444	5,369	-	-	172,641
Paying in of capital	-	322	-	-	-	-	-	-	322
Capital increase – capitalization of expansion reserve	16,201	-	-	-	-16,201	-	-	-	-
Capital increase – issue of shares in Brazil (IPO)	408,939	-	-	-	-	-	-	-	408,939
Capital increase – issue of shares abroad	17,31	-	-	-	-	-	-	-	17,31
Cost of issue of shares	-	-	(14,659)	-	-	-	-	-	(14,659)
Stock option premium	-	-	842	-	-	-	-	-	842
Comprehensive income for the 9-month period - cash flow hedges	-	-	-	-	-	-	(4,179)	-	(4,179)
Net income for the 9-month period	-	-	-	-	-	-	-	73,222	73,222
BALANCES AT SEPTEMBER 30, 2010	523,453	-	(8,089)	3,419	61,243	5,369	(4,179)	73,222	654,438

The accompanying notes are an integral part of the interim financial information.

(Free Translation from Portuguese Original)

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE 9-MONTH PERIOD ENDED SEPTEMBER 30, 2011
(In thousands of Brazilian Reais)

	Subscribed capital	Capital reserve	Earnings reserves – Legal	Earnings reserves – Investment	Earnings reserves – Retention	Earnings reserves – Special	Valuation adjustment to equity	Retained earnings	Total
BALANCES AT JANUARY 1, 2011	525,123	(8,170)	8,583	61,243	71,527	3,849	(7,003)	-	655,152
Paying in of capital - issue of shares	1,674								1,674
Aquisition of treasury stock						(535)			(535)
Cancellation of treasury stock		(535)				535			-
Stock option premium	-	2,203	-	-	-	-	-	-	2,203
Realization of special reserve - fiscal amortization of goodwill on upstream merger of Itapoã	-	-	-	-	-	(1,140)	-	1,140	-
Comprehensive income for the 9-month period - cash flow hedges	-	-	-	-	-	-	3,931	-	3,931
Net income for the 9-month period	-	-	-	-	-	-	-	62,632	62,632
Proposed interest on capital invested	-	-	-	-	-	-	-	(22,000)	(22,000)
BALANCES AT SEPTEMBER 30, 2011	526,797	(6,502)	8,583	61,243	71,527	2,709	(3,072)	41,772	703,057

The accompanying notes are an integral part of the interim financial information.

(Free Translation from Portuguese Original)

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF CASH FLOWS FOR THE 9-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands of Brazilian Reais)

	September 30, 2011	September 30, 2010
Cash flows from operating activities:		
Net Income before IRPJ and CSLL	86,323	110,544
Adjustments:		
Depreciation and amortization	53,415	32,505
Provision for contingencies	1,539	550
Provision for expenses on stock options	2,203	259
Profit sharing payable	4,695	10,948
Residual value (profit) on sale of fixed and intangible assets	4,561	-
Gain on sale of fixed and intangible assets	-	(10,018)
Yields from marketable securities	-	(12,806)
Interest and monetary and exchange variation on borrowings, debentures, contingencies and deposits in court	29,021	16,150
Tax refinancing program (REFIS)	349	(1,305)
Changes in assets and liabilities:		
Trade receivables	(3,806)	(35,193)
Inventories	(6,208)	(2,562)
Recoverable taxes	(10,265)	6,454
Deposits in court	(474)	(401)
Other assets	(1,998)	(7,368)
Trade payables	(4,885)	16,893
Salaries and payroll charges	12,047	11,434
Taxes payable	2,373	(492)
Other liabilities	4,183	2,078
Cash provided by operations:		
Interest paid	(9,939)	(13,753)
Income tax and social contribution paid	(17,655)	(23,276)
Profit sharing paid	(17,504)	(13,824)
Net cash provided by operating activities	127,973	86,817
Cash flows from investing activities		
Marketable securities	136,146	(179,337)
Acquisitions of investments	(93,465)	-
Acquisitions of fixed and intangible assets (*)	(328,205)	(268,501)
Revenue from sale of fixed and intangible assets	-	11,494
Net cash used in investing activities	(285,524)	(436,344)
Cash flows from financing activities		
Purchase of treasury stock	(534)	-
Capital injections	1,674	426,571
Costs incurred on issue of shares	-	(14,659)
Dividends and interest on capital invested paid	(28,112)	(15,527)
Amortization of borrowings	(78,290)	(88,781)
Funding obtained from loans/debentures	328,861	45,135
Net cash provided by (used in) financing activities	223,599	352,739
Net increase in cash and cash equivalents	66,049	3,212
Cash and cash equivalents at beginning of period (Note 3)	6,192	1,575
Cash and cash equivalents at end of period (Note 3)	72,241	4,787

(*) The PIS and COFINS credits are included in acquisitions of fixed and intangible assets.

The accompanying notes are an integral part of the interim financial information.

(Free Translation from Portuguese Original)

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF VALUE ADDED FOR THE 9-MONTH PERIODS
ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands of Brazilian Reais)

	2011	2010
Revenues:		
Sales of merchandise, products and services	561,715	456,244
Cancellations and discounts	(32,511)	(21,158)
Other revenues (sales of assets)	532	71
Allowance for doubtful debts	(11,578)	(693)
	518,158	434,464
Inputs acquired from third parties :		
Cost of products and merchandise sold and services rendered		
Materials, energy, outsourced services and other supplies	(86,639)	(63,955)
Write-off (derecognition) of assets	(3,836)	(1,107)
Other inputs	(393)	(1,339)
	(90,868)	(81,618)
Gross value added	427,290	352,846
Depreciation, amortization and depletion	(53,416)	(32,505)
Net value added produced by the entity	373,874	320,341
Valoue added received in transfer		
Equity pickup		-
Financial income	12,043	13,854
	12,043	13,854
	-	
Total value added for distribution	385,917	334,195
Distribution of value added	162,658	
Salaries and payroll charges of personnel	126,892	130,445
Direct remuneration	27,606	102,026
Benefits	8,160	22,256
Severance pay accrual (FGTS)	99,804	6,163
Taxes, fees and contributions	90,121	97,172
Federal	2,514	87,713
State	7,169	2,602
Municipal	48,235	6,857
Remuneration of third-party capital	34,165	33,356
Interest and exchange variation	14,070	20,250
Rentals		13,106
Remuneration of Company capital	62,632	73,222
Interest on capital invested	22,000	-
Retained earnings	40,632	73,222
		-
Value added distributed	373,329	334,195

The accompanying notes are an integral part of the interim financial information.

1. OPERATIONS

Mills Estruturas e Serviços de Engenharia S.A. ("Mills" or the "Company") is a publicly traded corporation under Brazilian law with registered offices in the City of Rio de Janeiro. The Company basically operates in the civil construction and industrial maintenance markets, engaging in the following principal activities:

(a) Rental and sale, including export, of steel and aluminum structures for civil construction work, as well as reusable concreting forms, along with optional supply of related engineering projects, supervisory and assembly services;
(b) Rental, assembly and dismantling of access tubular scaffolding in industrial areas;
(c) Performance of industrial painting, sand-blasting, heat insulation, boilermaker and refractory services, as well as such other services as are inherent in such activities; and
(d) Sale, lease and distribution of aerial work platforms and telescopic manipulators, as well as parts and components and technical assistance and maintenance services for such equipment.

The interim accounting data contained in the financial information for the quarter and nine-month period ended September 30, 2011 (ITR for 3Q11) was approved and authorized for publication by the Company's Executive Officers Committee on November 4th, 2011.

Corporate events

1.1. Acquisition of control of GP Sul

During the 2nd Quarter of 2011 (on May 27th) Mills acquired 100% of the total and voting capital of GP Andaimes Sul Locadora Ltda. ("GP Sul") for R$5,500. GP Sul is a limited liability company under Brazilian law founded in 2009 and based in Porto Alegre, capital of the State of Rio Grande do Sul (RS). GP Sul's stated corporate purpose is the rental of mechanical suspended scaffolding, motorized suspended scaffolding and tubular scaffolding.

The acquisition of GP Sul was recorded in accordance with CPC 15 (IFRS 3R), considering the fair value of the identifiable assets and liabilities.

As at September 30, 2011 the market appraisal of GP Sul was concluded by a specialized appraisal firm and the net assets acquired as at the business combination date were as follows:

	Fair value recognized upon acquisition
	R$thousands
Current Assets	
Cash and cash equivalents	34
Trade and other accounts receivable	245
Noncurrent Assets	
Property, plant and equipment	3,312
Current Liabilities	
Trade and other accounts payable	68
Total net identifiable assets	3,523
Consideration transferred	5,500
Goodwill	1,977

The goodwill calculated is recorded due to expectations of future profitability, is not being amortized and is subject to annual impairment testing.

1.2. Upstream merger of GP Sul

In the 3rd Quarter of 2011 (on August 1), the Extraordinary General Meeting (EGM) of the stockholder of Mills approved the upstream merger of GP Sul by the Company, with absorption of the net assets of GP Sul by Mills and, as a consequence, the extinction of GP Sul. Appraisal of the shareholders' equity and net assets was carried out based on the equity amounts as at the base date of May 31, 2011. The following is the balance sheet incorporated.

ASSETS	1,003
CURRENT ASSETS	337
Cash and cash equivalents	337
NONCURRENT ASSETS	666
Trade receivables	119
Property, plant and equipment	547
LIABILITIES	1,003
CURRENT LIABILITIES	97
Trade payables	28
Tax obligations	42
Salaries and payroll charges	27
SHAREHOLDERS' EQUITY	906
Capital stock	100
Results	806

The changes in equity between May 31, 2011 and July 31, 2011 were recorded at Mills.

2. PRESENTATION OF THE INTERIM FINANCIAL INFORMATION

2.1. Basis for presentation

The Company’s interim financial information (ITR) for the quarter and nine-month period ended September 30, 2011 has been prepared in accordance with the technical pronouncement issued by the Brazilian Accounting Pronouncements Committee (CPC) No. CPC 21, which deals with interim financial statements, as well as in conformity with International Accounting Standard (IAS) No. 34.

Such interim financial information does not include all the information and disclosures required of annual financial statements and, therefore, it should be read in conjunction with the audited financial statements of Mills for the year ended December 31, 2010, which were prepared in accordance with accounting practices adopted in Brazil (BR GAAP) and in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board – IASB.

