Mills: Growth of EBITDA and EBITDA margin in all divisions

Rio de Janeiro, May 12, 2011 - Mills Estruturas e Serviços de Engenharia S.A. (Mills) recorded in the first quarter of 2011 (1Q11) growth in EBITDA and EBITDA margin for all divisions when compared to the previous quarter, due to cost reductions and the ramp-up of the rental revenue from the new branches of Jahu-Residential and Commercial Construction and the Rental divisions, which opened in the fourth quarter of 2010 (4Q10).

Main highlights of Mills 1Q11 performance:

- Net revenues of R$ 145.0 million, 25.5% higher than 1Q10 and 6.0% lower than 4Q10, since the growth in the rental revenues was more than offset by the drop in other revenues items, mainly sales revenues.
- The 21 new branches opened since November 2009 were responsible for revenues of R$ 30.7 million, or 21.2% of the total.
- EBITDA[(a)] of R$ 52.8 million, 23.6% above 1Q10, and 16.5% above 4Q10.
- EBITDA margin of 36.4%, *versus* 37.0% in 1Q10 and 29.4% in 4Q10.
- Net earnings of R$ 22.2 million, 18.8% above 1Q10 and 26.1% below 4Q10, which benefited from the lower income taxes due to the statement of payment of interest on equity in the period, which is tax deductible.
- Capex[(b)] reached R$ 184.6 million, of which R$ 94.6 million were invested in organic growth and R$ 90 million in acquisitions.
- Annualized return on invested capital (ROIC)[(c)] of 13.8%, being negatively impacted by the investment of R$ 90 million to acquire a 25% stake in Rohr, with no counterpart effect in Mills' results.
- In April 2011, we issued non-convertible debentures amounting to R$ 270 million.
- Approval of the distribution of remuneration to shareholders, at the General Shareholders Meeting, in the total gross amount of R$ 28.1 million, in the form of interest on capital and dividends, with payment made on April 29, 2011.
- Fiscal council set up at the General Shareholders Meeting, on a non-permanent basis, for the 2011 fiscal year, and the appointment of its three members and their respective substitutes.
- In April 2011, we signed the audit service contract for the year of 2011 with a new company, Deloitte Touche Tohmatsu Auditores Independentes (Deloitte).

Table 1 – Main financial indicators

in R$ millions	1Q10 (A)	4Q10 (B)	1Q11 (C)	(C)/(B) %	(C)/(A) %
Net revenue	115.5	154.2	145.0	-6.0%	25.5%
EBITDA	42.8	45.4	52.8	16.5%	23.6%
EBITDA margin (%)	37.0%	29.4%	36.4%		
Net earnings	18.7	30.1	22.2	-26.1%	18.8%
ROIC (%)	23.1%	18.8%	13.8%		
Capex	58.7	78.8	184.6	134.2%	214.5%

The financial and operational information presented in this release, except when otherwise indicated, is in accordance with accounting policies adopted in Brazil, which are in accordance with international accounting standards (International Financial Reporting Standards - IFRS).

Investor Relations
Alessandra Gadelha – IR Officer
Camila Conrado – IR Specialist
Contact: +55 21 2123 3700
ri@mills.com.br

Business Perspective

According to research conducted by the National Confederation of Industry (CNI - Confederação Nacional da Indústria), the indicator of business expectations for the construction industry for the next six months shows optimism, with a value of 60.8 in April 2011, where values above 50 indicate a prospect of growth of activity in the industry.

The seasonally adjusted index of input production for the civil construction industry amounted to 156.15 in February 2011, compared to 155.37 in December 2010 and 145.94 in February 2010. Cement sales in 1Q11 reached 14.4 million tons, with a yoy growth rate of 6.6%. The North region recorded the highest growth rate in the period, 19.3%, followed by the South region with 11.5%. The remaining regions recorded a growth rate of around 4-5%.