As required by the Brazilian Securities Commission’s Official Circular Letter No. CVM 003/2011 of April 28, 2011, we present below the notes included in the most recent annual audited financial statements (for the year ended December 31, 2010) which, in view of the absence of material alterations in this quarter, are not completely included in the accompanying interim financial information:

Notes not included in the period ended September 30, 2011:	Complete note in the annual financial statements for the year 2010
Financial risk management	Note 5
Tax refinancing program (Refis)	Note 12

2.2. Basis of preparation

The same significant accounting practices, calculation methods, judgments, estimates and premises as applied in the financial statements for the year ended December 31, 2010 have been followed in this interim financial information, with the exception of those described below:

a) Non-derivative financial instruments

a.1) Debentures

The Company’s debentures are recognized under liabilities at their amortized cost, plus interest incurred through the reporting date.

The transaction costs incurred are measured at their amortized cost and recognized under liabilities, reducing the balance of debentures and being appropriated to income over the term the contracts remain in effect.

a.2) Capital stock

Repurchase of shares (treasury stock)

The shares repurchased by the Company are classified as treasury stock and presented as deductions from stockholders' equity until such time as the shares are canceled or reissued. Upon sale or subsequent reissue, the amount received is recognized as an increase in stockholders' equity, and the resulting surplus or deficit is transferred to or from retained earnings.

b) Business combinations

In the financial statements, acquisitions of businesses are recorded under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated according to the sum of the fair values of the assets transferred by the Company and the liabilities incurred by the Company on the acquisition date, is measured at fair value, calculated as the aggregate of the fair value of the assets transferred to and liabilities assumed by the company on the acquisition date from the former controlling shareholders of the acquiree. The costs related to the acquisition are generally recognized in income when incurred.

The assets acquired and liabilities assumed are recognized at their fair values as at the acquisition date, except for:

- Deferred tax assets or liabilities, and assets and liabilities related to employee benefit agreements, which are recognized and measured under IAS 12 – Income Taxes, and IAS 19 - Employee Benefits (equivalent to CPC 32 and 33, respectively;
- Liabilities or equity instruments related to share-based payment agreements of the acquiree or payment arrangements based on Group stock, executed to replace the share-based payment agreements of the acquiree, are measured under IFRS 2 – Share-based Payment (equivalent to CPC 10) on the acquisition date; and
- Assets (or disposal groups) classified as held for sale under IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations (equivalent to CPC 31) are measured in compliance with this standard.

The goodwill is measured as being the excess of the consideration transferred in relation to the net assets acquired and liabilities assumed. If the consideration is less than the fair value of the assets acquired, the difference is to be recognized as a gain in the income statement. After initial recognition, the goodwill is measured at cost, less any accumulated impairment losses. For impairment testing purposes, as from the acquisition date the goodwill acquired in a business combination is appropriated to each cash generating unit of the Company that is expected to be benefited by the combination synergies, irrespective of other assets or liabilities of the acquiree being attributed to such unit.

2.3. New IFRS standards, amendments to existing IFRS standards and IFRIC interpretations (IASB's Financial Information Interpretations Committee).

Some new accounting standards issued by the IASB and IFRIC interpretations have been published and/or amended and have their adoption optional or mandatory for annual periods beginning January 1st, 2011. The new standards issued in previous periods are mentioned in the financial statements for the year ended December 31, 2011, and have not been repeated in these interim financial statements as there was no change in their application. There was no early adoption of these standards and amendments by Mills.

The main standards and interpretations issued in 2011 which may be applicable to the Company are described below:

IAS 27 – Separate Financial Statements

In May 2011 the IASB issued the amendment to IAS 27 removing the requirements related to consolidated financial statements, which were replaced by statement IFRS 10 - Consolidated Financial Statements. Additionally, the IASB transferred to IAS 27 some requirements of IAS 28 - Investments in Associates and IAS 31 - Interests in Joint Ventures related to separate financial statements.

The amendments to IAS 27 are effective for annual periods beginning on or after January 1, 2013. The Company is evaluating the possible effects arising from application of this amendment.

IFRS 10 – Consolidated Financial Statements

In May 2011 the IASB issued IFRS 10, which replaces IAS 27 and SIC 12 Consolidation – Special Purpose Entities relating to requirements applicable to consolidated financial statements.

IFRS 10 defines "control" through a single consolidation model for all entities, stating that an investor may have control over an investee in different forms, not only through the government of financial and operating policies. Although exposure to the risks and benefits is an indicator of control, it is not an isolated reason for consolidation of any entity.

The Company is evaluating the possible effects arising from the implementation of this standard and possible differences in relation to IAS 27.

IFRS 13 – Fair Value Measurement

Also in May 2011 the IASB issued IFRS 13 in order to establish a single framework for measuring fair value where that is required by other standards, reducing complexity, improving consistency in application and, therefore, improving the comparability of information presented in the financial statements.

IFRS 13 does not change the original requirements of other standards, only clarifies the definition of fair value, explain how to determine the fair value and improves the disclosures about measuring fair value.

This pronouncement is effective for annual periods beginning on or after January 1, 2013.

The Company considers that the modifications of this standard will not impact its financial statements.

IAS 1 – Presentation of Items of Other Comprehensive Income

In September 2011 the IASB issued an amendment to IAS 1 requiring segregation between items that may be reclassified to profit or loss when certain conditions are met and those that may not in other comprehensive income.

Amendments to IAS 1 are effective for annual beginning on or after January 1, 2013.

The Company believes that changes in this standard will not impact its consolidated financial statements.

The CPC has not yet issued their pronouncements and changes related to the new IFRS standards, amendments to existing IFRS standards and IFRIC interpretations above described. Due to the commitment of both the CPC and the CVM to keep the issued standards updated based on the updates carried out by the IASB, it is expected that these pronouncements and changes will be published by the CPC and approved by the CVM by the date of their mandatory application.

3. CASH AND CASH EQUIVALENTS

	As at Sep. 30 2011	As at Dec. 31, 2010
Cash	364	275
Banks	71,877	5,917
	72,241	6,192

The balances recorded under Banks refer to the remaining funds derived from the Company's issue of its debentures.

4. MARKETABLE SECURITIES

The Company's cash investment in marketable securities as at December 31, 2010 basically refer to compromised operations at the banks Santander and Votorantim and were derived from funding obtained on the initial public offering (IPO). The balance of the account was fully used in 2011 on acquisition of the investment in Rohr and other Company investments.

5. TRADE RECEIVABLES

	As at Sep. 30, 2011	As at Dec 31, 2010
Construction division	39,755	47,960
Jahu division	24,775	19,143
Maintenance and assembly division	52,621	45,550
Rental division (Mills Rental)	28,227	16,616
Events division (**)	5,715	6,563
	151,093	135,832
Allowance for doubtful debts (*)	(20,899)	(9,293)
	130,194	126,539
Present value adjustment	(472)	(622)
	129,722	125,917
Current assets	126,549	122,136
Noncurrent assets	3,173	3,781

The Company does not have any customer concentration issues in its revenues or trade receivables, such that there is no single customer or economic group that represents 10% (ten per cent) or more of its trade receivables in any of its segments.

(*) The provision for reduction of trade receivables to their recoverable amount is calculated based on the amount considered sufficient to cover potential losses on realization of credits, considering an individual analysis of the Company's customers. The rise in the amount of this provision in 2011 refers mainly to the provisioning of balances receivable from two specific customers that have had difficulties so far this year in complying with their obligations. According to Management's appraisal of the situation and track record of each customer, the balances are being negotiated and a portion may be recovered.

(**) Amount receivable from sale of the PP&E of the events division, which was discontinued in 2008.

The aging list of the Company's trade receivables is as follows:

	As at Sep. 30, 2011
Current	96,197
Current (original maturities extended)	9,536
Overdue from 1 to 60 days	25,046
Overdue from 61 to 120 days	7,346
Overdue more than 120 days	12,968
Total	151,093

6. RECOVERABLE TAXES

	As at Sep. 30, 2011	As at Dec. 31, 2010
Federal PIS and COFINS (*)	43,208	18,747
Federal corporate income tax (IRPJ) and social contribution (CSLL)	2,904	6,647
State value-added tax on circulation of goods and services (ICMS)	1,055	934
Other taxes and contributions	2,482	3,772
	49,649	30,100
Current assets	21,169	26,157
Noncurrent assets	28,480	3,943

(*) The credits relating to the federal Social Integration Program (PIS) and Social Security Finance (COFINS) contributions basically refer to the amounts recoverable on acquisitions of property, plant and equipment and they are being offset with non-cumulative PIS and COFINS contributions; expectations are that these credits will be realized by 2015.

In calculating and paying over the PIS/COFINS since December of 2009 the Company used the credits resulting from acquisition of fixed assets for rental at the rate of 1/12. Owing to various interpretations of Article 1 of Law No. 11.774/08 as regards the possibility of accelerated use of such credits for purposes of leasing chattel goods, Mills filed a formal inquiry to the Brazilian Federal Revenue Service (RFB) in order to certify the procedure adopted up to that point. The reply received in the 3rd quarter (July of 2011) stated that such leasing activities were not included in the legal provision in question, such that the Company was not entitled to take credit at the rate of 1/12. Give this, the Company promptly changed its methodology for calculating PIS and COFINS credits from 1/12 to 1/48 and paid over the taxes, theoretically postponed, in the total amount of R$25,548 with all charges due. Such payment was recorded as a contra entry to recoverable taxes in order to be used in the future at the rate of 1/48. Despite this, since the Company does not agree with the RFB’s interpretation, it filed a common suit in order to obtain a writ of mandamus to continue allowing it to use the credits at the 1/12 rate.

7. INVESTMENTS

a) Minority equity interest

During the 1st Quarter of 2011 (on February 8) the Company acquired 25% of the capital of Rohr S.A Estruturas Tubulares (“Rohr”) for R$90,000. Rohr is a privately held company that is specialized in access engineering and supplying solutions for civil construction. It operates mainly in the heavy construction and industrial maintenance segments.

The Company appraised its influence over the management of Rohr and concluded that, even though it held 25% of the investee's capital, such investment ought to be recorded at the cost of acquisition, due to the following facts: Mills does not have the power to participate in drawing up and making Rohr's financial, operational and strategic decisions, such that it does not control such policies in either an individual or joint manner and is not represented on the investee's managerial bodies. Furthermore, there is no shareholders agreement that might give Mills the right to have influence over the management of such investee. Based on these factors, the Company concluded that it does not have significant influence over the investee and will keep the investment recorded at the cost of acquisition.

In the 2nd quarter of 2011 (in May), the Company received R$2,035 (net of taxes) by way of interest on capital invested and dividends relating to its investment in Rohr. Such amounts were recorded as reducing the amount of the investment, since they were received right after acquisition of the shares in the investee.