In the heavy construction market, demand remained weak in 1Q11. Many construction jobs have started, such as the stadiums for the 2014 World Cup, subway line 4, the *Transoeste* highway and the *COMPERJ* refinery in Rio de Janeiro, the monorail in São Paulo, and construction work for Vale, among others. However, these constructions are in their initial phase, in which they demand a low volume of equipment and, consequently, generate low rental revenue. It is expected that the volume of the equipment needed in such constructions will expand in the upcoming months, depending on the progress of the work.

Given the schedule of the construction work that already went through the bidding process and has been contracted and started, we expect that in the second half of 2011 (2H11) there will be a strong recovery in demand from the heavy construction market.

The strikes that took place on important infrastructure construction sites, such as *Jirau* and *Santo Antonio,* have not affected our rental revenue in the Heavy Construction division, since we are not exposed to risks related to the execution of the work. However, with the stoppage period and the review of the construction schedule for these works, there was deferral of the delivery of additional equipment that was planned for this period.

The pace of disbursement in the PAC - Growth Acceleration Program is slow. According to the organization Contas Abertas, almost three months after the beginning of the new government, the PAC had only disbursed R$ 7.5 million, or 0.02%, of the R$ 40.1 billion authorized for the program this year. The slow disbursement of the PAC funds is mainly due to changes in the new government's staff and the fact that the new PAC constructions are in the early stages, which requires lower amounts of investment.

The main PAC projects scheduled for bids this year are in the transport sector, including the bullet train between Rio de Janeiro and São Paulo, with investments estimated at R$ 33 billion, the third phase of highway concessions (R$ 6.3 billion combined), the Beltway north of São Paulo (R$ 5.0 billion), the *Centro-Oeste* railroad (R$ 4.1 billion) and the *Leste-Oeste* railroad (R$ 1.8 billion).

The market for residential and commercial construction is still quite heated. PDG, Cyrela, MRV, Rossi, Brookfield, Even, CCDI and Gafisa reported a total value of R$ 5.9 billion for new building announced in 1Q11, with a growth of 42% over the first quarter of 2010 (1Q10), and a total value of R$ 5.7 billion for sales in 1Q11, with a growth of 11% over 1Q10.[1]

The estimated balance of housing loans in late February, according to the Brazilian Central Bank (Bacen), was equal to R$ 138.1 billion, an increase of 5.1% over the balance in late December 2010 and 49.6% over late February 2010.

Regarding the government program "*Minha Casa, Minha Vida*", there has been no price adjustment for properties targeting families with an income of up to three minimum wages, paid by the Caixa Econômica Federal (*CEF*) to the homebuilders, since the beginning of the program, while the real estate market has had an appreciation ranging from 15% to 25%, depending on the region, reaching up to 35% in São Paulo. Therefore, the program is temporarily with no new building announcements for this income range. A new price adjustment is expected for June.

[1] Seasonally the first quarter is weakest for new building announced and sales in the residential market, due to the vacation period at the beginning of the year, while the fourth quarter is the strongest. Therefore, the comparison should be made over the same period of the previous year instead of the previous quarter.

Therefore, the aluminum Easy-set formwork sales, designed for building homes for the lower-income population, has suffered a sharp decline this quarter, because housing for families with an income range of up to three minimum wages represent a significant part of this market.

In the Industrial Services segment, the construction work at large industrial plants, such as the *COMPERJ* refinery, among others, are at their initial phase; hence, not generating significant revenue figures for the Industrial Services division.

This year we signed contracts for installation of the pipe blasting and painting cabin in the new Petrobras refinery in Rio de Janeiro, *COMPERJ*, and also contracts for access services, painting and insulation with the Angra 3 nuclear plant and the CSN port terminal, both in the state of Rio de Janeiro, with the Gabriel Passos Petrobras refinery and the Brennand cement plant, both in the state of Minas Gerais, and with a Petrobras fertilizer plant, in the state of Bahia.

As regards the motorized access equipment market, we believe this market will continue to grow at a strong rate in the coming years, given the underutilization of this type of equipment in Brazil, where utilization was recently stimulated by a ruling that requires the use of aerial platforms, thereby increasing safety in the workplace. Furthermore, the search for increased productivity, given the shortage of manpower, increases the need for the mechanization of construction sites, which also contributes to the growth of future demand for such equipment. According to Terex, one of our equipment suppliers for the Rental Division, the demand for telehandlers and aerial work platforms should double by 2013.

Rohr

In 1Q11, we acquired 25% of the voting and total capital stock of Rohr S.A. Estrutura Tubulares (Rohr) for R$ 90 million.

Rohr is a privately held company specializing in access engineering and solutions for civil construction and has 45 years of experience in this market, and serving the following sectors: heavy construction, residential and commercial construction, industrial maintenance and events.

In 2010, the net operating revenue of Rohr totaled R$ 180 million, 10% above 2009. Net income was R$ 20 million, versus R$ 33 million in 2009. Cash generation, as measured by EBITDA, totaled R$ 48 million, 23% below 2009, while the EBITDA margin was equal to 27%, as against 38% in 2009, both negatively impacted in 2010 by weaker demand in the heavy construction market, which is their main market.

Investments amounted to R$ 47 million in 2010, against R$ 19 million in 2009, while the Company had a net cash position of R$ 56 million as of December 31, 2010.

At Rohr’s General Shareholders Meeting, Mills appointed a representative for Rohr’s fiscal council that is comprised of three members.

Because (a) it is a recent acquisition, (b) Rohr, as a non-public company, has no obligation to publish quarterly results, and (c) Rohr 1Q11 financial statements have not been available up to this date, we are still in the valuation stage of this acquisition, for accounting purposes, and, therefore, we have maintained the record of this investment in our balance sheet for the amount paid for the acquisition. Since our stake in Rohr is only 25% and the investment was realized in February, we believe that any accounting adjustment, if necessary after the valuation, will have no significant impact on Mills’ 1Q11 results.

At Rohr's General Shareholders Meeting, the payment of remuneration to shareholders relating to the fiscal year of 2010 was approved at a gross value of R$ 11.1 million to be paid, by the end of June, as interest on equity (R$ 7.4 million) and dividend (R$ 3.7 million); 25% of which belong to Mills since, according to the purchase contract for our stake in Rohr, it has the right to receive Rohr’s unpaid shareholder remuneration from previous fiscal years.

We highlight that this was a strategic acquisition and will enable Mills to broaden its exposure to the sectors it serves - infrastructure, residential and commercial construction, the oil and gas industry, among others -, through investment in a company with a solid market reputation, competent management, and strong financials.

Revenues

In 1Q11, net revenues reached R$ 145.0 million, 6.0% lower than in 4Q10, since the growth in the rental revenues was more than offset by the drop in other revenues items, mainly sales revenues.

In this quarter, 66.7% of Mills' revenue was from equipment rental, 26.0% was from technical support services, 3.9% from sales and 3.4% from other activities. Sales revenues showed substantial reduction compared to both 4Q10 and 1Q10, driven by lower sales volumes of the Easy-set aluminum formworks for the low-income housing program "*Minha Casa, Minha Vida*", because there was no new building of housing for families with income up to three minimum wages, as the homebuilders are waiting for their price adjustment. Moreover, there was a drop in the sales revenue from the Heavy Construction and Rental divisions when compared to 4Q10.

Mill's revenue breakdown by geographical area was: Southeast region 56.8%, Northeast region 27.8%, South region 7.1%, Midwest region 6.2%, and other regions 2.2%. The 21 new branches which opened since November 2009, when we started our geographic expansion, were responsible for 21% of the 1Q11 net revenue.

In 1Q11, our top ten clients represented 25% of our gross revenue, Petrobras being the major client, contributing 6% to Mills' gross revenues.