8. PROPERTY, PLANT AND EQUIPMENT

	Equipment for rental and operational use	Leasing	Equipment for rental under construction	Total rental equipment	Leasehold improvements	Buildings and lands	Computers and peripherals	Vehicles	Installations	Furniture And fixtures	Construction in progress	Total PP&E for company use	Total PP&E
Gross cost of PP&E:													
Balances at December 31, 2010	531,326	100,882	57,695	689,903	6,91	8,433	6,84	897	1,089	4,672	5,47	34,311	724,214
Acquisitions	167,648	-	131,112	298,76	2,511	1,856	1,539	184	79	1,225	5,504	12,898	311,658
Upstream merger of GP SUL	2,751			2,751			-2			6		4	2,755
Sales	-12,872	-1,062	-	-13,934	-	-	-5	-147	-	-	-	-152	-14,086
Adjustment for PIS/COFINS credit	-19,798	-	-	-19,798	-	-	-	-	-	-	-	-	-19,798
Transfers	124,337	-	-124,339	-2	2	758	-2	-	-	2	-758	2	
Balances at September 30, 2011	793,392	99,82	64,468	957,68	9,423	11,047	8,37	934	1,168	5,905	10,216	47,063	1,004,743
Accumulated depreciation:													
Balances at December 31, 2010	-139,418	-23,56	-	-162,978	-1,818	-774	-4,034	-291	-501	-2,644	-	-10,062	-173,04
Depreciation	-43,739	-7,406	-	-51,145	-577	-78	-700	-140	-49	-238	-	-1,782	-52,927
Sales	9,293	416	-	9,709	-	-	2	113	-	-	-	115	9,824
Balances at September 30, 2011	-173,864	-30,55	-	-204,414	-2,395	-852	-4,732	-318	-550	-2,882	-	-11,729	-216,143
Annual depreciation rates (percent	10	10			10	4	20	20	10	10			
Summary of net PP&E:													
Balances at December 31, 2010	391,908	77,322	57,695	526,925	5,092	7,659	2,806	606	588	2,028	5,47	24,249	551,174
Balances at September 30, 2011	619,528	69,27	64,468	753,266	7,028	10,195	3,638	616	618	3,023	10,216	35,334	788,6

The rental equipment can be summarized as follows: access scaffolding (Mills and Elite tubular scaffolding), forms (Noe and Aluma forms), props (MillsTour and Aluma), aerial platforms (JLG and Genie) and telescopic manipulators.

Depreciation for the period ended September 30, 2011, allocated to the cost of products and services sold and general and administrative expenses, amounts to R$51.145 and R$1,782 (September 30, 2010 - R$30,995 and R$1,151), respectively.

Certain items of the Company’s property, plant and equipment have been posted as guarantee for borrowings and financing operations (see Note 10).

PP&E is recognized at historical cost, less accumulated depreciation. The historical cost includes the disbursements directly attributable to the acquisition of the items and also may include transfers from equity of any gains/losses on cash flow hedges classified as referring to the purchase of property, plant and equipment in foreign currency.

Review of estimated useful life

For purposes of this analysis, based on an appraisal conducted by technical specialists, the Company’s Management issued an appraisal report dated November 23, 2009, approved at a meeting of the Executive Officers Committee. In 2010, to corroborate the appraisal conducted by the specialists, Mills engaged a firm of independent appraisal experts who issued an appraisal report dated February 4, 2011. In drawing up their respective reports, the technical specialists and independent appraisers considered the Company’s operational planning for the forthcoming years, internal precedents such as the level of maintenance and use of the items, external elements for comparison such as available technologies, manufacturers’ recommendations and technical manuals, and also normal service lives of the assets. The remaining estimated useful lives of the items of the Company's PP&E in the rental group as calculated are in line with the depreciation rates used, such that there was no alteration in the depreciation rate as from January 1, 2010.

Deemed cost

Mills did not exercise the option of using the deemed cost to value its PP&E since such assets, as presented according to the previous accounting practices (old BR GAAP in effect in 2009), already met to a material degree the requisites for recognition, valuation and presentation under CPC 27 (IAS 16). Such compliance on the Company’s part was chiefly due to the following: (i) the internal controls in the PP&E area already encompassed as at the transition date (January 1, 2009) such periodic reviews as required for the best estimates of the useful life and residual value of the principal classes of the PP&E; (ii) the segmentation and classification of the main PP&E items subject to depreciation considered the impacts of depreciation on the main PP&E components. Moreover, Management believes that the accounting practice of appraising PP&E at historical cost less the best estimate of depreciation and provision for impairment, when required, is the accounting practice that best represents its PP&E.

9. INTANGIBLE ASSETS

	Software programs	Trademarks & patents	Goodwill on investments	Total intangible assets
Gross cost of intangible assets:				
Balances at December 31, 2010	6,075	63	42,317	48,455
Acquisitions	1,612	-	-	1,612
Write-offs	(315)	-	-	(315)
Goodwill of GP Sul	-	-	1,977	1,977
Balances at September 30, 2011	7,372	63	44,294	51,729
Accumulated amortization:				
Balances at December 31, 2010	(2,318)	(10)	(4,232)	(6,560)
Amortization	(489)	-	-	(489)
Write-offs	-	-	-	-
Transfers	-	-	-	-
Balances at September 30, 2011	(2,807)	(10)	(4,232)	(7,049)
Annual amortization rates (percent)	20%	10%		
Summary of net intangible assets:				
Balances at December 31, 2010	3,757	53	38,085	41,895
Balances at September 30, 2011	4,565	53	40,062	44,680

Provision for impairment of goodwill

The goodwill arises from the acquisition of Jahu in 2008 and the acquisition of GP Sul in 2011 (Note 1), with both being considered as business segments and cash generating units (CGU) where the entire goodwill is allocated.

The recoverable amount of the Jahu CGU was determined based on the actual cash flow for this segment in 2010, before income tax and social contribution, projected for a 10-year period, considering a discount rate of 10% p.a. and without considering any growth rate. Studies conducted by the Management did not identify any need for recognition of a provision for impairment of this goodwill.

10. BORROWINGS, FINANCINGS AND FINANCE LEASES

Borrowings are contracted by Mills for purchase of equipment and are being indexed at the Certificate of Interbank Deposit (CDI) rate or at the Long-Term Interest Rate (TJLP).

The borrowings indexed to the CDI rate also bear additional interest charges of between 1.8% (one and eight tenths per cent) and 4.5% (four and a half per cent) per year, with amortization of the principal and interest on a monthly basis.

The financings for rental equipment have been contracted at TJLP charges plus additional annual interest of 0.2% (two tenths of one per cent) to 7.0% (seven per cent), with amortization on a monthly basis through February 17, 2021.

The Company's borrowings, financings and finance leases are broken down as follows:

	As at Sep. 30, 2011	As at Dec. 31, 2010
Current liabilities:		
Borrowings and financings	14,013	19,034
Finance leases	27,009	27,664
	41,022	46,698
Noncurrent liabilities:		
Borrowings and financings	46,216	40,645
Finance leases	30,927	45,280
Total	77,143	85,925

Borrowings and financings

	Current liabilities	
	As at Sep. 30, 2011	As at Dec. 31, 2010
Financings contracted with financial institutions:		
Indexed to CDI rate plus interest of 1,8% to 4.5% per annum	9,819	17,030
Indexed to TJLP rate plus interest of 0.2% to 7.0% p.a.	4,194	2,004
	14,013	19,034

	Noncurrent liabilities	
	As at Sep. 30, 2011	As at Dec. 31, 2010
Financings contracted with financial institutions:		
Indexed to CDI rate plus interest of 1,8% to 4.5% p.a.	28,029	24,878
Indexed to TJLP rate plus interest of 0.2% to 7.0% p.a.	18,187	15,767
	46,216	40,645

The 5 (five) financial institutions with which the Company has borrowing and financing operations underway as at September 30, 2011 are as follows:

- Santander;
- Banco do Brasil;
- Banco Fibra;
- Bradesco; and
- Itaú Unibanco.

The following is a breakdown of the contractual guarantees posted for the borrowings and financings outstanding:

	As at Sep. 30, 2011	As at Dec. 31, 2010
Guarantees posted		
Pledge of duplicate trade bills	1,416	1,416
Receivables	5,244	6,683
Pledge of assets	2,106	2,106
Chattel mortgages (*)	125,368	121,696
Total tangible guarantees	134,134	131,901
Promissory notes	91,819	96,891

* Refer to equipment acquired through the Machinery and Equipment Finance Program (FINAME) of the Brazilian Development Bank – BNDES and under lease agreements.

The promissory notes are enforceable guarantees and serve as additional guarantees in relation to the loans and financing operations contracted with the financial institutions.

The maturities of the non-current portions of the borrowing and financing operations as at September 30, 2011 are broken down as follows:

2012	2,200
2013	29,875
2014	3,268
2015	2,310
2016 to 2021	8,563
Total	46,216

Covenants

The financing agreement signed with Itaú Unibanco sets limits for certain ratios linked to the Company's capacity to incur indebtedness and pay interest charges. Such parameters take into account the EBITDA/net debt ratio, net short-term debt over total net debt and net finance cost over EBITDA.

Mills was in compliance with all such ratios as at September 30, 2011.

Finance leases

These operations basically refer to agreements for purchase of PP&E for rental with terms of between 36 and 60 months, with maturities through the year 2015 and indexed to the CDI rate plus annual interest of 1.0% to 4.5%. These obligations are guaranteed by the pledge of the leased assets themselves. Mills is not presenting the cash flows of the undiscounted payment of the debt, since the payments are calculated on a floating rate basis according to the fluctuation in the CDI.

	Current liabilities	
	As at Sep. 30, 2011	As at Dec. 31, 2010
Financial institution:		
Banco ABN Amro Real S.A.	867	808
Banco Alfa S.A.	4,857	7,338
Banco Bradesco S.A.	5,171	4,636
Banco de Lage	134	137
Banco Dibens	800	727
Banco do Brasil	1,405	1,280
Banco Itaú S.A.	2,755	2,540
Banco Safra S.A.	300	369
Banco Santander S.A.	2,766	2,525
HSBC Bank Brasil S.A.	7,954	7,304
	27,009	27,664

	Noncurrent liabilities	
	As at Sep. 30, 2011	As at Dec. 31 2010
Financial institution:		
Banco ABN Amro Real S.A.	-	576
Banco Alfa S.A.	2,210	4,327
Banco Bradesco S.A.	4,411	7,494
Banco de Lage	154	260
Banco Dibens	817	1,284
Banco do Brasil	2,382	3,107
Banco Itaú S.A.	4,016	5,474
Banco Rodobens S.A.	-	175
Banco Safra S.A.	-	6,559
Banco Santander S.A.	5,184	16,024
HSBC Bank Brasil S.A.	11,753	-
	30,927	45,280

The maturities of the noncurrent installment payments of the Company's finance lease obligations as at September 30, 2011 are set out below:

2012	5,569
2013	17,962
2014	7,194
2015	202
Total	30,927

The Company's current borrowings and finance leases do not feature any restrictive covenants.