The Industrial Services division delivered the highest net revenue, R$ 50.2 million, representing 34.6% of Mills' total revenues. The revenues for the Rental division were responsible for 23.3% of the total, Heavy Construction for 22.0% and Jahu – Residential and Commercial Construction for 20.1%.

The Rental division showed the highest year-on-year (yoy) revenue growth, a 96.5% rise, as a result of the increase of our motorized access equipment fleet and the increase of number of branches.

Table 2 – Net revenue per type

in R$ millions	1Q10 (A)	4Q10 (B)	1Q11 (C)	(C)/(B) %	(C)/(A) %
Rental	74.6	91.1	96.8	6.3%	29.6%
Technical support services	29.6	43.6	37.6	-13.7%	27.3%
Sales	9.6	12.7	5.6	-56.0%	-41.5%
Others	1.7	6.8	5.0	-26.4%	193.3%
Total net revenue	**115.5**	**154.2**	**145.0**	**-6.0%**	**25.5%**

Table 3 – Net revenue per division

in R$ millions	1Q10	%	4Q10	%	1Q11	%
Heavy Construction	35.7	30.9%	34.2	22.2%	31.8	22.0%
Jahu - Residential and Commercial	22.7	19.6%	32.8	21.3%	29.2	20.1%
Industrial Services	40.0	34.6%	56.4	36.6%	50.2	34.6%
Rental	17.2	14.9%	30.8	20.0%	33.7	23.3%
Total net revenue	**115.5**	**100.0%**	**154.2**	**100.0%**	**145.0**	**100.0%**

Costs and Expenses

In 1Q11, the cost of goods and services sold (COGS), excluding depreciation, totaled R$ 56.0 million, with a drop of R$ 6.6 million, or 10.5%, over the previous quarter, due to reduction in all COGS items.

As from 2011, equipment storage expenses, which consist of disbursements with personnel that work on our warehouses and are correlated to the number of warehouses and volume of equipment flows, will be classified as COGS, rather than general administrative and operating expenses (G&A). Excluding the effect of this reclassification, the reduction of the COGS between quarters would have been R$ 12.0 million, or 19.2%, with a 23.1% yoy growth, in line with revenue growth in the same period.

In this quarter, the main COGS item, job execution cost[d], amounted to R$ 45.9 million, with a qoq reduction of 11.6%, mainly impacted by the downturn in the labor cost from the Industrial Services division, which is labor intensive and consequently this cost item followed the revenue drop in this division, and the Heavy Construction division. The decrease in personnel costs was responsible for 97% of the reduction in job execution cost. Cost of equipment rented from third-parties amounted to R$ 0.4 million in 1Q11, in line with the previous quarter and 81.3% lower than 1Q10.

In 1Q11, equipment storage expenses amounted to R$ 5.4 million, compared to R$ 6.0 million in 4Q10, when it was recorded as a G&A item, instead of COGS. The reduction of R$ 0.6 million is a result of the reduction in equipment storage expenses from the Heavy Construction division, partially offset by the increase from this item in the Jahu – Residential and Commercial Construction division.

The cost of sales amounted to R$ 3.5 million, with a 56.2% reduction against the previous quarter, as consequence of the contraction of our sales revenue in the same period.

General, administrative and operating expenses (G&A) totaled R$ 36.1 million in 1Q11, compared to the R$ 46.3 million in 4Q10, including, in the latter, R$ 6.0 million of equipment storage expenses. Excluding the effect of the reclassification, the reduction of G&A between quarters would have been R$ 4.2 million, or 11.6%, with a 36.7% yoy growth, driven by the strong geographic expansion over the last 12 months.

On a quarterly basis, the higher expenses with contract coordination (R$ 0.9 million), administrative expenses (R$ 0.8 million) and general services (R$ 0.2 million) were more than offset by the reduction of the other G&A items, which were negatively impacted in 4Q10 due to the adjustment of the profit sharing program, when we changed our EVA calculation methodology.