11. DEBENTURES

On April 8, 2011 approval was granted for issue by the Company of a total of 27 thousand simple non-stock-convertible debentures in the total amount of R$270,000 and unit face value of R$10.00 (ten Reais). These debentures were issued on April 18, 2011 and fall due on April 18, 2016, with remuneration equivalent to 112.5% of the CDI rate and semi-annual payments of interest and amortization in 3 (three) consecutive installments, with the first falling due on April 18, 2014. The transaction costs associated with this issue, in the amount of R$2,358, are being recognized as Company funding expenses, in accordance with the contractual terms of the issue. As at September 30, 2011 the balance of the debentures, net of the transactions costs, is broken down to R$16,273 under current liabilities and R$270,000 under noncurrent liabilities (R$15,802 and R$268,310 net of transaction costs, respectively).

Covenants

The deeds for issue of the debentures call for maintenance of indebtedness ratios and interest cover with pre-set parameters, as follows:

(1) The financial ratio resulting from the quotient of the division of Net Indebtedness by the EBITDA has to be equal to or less than 3 (three) times; and
(2) The financial ratio resulting from the quotient of the division of EBITDA by the Net Financial Expenses has to be equal to or greater than 2 (two) times.

The Company was in compliance with all such ratios as at September 30, 2011.

12. RELATED PARTIES

a) Transactions and balances

There were no loans outstanding between Mills Estruturas e Serviços de Engenharia S.A. and any of its administrators during the nine-month period ended September 30, 2011.

As at September 30, 2011 the Company had agreements for performance of consulting services with related parties, generating expenses of R$60 in the nine-month period (R$295 in the year ended December 31, 2010).

b) Remuneration of Management

The amounts relating to remuneration of the members of the Company’s Management are broken down as follows:

	Sep. 30, 2011	Dec. 31, 2010
Salaries and payroll charges – Executive Officers Committee	1,060	832
Fees of members of the Board of Directors	340	274
Share-based payments	789	126
Total	2,189	1,232

13. EMPLOYEE BENEFITS

a) Employee profit and results sharing (PLR)

The provision for profit sharing by Mills employees and executives is set up under the accrual accounting method, being recognized as an expense for the period in question. Determination of the amount, which is paid in the year subsequent to the one in which the provision is set up, considers the program of targets established together with the employees union through a collective bargaining agreement, in accordance with both Law No. 10.101/00 and the Company's Bylaws.

b) Stock option plans

Mills has stock option plans approved by the General Meeting of Stockholders, in order to integrate its executives into the process of Company development over the medium- and long-term term. These plans are administered by the Company and approval of the options granted is sanctioned by the Board of Directors.

<u>Description of the plans</u>

2002 Plan

This plan was approved at the Extraordinary General Meeting (EGM) of the Stockholders held on August 1, 2002, having been granted on that same date and exercised on August 31, 2002. It consists of a mechanism for buying common shares of the Company's capital stock.

A total of 612,157 thousand shares of the then Mills Andaimes Tubulares do Brasil S.A (MAT) were acquired [MAT was the former Group holding company that was merged upstream by Mills Estruturas e Serviços de Engenharia S.A (ME) on January 30, 2009], equivalent as at December 31, 2009 to 3,920 shares of ME at the strike price of R$2.2632 per thousand shares. The corresponding amount was fully paid up and the 3-year lock-up for performance of the service has already been fulfilled.

Special Plans - Top Mills and Special CEO Plan

These special plans were approved by the Board of Directors on November 27, 2007 and ratified by the EGM held on May 28, 2008. Between January 1, 2008 and January 1, 2009 in all a total of 140,825 thousand options were granted to purchase shares of the former company MAT, corresponding as at December 31, 2009 to 901 thousand ME options.

These options were converted into shares at the price of R$12.0294 per thousand, restated according to the Brazilian Comprehensive Consumer Price Index (IPCA) between January 2008 and the exercise date.

In return, the beneficiaries are obligated to perform services for the Company for a period of 3 (three) years after the date of the public offer.

The special plan known as Top Mills took effect on January 1, 2008 and is scheduled for extinction by July 10, 2015 or at any other time by decision of the EGM.

The Special CEO plan took effect on November 1, 2008 and is scheduled to be extinguished by July 10, 2012 or at any other time by decision of the EGM.

Ex-CEO Plan

Under this plan, a total of 24,000 thousand options of the former MAT were granted on May 1, 2008, corresponding as at December 31, 2009 to 154 thousand ME options. This plan is equal to the special Top Mills and CEO plans described earlier, including as regards the exercise price, except for the fact that there is no lock-up period. The plan has already been exercised and was capitalized on March 12, 2010, corresponding to 154 thousand shares.

Mills Rental Executives Plan

This plan was granted on December 29, 2008 and also involved options for purchase of shares of capital stock of the former MAT, but this time for the principal executives of the Rental division, which began its activities in January 2008. Exercise of the options is conditioned to attaining the division's EBITDA targets.

In the first stage of the plan, options were distributed equivalent to US$ 387,000.00 (three hundred and eight-seven thousand United States Dollars), conditioned to the division reaching EBITDA of R$11 million. In the second stage, options were distributed equivalent to US$ 1,162,000.00 (one million, one hundred and sixty-two thousand United States Dollars), conditioned to the division reaching EBITDA of R$22 million. The number of shares corresponding to these amounts was obtained by converting the above amounts to Reais at the year-end closing rate where the target was reached and dividing the amount in Reais by the amount per share corresponding to valuation of Mills at 6.6 times the EBITDA, less the net debt for the same year in which the target was reached. A small amount is added to make the gross up calculation corresponding to withholding income tax (IRRF) at the rate of 15% (fifteen per cent).

The exercise price of these options is R$3.95 per thousand, updated by the IPCA from January 2007 through the exercise date. When the plan was granted, it was projected that the first target would be reached on December 31, 2008 and the second target on December 31, 2009, resulting in the granting of 137,031 thousand options for the former MAT, corresponding as at December 31, 2009 to 438 thousand options for ME stock. The first target was in fact reached on December 31, 2008, having resulted in the issue and purchase of 199,853 ME shares, through increase in the capital stock as approved at the EGM held on October 1, 2009, in the amount of R$134 thousand. The second target was also achieved at the options were exercised.

The special Mills Rental Division Executives Plan took effect on January 1, 2008 and will be extinguished on December 31, 2013 or at any other time by decision of the EGM.

2010 Stock Purchase Option Plan

At the EGM held on February 8, 2010 Stockholders approved the Option Plan for purchase of shares issued by the Company. Beneficiaries of this new plan may be administrators and other employees holding positions of responsibility at the Company or at companies under the latter's control. This plan is administered by the Board of Directors, which may impose terms and/or conditions for exercise of the option, as well as restrictions on the transfer of shares acquired through exercise of the options. The options for purchases of shares granted under the new plan may grant rights for acquisition of up to 5% (five per cent) of the Company's capital stock. Furthermore, the plan involves a goal for purchase of shares in an amount that does not exceed each year 1% (one per cent) of the shares of the capital stock as at the plan approval date.

The price of the common shares to be acquired by the beneficiaries as a result of exercising the options is to be set by the Board of Directors based on the average quotation at the São Paulo Stock Exchange (BM&F BOVESPA), weighted by trading for the month or in the two months prior to the grant, restated for inflation according to the IPCA, less dividends and interest on capital per share paid by Mills as from the grant date. Exceptionally, upon the first grant, the exercise price for the options may be based on the issue value of the shares under the offer, restated by the IPCA, less dividends and interest on capital per share paid as from the grant date. The options granted under the terms of this plan are subject to a grace period of up to 72 (seventy-two) months for conversion of the options into shares. A total of 1,432 thousand stock options were granted on May 31, 2010.

The purchase options remain in effect for a period of 6 (six) full years, counting from the contract date of May 31, 2010, that is to say, through May 31, 2016.

On July 5, 2010 the second grant of stock options took place with an exercise price as per the first public distribution of shares, that is R$11.50, restated according to the IPCA as from that date through the purchase option exercise date, less dividends and interest on paid by Mills as from the grant date. The second grant stock options of this plan are subject to a grace period of up to 72 (seventy-two) months for conversion into shares. A total of 43 thousand stock options were granted.

The purchase options remain in effect for a period of 6 (six) full years counting from July 5, 2010, that is to say through July 5, 2016.

2011 Stock Purchase Option Plan

At the EGM held on March 25, 2011 Stockholders approved the Option Plan for purchase of shares issued by the Company in 2011. Beneficiaries of this new plan may be administrators and other employees holding positions of responsibility at the Company or at companies under the latter's control. This plan is administered by the Mills Board of Directors, which may impose terms and/or conditions for exercise of the option, as well as restrictions on the transfer of shares acquired through exercise of the options. The options for purchases of shares granted under the new plan may grant rights for acquisition of up to 5% (five per cent) of the Company's capital stock. Furthermore, the plan involves a goal for purchase of shares in an amount that does not exceed each year 1% (one per cent) of the shares of the capital stock as of the plan approval date.

The price of the common shares to be acquired by the beneficiary as a result of the exercise of the options, as set by the Board of Directors upon institution of the program, is equal to the average price of the shares purchased according to the brokerage note, monetarily restated according to the IPCA as from the signing date of the option contract through to the date the option is exercised, less the amount of the dividends and interest on capital invested per share paid by the Company as from the grant date.

The options granted on the terms of this plan will be subject to a Grace period of up to 72 (seventy-two) months for conversion of the options into shares. A total of 1,184 thousand stock options were granted on April 16, 2011.

The purchase options will remain in effect for a period of 6 (six) full years counting from the contract signing date of April 16, 2011.

Pricing and recognition of the plans

For pricing of the cost of the installments of the plans relating to their equity component, the volatilities applicable to each one were determined at the free rates of risk and stock prices based on valuations of 6.6 times the EBITDA, less the net debt in the period of each plan. The Company used the Black-Sholes appraisal model to calculate the fair values.

In relation to the 2002 Plan, as this involves a simple mechanism for purchase of common shares, the already exercised options are fully considered as equity instruments and recognized in the capital reserve account under stockholders' equity.

For the other plans granted through 2009 Mills classified them as compound instruments since they include a component of debt (right/possibility of receiving payment in cash upon non-occurrence of the public offer) and a component of capital (right/possibility of receiving payment in the form of an equity instrument should the public offer take place), in which the choice of settlement is beyond the control of both the Company and the beneficiary. For pricing of the fair value of the debt portion, consideration was given to how much the Company would disburse at present value according to the EBITDA multiple described above, weighted by the probability of the occurrence of the stock IPO, with the resulting value being recognized under long-term liabilities. In fact the IPO took place on April 14, 2010, such that there is no debt portion as from that date.

The weighted average fair values of the options granted during the year 2010 were determined based on the Black-Scholes appraisal model, in the amount of R$3.86 (1st grant) and R$5.49 (2nd grant) per option. The significant data included in the model was as follows: weighted average price per share of R$11.95 (1st grant) and R$14.10 (2nd grant) on the grant date, exercise price of R$11.50 (1st and 2nd grants), volatility of 31% measured by the Company's historical EBTIDA, dividend yields of 1.52% (1st grant) and 1.28% (2nd grant), expected life of the option corresponding to 4 (four) years and annual risk-free interest rates of 6.60% and 6.37%, respectively.

The weighted average fair values of the options granted in 2011 have been determined based on the Black-Scholes appraisal model, in the amount of R$19.28 per option. The significant data included in the model was as follows: weighted average price per share of R$21.08 on the grant date, exercise price of R$19.28, volatility of 35.79% measured by historical behavior of the Company's share price, dividend yield of 1.73%, expected life of the option corresponding to 4 (four) years and annual risk-free interest rates of 6.53%.

The equity portion is priced only upon the grant and has not undergone any fair value re-measurements as at each reporting sheet date. The equity and debt portions are appropriated on a plan-to-plan basis, considering their respective lock-up periods (i.e. the terms on which the shares are blocked for trading), based on Management's best estimate regarding the final date thereof.

The following table shows the accumulated balances of the plans in each period in the equity accounts and the effects on income for the periods:

	Sep. 30, 2011	Dec. 31, 2010
2002 Plan		
Capital reserve	1,446	1,446
Number of shares (thousands)	3,920	3,920
Top Mills, Special CEO and Ex-CEO Plans		
Capital reserve	957	766
Number of options to be exercised (thousands)	143	190
Number of shares (thousands)	912	865
Mills Rental Executive Plan		
Capital reserve	3,936	3,865
Number of options to be exercised (thousands)	-	65
Number of shares (thousands)	391	372
2010 Plan		
Capital reserve	1,883	821
Number of options to be exercised (thousands)	1,347	1,475
Number of shares (thousands)	128	
2011 Plan		
Capital reserve	879	-
Number of options to be exercised (thousands)	1,184	-
Total recognized as equity (accumulated)	9,101	6,898
Annual effect on income	(2,203)	(586)

14. INCOME TAX AND SOCIAL CONTRIBUTION

a) Reconciliation of the income tax and social contribution benefit (expense)

Reconciliation between the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) at the combined statutory rate and the effective rate for the quarters and nine-month periods ended September 30, 2011 and 2010 is as follows:

	September 30, 2011		September 30, 2010	
	3rd Qt.	Accumulated	3rd Qt.	Accumulated
Income for quarter/9-month period before income tax and social contribution	18,760	86,323	42,847	110,544
Combined statutory rate for income tax and social contribution (percent)	34%	34%	34%	34%
Income tax and social contribution at combined statutory rate	(6,378)	(29,350)	(14,568)	(37,585)
Non-deductible provisions – permanent differences	(2,025)	(1,898)	11	277
Interest on capital invested – declared	7,480	7,480	-	-
Other items	40	77	165	(14)
Total current and deferred income tax and social Contribution	(883)	(23,691)	(14,392)	(37,322)
Effective rate	5%	27%	34%	34%
Current income tax	(3,563)	(26,790)	(13,652)	(35,410)
Deferred income tax	2,680	3,099	(740)	(1,912)

b) Breakdown of deferred income tax and social contribution

The breakdown of the amounts relating to deferred income tax and social contribution is as follows as at the reporting dates:

Nature	Sep. 30, 2011	Dec. 31, 2010
Itapoã goodwill (*)	2,581	3,849
Jahu goodwill (*)	(7,913)	(5,755)
GP Sul goodwill (*)	(24)	-
Present value adjustment	160	212
Provision for impairment losses on trade receivables	4,686	1,241
Finance leases	3,426	3,424
Provisions for tax, civil and labor risks and profit sharing	7,009	4,319
Revenue from updating of deposits in court	(758)	(756)
Swap derivatives	1,583	1,523
Debentures – transactions costs	(735)	-
Interest on capital invested – portion not yet used in current IRPJ/CSLL	2,395	-
Other provisions	128	-
Total deferred income tax and social contribution assets and liabilities	12,538	8,057

(*) The IRPJ and CSLL tax credits and charges are comprised of the benefits of corporate reorganization operations, involving the upstream mergers of Itapoã, Jahu and GP Sul, relating to the temporary difference for non-amortization of the goodwill generated upon acquisition As at September 30, 2011 the balance of deferred IRPJ and CSLL relating to the goodwill generated upon acquisitions of Jahu and GP Sul is shown under liabilities, since Management reappraised the realization thereof and concluded that this will take place in different periods than the amounts of the assets.

The grounds and expectations for realization are set out below:

(a) Deferred income tax and social contribution assets

Nature	Grounds for realization
Provision for tax, civil and labor risks	Fiscal realization of the loss
Provision for losses due to impairment of trade receivables	Filing of suits and overdue credits
Finance leases	Realization of straight-line depreciation of assets over the respective terms
Present value adjustment	Fiscal realization of loss/gain
Other provisions	Payments
Itapoã goodwill	Fiscal amortization
Jahu/GP Sul goodwill	Sale/impairment of assets
Updating of deposits in court	Release of deposits made
Debentures	Amortization of transactions costs
Interest on capital invested – portion not yet used	Use of credit in current IRPJ/CSLL

The following are expectations for realization of the deferred income tax and social contribution as at September 30, 2011:

	Deferred IRPJ/CSLL assets	Deferred IRPJ/CSLL liabilities
2011	4,422	(192)
2012	5,869	(312)
2013	3,367	(312)
2014	2,724	(312)
2015	2,726	(312)
2016 onwards	2,860	(7,990)
	21,968	(9,430)

Transition Taxation System

The Transition Taxation System (RTT) will remain in effect until such time as laws take effect in Brazil to govern the tax effects of the new accounting practices introduced, with a view to tax neutrality.

The Company elected to adopt the RTT in 2008. As a consequence, for purposes of calculating income tax and social contribution on net income for the years ended December 31, 2009 and 2008 the Company used the prerogatives defined in the RTT, which in 2010 became mandatory.

15. PROVISIONS FOR TAX, CIVIL AND LABOR RISKS AND DEPOSITS IN COURT

a) Breakdown of the provisions for tax, civil and labor risks

The Company has recorded the following liabilities related to provisions as at the respective reporting dates:

		Sep. 30, 2011	Dec. 31, 2010
National Social Security Institute - INSS	(i)	227	209
Labor lawsuits	(ii)	1.146	1.672
IRPJ/CSLL – Jahu	(iii)	5.214	4.975
Civil liability claims	(iv)	714	430
Municipal service tax (ISS) on Jahu rentals	(v)	187	
Accident Prevention Factor – FAP	(vi)	2.522	2.112
Other tax, civil and labor risks		2.668	1.741
		12.678	11.139

b) Breakdown of deposits in court

		Sep. 30, 2011	Dec. 31, 2010
INSS	(i)	674	674
Labor lawsuits	(ii)	1.380	1.109
ISS on Jahu rentals	(v)	4.429	4.429
Other deposits in court		1.319	1.116
		7.802	7.328

c) Nature of the provisions for tax, civil and labor risks

Mills is party to lawsuits and administrative cases involving issues of a tax, civil and labor nature that were filed in the normal course of business. It is defending its interests both at the administrative and court levels. When applicable, these cases are covered by deposits in court.

Based on the opinion of its legal counsel, Management believes that the appropriate legal measures and steps already taken in each situation are sufficient to cover any losses and preserve the Company's assets and equity. Such measures and steps are periodically reappraised.

The main provisions for tax, civil and labor risks can be summarized as follows:

(i) National Social Security Institute - INSS

In 2001 and 2005 the Company was served assessment notices (NFLD's) for Social Security contributions (INSS) allegedly unpaid. Based on the position of its external legal counsel, Management has maintained a provision for these assessments in the amount of R$227 as at September 30, 2011 (December 31, 2010 - R$209).

Moreover, in view of the change in the forecast for the outcome of these cases caused by a ruling at the first appeal level published on November 30, 2009, in relation to a discussion involving arbitration of part of NFLD No. 35.102.800-5, which covered a debt owed by way of additional contribution to the Working Accident Insurance (SAT) intended to finance special retirement, Mills decided to include this debt in the special installment payment plan under Law No. 11.941/2009.

(ii) Labor lawsuits

The Company has been defending its interests in various labor lawsuits. Its chances of success are considered favorable in most of these cases and, based on the position of external legal counsel, a provision is maintained only for those cases ranked as probable losses.

(iii) IRPJ/CSSL Jahu

Before it was merged upstream by Mills, Jahu was served notice for non-deductibility of expenses incurred on service providers, as well as IRRF on amounts paid to the latter. The amounts included in the assessment notice, in the updated amount of R$5,214 as at September 30, 2011 (R$4,975 as at December 31, 2010) have been provided for, since chances of loss are ranked as probable.

(iv) Civil liability claims

The Company is party to certain suits filed against it relating to civil liability and indemnity issues. Based on the opinion of its external legal counsel, Management set up a provision in the amount of R$714 as at September 30, 2011 (R$430 as at December 31, 2010) for losses ranked as probable.

There has been so significant change in the balance of the contingent liabilities for these risks in relation to that reported as at December 31, 2010.

(v) ISS on rentals

In October 2001 the Company filed suit in the various cities where it operates, with a view to recovering municipal service taxes (ISS) paid over since 1991 on the rental of its chattel goods. The suits are still underway, awaiting court decisions. After the enactment of Complementary Law No. 116/2003 in August, 2003, Mills interrupted payment of the ISS on such rentals, although it continued treating the assignment of its tubular scaffolding and other structures for temporary use as taxable for ISS purposes.

On the other hand, Jahu filed suits questioning the levying of ISS on rentals of its chattel and made the respective deposits in court, even after enactment of Law No. 116/2003. The Company set up a provision for loss in the amount of R$187 since the probability of success was considered remote in the City of Niterói (RJ). For the other cities, no provisions have been set up in relation to such deposits, given that chances of success in these cases are ranked as possible.

(vi) FAP – Accident prevention factor

After disclosure by the federal government of the FAP index, which is the multiplier of the contribution to finance benefits granted due to the degree of incidence of working disability resulting from work environmental risks (RAT) applicable to 2010, Mills filed an administrative challenge and appeal questioning the criteria used for determination thereof. The Company filed for a writ of mandamus to suspend the requirement for that portion of the RAT hike based on the FAB due to the administrative appeal, with Mills electing to make a deposit in court for the January 2010 accrual period in the amount of R$168, in that the order was only granted in March of 2010.