Expenses with contract coordination[e] had the highest growth rate in the Jahu – Residential and Commercial Construction and Rental divisions, which deal with a more fragmented market and are expanding geographically, resulting in a substantial increase in the number of contracts. Administrative expenses showed a qoq growth, driven by the opening of new branches and by the rise of the number of employees from 4,359 at the end of the 4Q10 to 4,455 at the end of 1Q11.

Depreciation costs totaled R$ 16.0 million in 1Q11, with a 10.1% qoq increase, reflecting the investments made by Mills in recent last months.

Table 4 – Cost of goods and services sold (COGS) and general, administrative and operating expenses (G&A)

In R$ millions	1Q10	%	4Q10	%	1Q11	%
Costs of job execution	35.7	49.2%	51.9	47.7%	45.9	49.8%
Costs of sale of equipment	5.4	7.4%	8.0	7.4%	3.5	3.8%
Costs of asset write-offs	0.1	0.1%	2.6	2.4%	1.2	1.4%
Equipment storage[1]					5.4	7.4%
COGS[1], ex-depreciation	41.1	56.6%	62.6	57.5%	56.0	60.8%
G&A[1]	31.6	43.5%	46.3	42.5%	36.1	39.2%
Total COGS, ex-depreciation + G&A	72.6	100.0%	108.8	100.0%	92.1	100.0%

[1] Until December 31 of 2010, the equipment storage expenses were recorded as G&A. Starting 2011, the equipment storage started to be recorded as COGS. The equipment storage amounted to R$ 5.2 million in 1Q10, R$ 6.0 million in 4Q10 and R$ 5.4 million in 1Q11.

EBITDA

In 1Q11, EBITDA reached R$ 52.8 million, 16.5% higher than 4Q10, mainly driven by cost reductions. The accumulated EBITDA in the last twelve months ended March 31, 2011, LTM EBITDA, amounted to R$ 204.6 million.

In 1Q11, the qoq increase of R$ 7.4 million in EBITDA is explained by the reduction of R$ 16.8 million in COGS and G&A, excluding depreciation, partially offset by the R$ 9.2 million drop in net revenue.

The EBITDA from the Rental division was responsible for 35.8% of Mills' EBITDA in 1Q11. Heavy Construction was responsible for 29.5%, Jahu for 23.2% and Industrial Services for 11.5%. The division that presented the highest EBITDA qoq growth was Rental, with an expansion of 28.8%.

The EBITDA margin was 36.4% in 1Q11, versus 29.4% in 4Q10 and 37.0% in 1Q10. Other than the cost reduction mentioned above, revenue growth from the new branches of Jahu and Rental divisions which opened in 4Q10 contributed to the dilution of their G&A expenses and, therefore, to the qoq improvement of EBITDA margins.

Table 5 – EBITDA per division and EBITDA margin

In R$ millions	1Q10	%	4Q10	%	1Q11	%
Heavy Construction	16.4	38.3%	13.3	29.2%	15.6	29.4%
Jahu - Residential and Commercial	10.3	24.0%	11.6	25.6%	12.3	23.2%
Industrial Services	6.3	14.8%	5.8	12.8%	6.1	11.6%
Rental	9.8	22.9%	14.7	32.3%	18.9	35.8%
Total EBITDA	42.8	100.0%	45.4	100.0%	52.8	100.0%
EBITDA margin (%)	37.0%		29.4%		36.4%	

Net Earnings

In 1Q11, net earnings amounted to R$ 22.2 million, with a decline of 26.1% *vis-à-vis* the previous quarter, which benefited from the lower income taxes due to the statement of payment of interest on equity in the period, which is tax deductible. Compared to the same period last year, there was an increase of R$ 3.5 million, or 18.8%.

A qoq reduction of R$ 7.9 million in net earnings is explained by the rise of R$ 7.4 million in EBITDA, which was more than offset by the reduction of R$ 3.5 million in the financial result and by the increase in depreciation (R$ 6.0 million) and income taxes (R$ 10.3 million).