In relation to the FAP disclosed for 2011, Mills did not file an administrative challenge, but rather a suit for writ of mandamus, questioning the legality and constitutionality of hiking the RAT based on the FAP. The writ was granted to overturn application of the FAP, but the government has managed to successfully appeal for now the effects of the writ, an appeal now awaiting judgment.

The unpaid amounts through September 30, 2011 correspond to R$2,522 (R$2,112 as at December 31, 2010), net of deposits in court.

There has been no significant change in the balance of contingent liabilities in relation to that presented as at December 31, 2010.

16. STOCKHOLDERS' EQUITY

a) Subscribed capital

The Company's fully subscribed and paid-in capital stock as at September 30, 2011 is represented by the amount of R$526,797 (December 31, 2010 - R$525,123), divided into 125,591,000 (one hundred and twenty-five million, five hundred and ninety-one thousand) common registered shares without par value (December 31, 2010 – 125,495,000).

The following is the breakdown of the Company's ownership structure as at the reporting dates:

	September 30, 2011		December 31, 2010	
Stockholders	Quantity of shares (thousands)	Percentage	Quantity of shares (thousands)	Percentage
Nacht Participações S.A. (*)	27,422	21.83%	48,983	39.03%
Jeroboam Investments LLC (*)	19,233	15.31%	-	-
Capital Group International Inc.	7,032	5.60%	7,032	5.60%
FMR LLC	6,587	5.24%	6,587	5.25%
Other stockholders	65,317	52.02%	62,893	50.12%
	125,591	100.00%	125,495	100.00%

(*) Nacht Participações S.A. - Nacht (the majority and controlling stockholder) reduced its share of the Company's capital at the EGM held on February 17, 2011. After capitalization of a portion of the retained earnings and the legal reserve, there was a reduction in Nacht's equity interest in the Company. As a consequence of the reduction in its equity interest, Nacht's share of the total and voting capital in Mills was reduced by 17.2%, from 39.03% to 21.85%, while stockholders Jeroboam Investments LLC (Jeroboam), Andres Cristian Nacht (Cristian Nacht) and Jytte Kjellerup Nacht began holding direct equity interests of 15.33%, 1.4% and 0.5% in Mills, respectively.

(a.1) Treasury stock

Mills repurchased 99,140 shares of preferred stock that it issued, acquired from a stockholder for cancellation. The total amount paid upon acquisition of such shares, net of income tax and social contribution, was R$535, having been deducted from the capital reserve under stockholders' equity. On September 23, 2011 approval was granted by the Company's Board of Directors to a motion to cancel all the shares, as per sub-item (o) of the Mills Bylaws.

(a.2) Issue of shares

At an earlier Board meeting held in the 3rd Quarter of 2011 (on July 27), approval was granted to issue of 128,287 shares, for a total capital increase in the amount of R$1,549, based on exercise by beneficiaries of the stock purchase options granted under the 2010 Stock Purchase Option Plan. The shares issued were fully subscribed and paid in by the respective beneficiaries.

At the above-cited Board meeting held September 23, 2011, approval was granted to issue of 66,626 shares, for a total capital increase in the amount of R$125, based on exercise by beneficiaries of the stock purchase options granted under the special plans known as Top Mills and Mills Rental Executives.

b) Earnings reserves

(b.1) Legal reserve

The legal reserve is set up each year by appropriating 5% (five per cent) of the net income for the year, until such time as it reaches 20% (twenty per cent) of the capital stock. The purpose of the legal reserve is to ensure the integrity of the capital and it may only be used to offset losses and increase capital.

(b.2) Earnings retention reserve

The earnings retention reserve refers to retention of the remaining balance of retained earnings, in order to fund the business growth project established in the Company's investment plan, as per the capital budget proposed by Management and to be decided upon by the General Meeting of Stockholders, pursuant to Article 196 of the Brazilian Corporation Law.

(b.3) Special reserve

The special reserve refers to the tax benefit generated by the corporate reorganization that took place at the Mills Group in 2009.

c) Other reserves

(c.1) Valuation adjustment to equity - Cash flow hedge

The cash flow hedge reserve contains the effective part of the cash flow hedges through the balance sheet date, in the amount of R$3,072, net of taxes. In the year 2009 and up until June 2010 the gains or losses on hedge operations were recognized in income, because Mills had not yet prepared the documentation required for hedge accounting purposes.

(c.2) Capital reserve

The capital reserve contains the transaction costs incurred in funding for the Company's capital, in the amount of R$15,068 net of taxes, relating to the IPO distribution of shares and reserve for stock options premium under the stock option plans for employees, in the amount of R$9,101 as at September 30, 2011 (as at December 31, 2010 - R$6,898) and the amount of the cost of the shares of treasury stock cancelled, in the amount of R$535.

17. DIVIDENDS PROPOSED AND INTEREST ON CAPITAL INVESTED

At the third and last 3rd Quarter Board meeting held on September 28, 2011, the Company's stockholders approved declaration of interest on capital invested, as part of the mandatory minimum dividend, in the amount of R$22,000 (R$18,879 net of taxes). Such interest on capital invested is to be adjusted to the remuneration that will be distributed upon the closing of the year 2011.

18. EARNINGS PER SHARE (EPS)

a) Basic EPS

The basic earnings per share are calculated by dividing the profit attributable to the Company's stockholders (owners) by the weighted average number of common shares issued during the period.

	September 30, 2011		September 30, 2010	
	3rd Qt.	Accumulated	3rd Qt.	Accumulated
Earnings attributable to Company owners	17,877	62,632	28,455	73,222
Average weighted number of common shares issued (thousands)	125,534	125,534	124,611	124,611
Basic EPS – Reais and centavos	R$0.14	R$0.49	R$0.23	R$0.59

b) Diluted EPS

The diluted earnings per share are calculated through adjustment of the average weighted number of common shares in circulation, to presume conversion of all the diluted potential common shares. Mills has a category of diluted potential common shares: stock purchase options. For the stock purchase options, a calculation is made to determine the number of shares that could be acquired at fair value (determined as the annual average market price of the Company's share), based on the monetary amount of the subscription rights linked to the stock purchase options in circulation. The quantity of shares calculated as described above is compared with the number of shares issued, presuming exercise of the stock purchase options.

	Sep. 30, 2011	Dec. 31, 2010
Net income used to determine diluted EPS	62,632	73,222
Average weighted number of common shares issued (thousands)	125,534	124,611
Adjustments:		
Stock purchase options (thousands)	2,674	2,570
Average weighted number of common shares used to determine diluted EPS (thousands)	128,208	127,181
Diluted EPS – Reais and centavos	R$0.49	R$0.58

19. NET REVENUES FROM SALES AND SERVICES

The information on net revenues from sales and services shown below refers only to the nature of the revenues per type of service:

	September 30, 2011		September 30, 2010	
	3rd Qt.	Accumulated	3rd Qt.	Accumulated
Rentals	139,811	374,575	103,611	288,452
Sales	9,423	25,003	10,375	29,436
Technical assistance	46,897	139,430	48,879	124,483
Indemnities and recoveries	7,855	22,707	6,497	13,874
Taxes on sales and services	(16,352)	(45,160)	(14,276)	(39,420)
Cancellations and discounts	(12,575)	(32,511)	(6,205)	(21,158)
	175,059	484,044	148,881	395,667

20. COST OF PRODUCTS AND SERVICES SOLD AND GENERAL AND ADMINISTRATIVE EXPENSES (BY NATURE)

The costs refer mainly to: expenses on personnel for assembly and dismantling of the Company’s rented assets, when such assembly is carried out by Mills itself; the equipment sub-leased from third parties when the Company’s inventories are insufficient to meet demand; freight charges for transportation of equipment between branches and occasionally to customers; and expenses on supplies consumed in the projects, from individual protective equipment (IPE) to wood, paints and insulation.

The general and administrative expenses refer to deposits, management of each contract by Mills, encompassing the project teams and engineers in the commercial area, which correspond basically to salaries, payroll charges and benefits, with the rest relating to travel, representation and communications expenses, as well as the overhead of the administrative areas.

Nature	September 30, 2011 – 3rd Quarter – Direct project and rental costs	September 30, 2011 – 3rd Quarter – General and administrative expenses	September 30, 2011 – 3rd Quarter – Total	September 30, 2011 - Accumulated – Direct project and rental costs	September 30, 2011 - Accumulated – General and administrative expenses	September 30, 2011 - Accumulated – Total
Company personnel	(45,549)	(22,832)	(68,381)	(119,925)	(65,603)	(185,528)
Outsourced personnel	(1,839)	(4,201)	(6,040)	(4,570)	(14,120)	(18,690)
Freight charges	(3,688)	(320)	(4,008)	(10,500)	(386)	(10,886)
Construction, maintenance and repair supplies	(10,384)	(872)	(11,256)	(27,013)	(2,902)	(29,915)
Equipment rentals and other rentals	(2,977)	(2,547)	(5,524)	(7,448)	(6,622)	(14,070)
Travel expenses	(2,744)	(3,003)	(5,747)	(6,175)	(8,615)	(14,790)
Depreciation	(19,361)	(644)	(20,005)	(51,145)	(1,782)	(52,927)
Amortization of intangible assets	-	(178)	(178)	0	(489)	(489)
Derecognition of assets	(584)	-	(584)	(3,128)	0	(3,128)
Sales (CMS)	(5,638)	-	(5,638)	(13,681)	0	(13,681)
Allowance for doubtful debts – ADD	-	(9,220)	(9,220)	-	(11,578)	(11,578)
Stock option plans	-	(932)	(932)	-	(2,203)	(2,203)
Updating of provisions	-	(732)	(732)	-	(1,239)	(1,239)
Results sharing	-	(1,217)	(1,217)	-	(4,695)	(4,695)
Other costs and expenses	501	(5,373)	(4,872)	(1,201)	(10,728)	(11,929)
Total	(92,263)	(52,071)	(144,334)	(244,786)	(130,962)	(375,748)