In 1Q11, the financial result was negative R$ 3.1 million, versus negative R$ 0.4 million in 4Q10, excluding derivative transactions in the latter, due to the use of some of our cash position to support our organic investment plan and the payment of R$ 90 million for 25% of the stake in Rohr.

It is important to highlight that, for the reasons mentioned in the Rohr section, Mills did not record Rohr's results in its financial statements in this quarter. We continue evaluating this acquisition for accounting purposes.

Debt indicators

As of March 31, 2011, Mills' total debt was R$ 157.0 million, against R$ 132.6 million as of December 31, 2010.

In the last three months, our cash holdings fell by R$ 127.0 million, from R$ 142.3 million on December 31, 2010 to R$ 15.3 million on March 31, 2011. In this period, there was a disbursement of R$ 90 million to acquire a 25% stake in Rohr, investments amounting R$ 94.6 million, and the issuance of 90-day commercial paper totaling R$ 30 million.

We ended 1Q11 with a net debt[f] position of R$ 141.6 million, against a net cash position of R$ 9.7 million at the end of 4Q10.

As of March 31, 2011, 50% of our total debt was short-term and 50% long-term, with an average maturity of 2.7 years, impacted by the issuance of the short-term commercial paper. In terms of currency, 100% of Mills´ debt is in Brazilian *reais*. The average cost of Mills' debt was CDI (Interbank Offering Rate) + 1.7% in 1Q11, against CDI + 2.2% in the previous quarter.

On March 31, 2011, the total debt/enterprise value[g] ratio was 6.6%, while the interest coverage, as measured by the LTM EBITDA/LTM interest payment, was 10.4x and the net debt/LTM EBITDA ratio 0.7x.

In April 2011, we conducted public offering of non-convertible debentures amounting to R$ 270 million, with a five year term and interest rate equal to 112.5% of CDI. The credit risk rating agency Moody's assigned a rating of Aa3.br, in domestic currency, to Mills' corporate credit, as well as for our debentures. This debentures issuance will allow the reduction of our average debt cost, in addition to the lengthening of its average term.

The net proceeds from the offering will be used for (a) redemption of the 90-day commercial papers issued in 1Q11, (b) the investments defined in Mills' expansion plan, including R$ 337 million expected for 2011, (c) replenishing of our cash balance following disbursement for the acquisition of 25% of Rohr´s total capital stock and; (d) general corporate purposes and expenses.

Capex

Mills invested R$ 184.6 million in 1Q11, of which R$ 90.0 million in an acquisition and R$ 94.6 million in organic growth.

In 1Q11, we made a strategic acquisition of 25% of the total voting capital of Rohr for R$ 90 million. Rohr is a privately held company specializing in access engineering and solutions for civil construction, and serves, mainly, the heavy construction and industrial maintenance sectors.

As regards the investments in organic growth, the Rental division was responsible for 44.8% of 1Q11 capex, Jahu – Residential and Commercial Construction division for 39.1%, Heavy Construction for 8.8%, and Industrial Services for 2.4%.

The Rental division invested R$ 42.4 million for the purchase of motorized access equipment to supply the new branches opened in 4Q10, besides the growing demand from the other branches. We plan to open five new branches in 2011, of which three – located in São Luís, in the state of Maranhão, in Itaboraí and Resende, both in the state of Rio de Janeiro – are currently being implemented and with some contracts already signed.

The Jahu – Residential and Commercial Construction division invested R$ 37.0 million in 1Q11 for the purchase of equipment, mainly to supply the seven new branches opened in 4Q10. We plan to open three new branches for the Jahu- Residential and Commercial Construction division in 2011.

For the Heavy Construction division, investments amounted R$ 8.4 million in 1Q11, against R$ 21.6 million in the same period of the previous year. We reduced the pace of investments in this division as from 4Q10, due to weak demand in the heavy construction market since the second half of 2010 (2H10).

It is important to highlight that, since we have several partners making our equipment, we have the flexibility to adjust our capex plan according to the bidding schedules and the progress of construction work.