Nature	September 30, 2010 – 3rd Quarter – Direct project and rental costs	September 30, 2010 – 3rd Quarter – General and administrative expenses	September 30, 2010 – 3rd Quarter – Total	September 30, 2010 - Accumulated – Direct project and rental costs	September 30, 2010 - Accumulated – General and administrative expenses	September 30, 2010 - Accumulated – Total
Company personnel	(33,370)	(21,071)	(54,441)	(85,929)	(56,533)	(142,462)
Outsourced personnel	(1,907)	(3,498)	(5,405)	(3,938)	(10,395)	(14,333)
Freight charges	(3,958)	(91)	(4,049)	(8,940)	(328)	(9,268)
Construction, maintenance and repair supplies	(6,729)	(1,751)	(8,480)	(17,433)	(4,394)	(21,827)
Equipment rentals and other rentals	(2,687)	(1,326)	(4,013)	(9,279)	(3,829)	(13,108)
Travel expenses	(1,958)	(2,254)	(4,212)	(4,384)	(5,613)	(9,997)
Depreciation	(12,417)	(428)	(12,845)	(30,995)	(1,151)	(32,146)
Amortization of intangible assets	-	(124)	(124)		(359)	(359)
Derecognition of assets	(968)	-	(968)	(1,384)	-	(1,384)
Sales (CMS)	(6,220)	-	(6,220)	(15,217)	-	(15,217)
Allowance for doubtful debts – ADD	-	(450)	(450)	-	(695)	(695)
Stock option plans	-	(522)	(522)	-	(258)	(258)
Updating of provisions	-	2,731	2,731	-	2,553	2,553
Results sharing	-	(3,174)	(3,174)	-	(10,948)	(10,948)
Other costs and expenses	(275)	(3,497)	(3,772)	(819)	(8,754)	(9,573)
Total	(70,489)	(35,455)	(105,944)	(178,318)	(100,704)	(279,022)

The following are highlights of costs and general and administrative expenses per group for the period in question:

	September 30, 2011		September 30, 2010	
Costs:	3rd Qt.	Accumulated	3rd Qt.	Accumulated
Execution of projects	(58,086)	(155,524)	(49,955)	(126,243)
Depreciation	(19,361)	(51,145)	(12,417)	(30,995)
Other costs	(14,816)	(38,117)	(8,117)	(21,080)
	(92,263)	(244,786)	(70,489)	(178,318)
Expenses:				
Contract coordination expenses	(26,301)	(72,548)	(17,871)	(48,332)
Administrative expenses	(8,215)	(23,859)	(6,817)	(17,605)
General services	(4,180)	(11,621)	(2,965)	(8,123)
Other expenses	(13,375)	(22,934)	(7,802)	(26,644)
	(52,071)	(130,962)	(35,455)	(100,704)

21. FINANCIAL INCOME (EXPENSES)

a) Financial income

	September 30, 2011		September 30, 2010	
	3rd Qt.	Accumulated	3rd Qt.	Accumulated
Interest income on delinquent invoices	240	824	226	578
Income from marketable securities	3,980	10,414	6,633	12,806
Discounts obtained	23	163	226	405
Exchange and monetary variation assets	376	634	-	53
Other financial income	-	8	5	12
	4,619	12,043	7,090	13,854

c) Financial expenses

	September 30, 2011		September 30, 2010	
	3rd Qt.	Accumulated	3rd Qt.	Accumulated
Interest on borrowings (loans taken out)	(1,901)	(5,980)	(2,612)	(8,788)
Monetary variation liabilities	(534)	(1,216)	(314)	(821)
Interest on finance leases	(2,269)	(6,971)	(2,658)	(7,362)
Interest charges on debentures	(9,391)	(16,273)	(604)	(930)
Bank charges	(1,991)	(2,505)	(190)	(459)
Financial operations tax – IOF	(277)	(645)	(15)	(472)
Net results of swap operations	(2)	(34)	(818)	(1,332)
Other financial expenses	(266)	(542)	(20)	(85)
Present value adjustment	47	150	51	294
	(16,584)	(34,016)	(7,180)	(19,955)

22. INCOME PER BUSINESS SEGMENT

The information per operating segment is being presented in accordance with CPC 22 - Segment Information (IFRS 8).

The Company's reportable segments are business units that offer different products and services and are managed separately, since each business requires different technologies and market strategies. The principal information used by Management to evaluate the performance of each segment is broken down as follows: total PP&E, since such assets are what generate the Company's revenues; and net income and EBITDA of each segment, in order to evaluate the return on investments. The information on liabilities per segment is not being reported, since it is not used by the administrators in managing the segments. Management also does not use analyses by geographic area in order to manage its businesses.

The Mills business segments involve completely distinct activities, as described below, such that their assets are specific for each segment. The assets have been allocated into each reportable segment according to the nature of each item.

The Company's operations are segmented according to the model for organization and management approved by the Board of Directors, containing the following divisions:

Construction Division

This division supplies specific engineering and equipment solutions, specifically in relation to concreting forms and structures of props intended for the construction of large-sized structures, as well as planning, design, technical supervision, equipment and correlated services.

Jahu Division

Jahu supplies concreting forms, props and scaffolding within the scope of the performance of services involving specialized engineering solutions for civil construction, with emphasis on the residential and commercial construction sector, supplying planning, design, technical supervision, equipment and related services.

Industrial Services Division

This division is responsible for supplying structures developed to permit access of personnel and supplies during the phases of assembling equipment and tubular scaffolding, as well as for preventive and corrective maintenance in large industrial plants, including industrial painting, surface treatment and insulation services.

Rental Division

This division supplies motorized access equipment (aerial working platforms) and telescopic manipulators for elevation of personnel and transportation of loads at considerable heights.

The accounting policies for the operating segments are the same as described in the summary of significant accounting policies. Mills evaluates the performance per segment based on the profit or loss of the operations before taxes on income and on earnings before interest, taxes, depreciation and amortization (EBITDA).

Income statement per business segment – Accumulated for nine-month period (first three quarters of each year)

	Construction		Jahu		Industrial Services		Rental		Total	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 201
Net Revenues	95,578	120,081	103,306	72,363	164,611	138,965	120,549	64,258	484,044	39
(-) Costs and expenses	(57,257)	(59,769)	(61,199)	(40,127)	(146,228)	(118,644)	(57,648)	(27,977)	(322,332)	(24
(-) Depreciation/amortization	(15,352)	(11,990)	(10,675)	(4,396)	(7,609)	(5,590)	(19,780)	(10,529)	(53,416)	(3
Operating Profit	22,969	48,322	31,432	27,840	10,774	14,731	43,121	25,752	108,296	11
Financial income	3,564	4,954	2,804	2,910	1,960	2,445	3,715	3,545	12,043	1
Financial expenses	(10,037)	(7,135)	(7,830)	(4,191)	(5,646)	(3,521)	(10,503)	(5,108)	(34,016)	(1
Income before IRPJ/CSL	16,496	46,141	26,406	26,559	7,088	13,655	36,333	24,189	86,323	11
(-) IRPJ/CSL	(3,847)	(15,577)	(8,370)	(8,968)	(2,248)	(4,610)	(9,226)	(8,167)	(23,691)	(3
Net Income	12,649	30,564	18,036	17,591	4,840	9,045	27,107	16,022	62,632	7
EBITDA (*)	38,321	60,312	42,107	32,236	18,383	20,321	62,901	36,281	161,712	14

(*) EBITDA is a non-accounting measurement prepared by the Company pursuant to the provisions contained in CVM Circular No. 01/2007, when applicable. EBITDA is calculated based on the operating profit before net financial results, the effects of depreciation of PP&E for Company use and rental equipment and amortization of intangible assets. EBITDA is not a measurement recognized by accounting practices adopted in Brazil or by IFRS, does not have a standard meaning and may not be comparable with measurements using similar titles supplied by other companies. EBITDA should not be considered on an isolated basis, or as a substitute for net income or operating profit, as indicators of operating performance of cash flows or to measure liquidity or debt payment capacity. Information not reviewed by independent auditors.

Income statement per business segment – 3rd Quarter of each year

	Construction		Jahu		Industrial Services		Rental		Total	
	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 30, 2010	Sep. 30, 2011	Sep. 3 2010
Net Revenues	33,191	42,714	39,366	27,878	56,875	52,455	45,627	25,834	175,059	148
(-) Costs and expenses	(24,554)	(20,413)	(22,919)	(15,939)	(52,764)	(45,416)	(23,914)	(11,207)	(124,151)	(92,
(-) Depreciation/amortization	(5,180)	(4,492)	(4,742)	(1,937)	(2,706)	(2,062)	(7,555)	(4,478)	(20,183)	(12,
Operating Profit	3,457	17,809	11,705	10,002	1,405	4,977	14,158	10,149	30,725	42
Financial income	1,256	2,486	1,059	1,490	787	1,176	1,517	1,938	4,619	7
Financial expense	(4,637)	(2,474)	(3,802)	(1,509)	(2,813)	(1,123)	(5,332)	(2,074)	(16,584)	(7,
Income before IRPJ/CSLL	76	17,821	8,962	9,983	(621)	5,030	10,343	10,013	18,760	42
(-) IRPJ/CSLL	1,714	(5,984)	(2,505)	(3,353)	373	(1,688)	(465)	(3,367)	(883)	(14,
Net Income	1,790	11,837	6,457	6,630	(248)	3,342	9,878	6,649	17,877	28
EBITDA (*)	8,637	22,301	16,447	11,939	4,111	7,039	21,703	14,625	50,897	55

Assets per business segment

	Construction		Jahu		Industrial Services		Rental		Other segments		Total	
	Sep. 30, de 2011	Dec. 31, de 2010	Sep. 30, de 2011	Dec. 31, de 2010	Sep. 30, de 2011	Dec. 31, de 2010	Sep. 30, de 2011	Dec. 31, de 2010	Sep. 30, de 2011	Dec. 31, de 2010	Sep. 30, de 2011	Dec. 31, de 2010
PP&E	182,043	166,106	237,580	125,396	78,332	70,555	290,645	189,117	-	-	788,600	551,174
Other assets	66,597	108,799	96,986	107,249	107,304	79,247	76,065	77,624	92,564	-	439,516	372,919
Total assets	248,640	274,905	334,566	232,645	185,636	149,802	366,710	266,741	92,564	-	1,228,116	924,093

23. FINANCIAL INSTRUMENTS

	Carrying value	
	Sep. 30, 2011	Dec. 31, 2010
Loans and receivables:		
Cash and cash equivalents	72,241	6,192
Trade receivables	129,722	125,917
Deposits in court	7,802	7,328
Available for sale:		
Marketable securities	-	136,146
Other financial liabilities:		
Borrowings at floating rates	60,229	59,679
Finance leases	57,936	72,944
Debentures	284,112	-
Trade payables	12,138	32,743
Financial liabilities at fair value and derivatives:		
Effective hedge derivatives	(3,072)	7,003
Stock option plans	9,101	6,898

(a) Financial assets at fair value through profit and loss (FVTPL)

(a.1) Fair value of marketable securities

Marketable securities held for sale are represented by cash investments made at leading Brazilian financial institutions and indexed to the CDI rate. Considering that the CDI rate already reflects the interbank market position, it is presumed that the values of the securities approximate their fair values.