The Industrial Services division invested R$ 2.2 million in 1Q11, against R$ 3.6 million in 4Q10. In 2011, we will invest in traditional equipment, such as tubular steel structures, to meet the growing market demand, and new aluminum equipment, which, although more expensive, enables productivity gains in the assembling and dismantling of the access structures and should result in personnel cost savings. This item currently represents approximately 80% of the costs of this division. Moreover, we plan to open a new branch of the Industrial Services division in 2011.

Finally, we invested R$ 4.6 million in corporate expenditures in 1Q11, including the implementation of a company-wide SAP system (Enterprise Resource Planning – ERP software) and refurbishing of the warehouse in Rio de Janeiro, which serves all four divisions.

Table 6 – Investment per division

in R$ millions	Actual 1Q10	4Q10	1Q11 (A)	Budget 2011 (B)	(A)/(B) %
Heavy Construction	21.6	8.5	8.4	39.9	21.0%
Jahu - Residential and Commercial	11.2	34.5	37.0	136.4	27.1%
Industrial Services	7.3	3.6	2.2	24.8	9.0%
Rental	18.1	25.0	42.4	128.9	32.9%
Corporate	0.5	7.3	4.6	7.2	63.9%
Organic Growth	58.7	78.8	94.6	337.2	28.1%
Acquisition	-	-	90.0	-	-
Total Capex	58.7	78.8	184.6	337.2	-

ROIC

In 1Q11 the return on invested capital (ROIC) reached 13.8%, against 18.8% in 4Q10 and 23.1% in 1Q10.

The qoq reduction of the ROIC is explained by the R$ 90 million investment for the acquisition of 25% of Rohr, with no counterpart effect in Mills' results, for the reasons mentioned in the Rohr section, and by the difference in the income tax rate, since 4Q10 was positively influenced by the payment of interest on equity and, therefore, there was a much lower income tax rate in that period.

To avoid fluctuations in ROIC by factors unrelated to the operational performance of Mills and its divisions, as occurred in 4Q10, due to the tax benefit from the interest on equity payment, we decided to change the criteria for calculating the ROIC, starting this year, to consider a theoretical 30% income tax rate, rather than the effective income tax rate for the period. We adopted the 30% theoretical rate value, as we believe that Mills´ effective rate will converge from the 27% in 2010 to that value in the coming years, as we continue to use the fiscal benefit of the payment of the shareholder's remuneration under the form of interest on equity and that the company profits will continue to grow, as a result of its investments and the market opportunities in each of the distinct activity sectors we serve.

For comparison purpose on equivalent basis, the 1Q11 ROIC, ex-Rohr investment, would be 14.7%, against 13.4% in 4Q10, considering the theoretical 30% income tax rate instead of the effective income tax for the period.

The yoy drop in the ROIC is explained (a) by the high level of investments in the last 12 months – R$ 384.4 million in organic growth, (b) by the strong geographic expansion in the Jahu and Rental divisions, whose new branches, opened in 2010, are in their maturation stage, and (c) by the significant yoy reduction on the utilization rate in the Heavy Construction division, due to the temporary weak demand in this sector.

The Rental division delivered the highest ROIC in 1Q11, equal to 17.3%. The ROIC of the Jahu – residential and Commercial Construction division was equal to 15.2%, the Heavy Construction division 14.4% and the Industrial Services division 9.6%.

It is important to highlight that the acquisition of Rohr will only impact the consolidated ROIC, not affecting the ROIC of the divisions.

Performance of the business segments

Heavy Construction Division

In 1Q11, the net revenue of the Heavy Construction division totaled R$ 31.8 million, 6.9% lower than 4Q10 and 10.7% lower than 1Q10, due to lower rental revenue driven by the weakening of heavy construction demand from September 2010 onwards.

In 1Q11, 79% (versus 78% in 4Q10) of the net revenue of this segment was related to equipment rental, while the remaining 21% (versus 22% in 4Q10) was related to technical support services, sales of equipment and others.