(a.2) Fair value of trade receivables and payables

The fair values of trade payables and receivables, considering the discounted cash flow methodology as the calculation criterion, are substantially similar to their respective carrying values.

(a.3) Fair value of borrowings and financings

Company Management considers that the fair values of borrowings and financings, recognized in the financial statements at their carrying values, are substantially similar to their market values.

Borrowings and financings

		Fair value		Carrying value	
Debt	Index	Sep. 30, 2011	Dec. 31, 2010	Sep. 30, 2011	Dec. 31, 2010
BNDES	TJLP	23,085	17,408	22,381	17,771
Working capital	CDI	38,282	41,594	37,848	41,908
Finance leases	CDI	57,818	72,517	57,936	72,944
Debentures	CDI	299,678	-	284,112	-

(b) Derivative financial instruments for hedging purposes

(b.1) Policy for contracting operations involving derivatives

In order to protect its assets from exposure to commitments assumed in foreign currency, the Company's Management has developed a strategy to mitigate such market risk. When applied, the strategy is carried out to reduce the volatility of cash flows to the desirable level, that is, to maintain the planned fund disbursements.

Mills believes that the management of such risks is fundamental to support its growth strategy without potential financial losses reducing its operating results, given that the Company does not wish to obtain financial gains through the use of derivative financial instruments. Administration of foreign currency risks is carried out by the Financial Manager and Financial Department under the direction of the CFO, who evaluate possible exposures to risks and establish directives to measure, monitor and manage the risk related to the Company's activities.

Based on this objective, Mills contracts operations involving derivatives, normally NDF (non-deliverable forwards) with leading financial institutions (with credit ratings of brAAA on a national scale, Standard & Poor's or similar rating agencies), in order to guarantee the commercial value agreed upon at the time of ordering the goods to be imported. Likewise, swap agreements or NDF contracts are entered into to guarantee the flow of payments (amortization of principal and interest) for foreign currency financings. Under the Mills Bylaws, any agreement or assumption of obligation in amounts of more than R$10,000 (ten million Reais) has to be approved by the Board of Directors, unless scheduled in the Business Plan. For amounts under R$100 (one hundred thousand Reais) for periods of less than 90 (ninety) days, it is not necessary to contract hedge operations. Other commitments are to be hedged against exchange exposure.

The swap and NDF operations are carried out to convert into Reais the future financial commitments in foreign currency. When it contracts such operations, the Company minimizes the exchange risk, equaling both the amount of the commitment and the period of exposure. The cost of contracting the derivative is pegged to the interest rate, normally the percentage of the CDI rate. The swap and NDF operations with maturities shorter or longer than the final maturity of the commitments may, over the course of time, be renegotiated so that the final maturities match or approximate the final maturity of the commitment. Accordingly, on the settlement date, the result of the swap and NDF may offset part of the impact of the exchange variation of the foreign currency in relation to the Real, thus contributing to stabilizing cash flows.

Since derivatives are involved, calculation of the monthly position is carried out using the fair value methodology, and they are appraised by calculating their present value through the use of market rates that are impacted on the dates of each calculation. This widely employed methodology may feature monthly distortions in relation to the curve of the derivative contracted. Even so, Mills believes that this methodology is the best one to be applied, since it measures the financial risk in the event early settlement of the derivative is required.

The monitoring of the commitments assumed and the monthly appraisal of the fair value of the derivatives permits Management to keep track of the financial results and the impact on cash flows, as well as to guarantee that the initially planned objectives are achieved. Calculation of the fair value of the positions is made available each month for managerial tracking purposes.

The derivative financial instruments contracted by Mills are intended to hedge its operations for importing equipment, in the interval between the time the orders are placed and the corresponding physical receipt in Brazil, against risks of fluctuations in exchange rates. Such instruments are not used for speculative purposes,

(b.2) The Company's derivative financial instruments can be summarized as follows:

	Notional amount	Fair value	Amounts receivable/ payable
	As at Sep. 30, 2011	As at Sep. 30, 2011	As at Sep. 30, 2011
Type			
US$ term purchase (NDF)			
Santander	71,150	4,818	4,818
€ term purchase (NDF)			
Santander	1,864	181	181
	73,014	4,999	4,999

Type	Notional amount	Fair value	Amounts receivable/ payable
	As at Dec. 31, 2010	As at Dec. 31, 2010	As at Dec. 31, 2010
US$ term purchase			
Bradesco	909	(16)	(16)
Santander	133,145	(6,974)	(6,974)
Itaú	658	(13)	(13)
	134,712	(7,003)	(7,003)
NDF			
€ term purchase			
Santander	238	-	-

(b.3) Methodology for calculating the fair value of the derivatives

The derivatives are appraised at present value at the market rate as at the base date for the future flow calculation through application of the contractual rates through maturity. For contracts without a limiter or double index, consideration has also been given to the option embedded in the swap contract.

(c) Sensitivity analysis

Below is a chart breaking down the sensitivity analysis of the Company's financial instruments, including the derivatives, describing the risks that may generate material losses, with the most probable scenario (Scenario I) followed by the evaluation conducted by Management, considering a 3-month horizon when the next financial information containing such analysis is to be disclosed. Moreover, two other scenarios are shown as well, as prescribed by the CVM through Instruction No. 475/2008, so as to present 25% and 50% deterioration in the risk variable considered, respectively (Scenarios II and III):

Risk	Instrument/operation	Description	Scenario I (probable)	Scenario II 25%	Scenario III 50%
Interest rate	Debt:				
	BNDES - TJLP	Rise in interest rate	22,381	22,389	22,396
	Finance leases - CDI	Rise in interest rate	57,936	59,939	61,952
	Working capital - CDI	Rise in interest rate	37,848	38,083	38,313
	Debentures	Rise in interest rate	286,273	312,356	338,260
Total			404,438	432,767	460,921
		Variation		7%	14%
		Effect on the income		28,329	56,483
Risk	Instrument/operation	Description			
Exchange rate (US$)	Commercial commitments*	Rise in exchange rate	(73,796)	(92,245)	(110,695)
	NDF	Rise in exchange rate	2,646	21,096	39,545
Total				(71,150)	(71,150)
		Variation		0%	0%
		Effect in equity		-	-
Risk	Instrument/operation	Description			
Exchange rate (€)	Commercial commitments*	Rise in exchange rate	(2,011)	(2,514)	(3,016)
	NDF	Rise in exchange rate	147	650	1,152
Total			(1,864)	(1,864)	(1,864)
		Variation		0%	0%
		Effect in equity		-	-

* The swap agreements are signed for swap of 100% of foreign currency risk (US$) for Brazilian currency (R$).

The above sensitivity analysis considers changes in relation to the determined risk, maintaining the rest of the variables associated with other risks constant.

	Scenario I Steady rate	Scenario II 25%	Scenario III 50%
Reference			
CDI (%) (i)	12.00%	15.31%	18.38%
TJLP (%) (ii)	6.00%	7.50%	9.00%
US$ (%) (iii)	R$1.85	R$1.95	R$2.34
€ (%) (iv)	R$2.49	R$2.83	R$3.40

(i) As regards the interest rate risk, Management considered as the probable premise (Scenario I) for its financial instruments maintenance of the Selic rate, hence the CDI rate as well, since there is a direct relationship between the rates, and a rise in the rate as the premise for the other two scenarios.

(ii) For the Company's financial liabilities related to BNDES borrowings and financings, Management considered as the probable premise (Scenario I) the TJLP holding steady for the next three months, as there is no evidence of alteration of the rate on a short-term horizon, and a rise in the rate as the premise for the other two scenarios.

(iii) and (iv) Management considered as the probable premise (Scenario I) maintenance of the exchange rate for the coming three months and a rise in the rate as the premise for the other two scenarios.

(d) Methodology for calculation of the effectiveness of the hedges

The Company's swap operations are carried out in order to hedge against fluctuations in foreign currency on its importation of machinery and equipment. These operations are recognized using hedge accounting.

Mills Management proves the effectiveness of these instruments using the Dollar offset methodology, which is commonly used by participants in the derivatives market. Such methodology consists of comparing the present value, net of futures exposures in foreign currency, of commitments assumed by the Company with respect to derivatives contracted for such exchange hedges.

(e) Gains and losses in the 9-month period

Since the Company proves the effectiveness of the hedge accounting swap operations carried out, the losses and gains verified on these derivative operations are recognized with a contra entry of the hedged PP&E assets as part of the initial cost of the assets at the same time as the asset is recorded. The provision for un-materialized losses is recognized under other liabilities in the balance sheet with a contract entry in the caption entitled Valuation adjustments to equity under Stockholders' Equity.

(f) Embedded derivatives

All contracts with potential clauses for derivative instruments or marketable securities to be carried out are appraised by the Company's Financial Management together with the Legal Department's team prior to signing, so that there is orientation regarding any effectiveness testing, establishment of accounting practices to be adopted and the fair value calculation methodology.

Mills currently is not party to any outstanding contracts involving embedded derivatives.

(g) Value and type of margins posted in guarantee

The current foreign currency derivative operations do not require deposit of any guarantee margin.

24. INSURANCE

It is Company policy to constantly monitor the risks inherent in its operations. On account of this, Management has taken out insurance policies to cover civil liability risks, amounting as at September 30, 2011 to R$24,000 (also R$24,000 as at December 31, 2010).

25. TRANSACTIONS NOT INVOLVING CASH

During the nine-month period ended September 30, 2011 the Company made term acquisitions of equipment as part of its investing activities in the amount of R$15,720, albeit not involving cash transactions. Therefore, this investment is not reflected in its statement of cash flows for the period then ending.

During the period ended September 30, 2011, the Company declared interest on capital invested in the amount of R$18,879, net of corporate income tax (IRPJ). Furthermore, after the acquisition of subsidiary GPSul, the latter was merged upstream into Mills, with the amount of the investment being appropriated as disclosed in Note 1 (R$2,755 as the uplift of property, plant and equipment and R$1,977 goodwill). Such amounts do not involve cash.

In the same period, the Company liquidated property, plant and equipment acquired during the previous year in the amount of R$15,720.

26. SUBSEQUENT EVENTS

(a) Capital increase

During the 4th Quarter of 2011 (on October 24), approval was granted by a meeting of the Mills Board of Directors to issue of 65,642 registered shares of common stock without par value, within the limit of the Company’s authorized capital, at the issue price of R$12.04 (twelve Reais and four centavos) per share, for a total amount of R$790, due to exercise by beneficiaries of stock purchase options granted under the 2010 Stock Purchase Option Plan.

The Company’s capital will be increased to the tune of R$790, rising from the current R$526,797, divided into 125,591 thousand registered shares of common stock without par value, to R$527,587, divided into 125,657 thousand registered shares of common stock without par value.