Between quarters, equipment rental revenue reduced by R$ 1.8 million, or 6.7%, with a reduction in rented volume contributing R$ 2.4 million, and prices and mix of equipment increasing revenue by R$ 0.6 million. Since there has been no significant investment in this division since 4Q10, the small reduction of rented volume also meant a small reduction in the average utilization rate in comparison with the previous quarter, remaining below the normal level.

The main projects served by the Heavy Construction division in 1Q11 were:

- South and Southeastern regions: *BR 448* (highway), in Rio Grande do Sul*, Porto do Açu* (port), in Rio de Janeiro, industrial plant of *VSB – Vallourec & Sumitomo Tubos do Brasil*, in Minas Gerais, and *Cais das Artes*, in Espirito Santo;
- Midwest, North and Northeast regions: *Salobo* project and Vale's Carajás expansion, *Estreito* hydroelectric power plant, *Abreu e Lima or RENEST* refinery, and *Transnordestina* and *Norte-Sul* railways.

It is important to mention that from the projects presented above, only the projects *Porto do Açu*, *Salobo*, *Estreito* and the *Transnordestina* and *Norte-Sul* railways, were included in the list of the projects with the highest revenues for the year of 2010, demonstrating the changes, in revenue terms, of the projects that were in portfolios in the previous months according to their construction phase.

We have already signed a significant amount of rental contracts for this year, including the five stadiums for the 2014 World Cup, subway line 4, the *Transoeste* and *Transcarioca* highways and the *COMPERJ* refinery in Rio de Janeiro, the monorail in São Paulo, and construction work for Vale. However, the construction jobs that have already started are in a phase that demands a low volume of Mills' equipment. Growth in the volume of the necessary equipment is expected and, consequently, of the rental revenue in accordance with the progress of the projects.

Therefore, the investment level in this division in 1Q11 continued to be low, with R$ 8.4 million invested, compared to R$ 8.5 million in the previous quarter and R$ 21.6 million in 1Q10. The investments realized in this quarter focused on new technological equipment such as the aluminum shoring. It promises to be very competitive in the Brazilian market and will substitute our traditional steel shoring, given the search for productivity improvement in the construction sites deriving from reductions in workforce.

As regards our already contracted construction schedule, we believe that there will be a strong recovery in the demand in heavy construction in 2H11. Since we work with various partners in the manufacturing of our equipment, we have the flexibility to adapt to the investment plan in accordance with the bidding schedule and the estimated schedule for the beginning and development of the projects. We plan to invest R$ 39.9 million in equipment rental in 2011.

In this quarter, there was a reduction in COGS, excluding depreciation, driven by the decrease in all cost items. The reduction in the cost of job execution was greater than the reduction in rental revenue, mainly due to lower freight costs, materials and equipment rented from third parties. There was also a qoq reduction in G&A. Higher expenses with contract coordination were offset by the reduction from the other G&A items.

In 1Q11, EBITDA reached R$ 15.6 million, versus R$ 13.3 million in 4Q10 and R$ 16.4 million in 1Q10. The EBITDA margin was 48.9% in 1Q11, against 38.8% in 4Q10 and 45.9% in 1Q10.

The ROIC was 14.4% in 1Q11, versus 11.8% in 4Q10, taking into account the theoretical 30% income tax rate instead of the effective income tax for the period.

Table 7 – Heavy Construction division financial indicators

in R$ millions	1Q10 (A)	4Q10 (B)	1Q11 (C)	(C)/(B) %	(C)/(A) %
Net Revenue					
Rental	29.8	26.8	25.0	-6.7%	-16.2%
Technical assistance, sales and others	5.8	7.4	6.8	-7.4%	17.5%
Total Net Revenue	35.7	34.2	31.8	-6.9%	-10.7%
EBITDA	16.4	13.3	15.6	17.3%	-4.9%
EBITDA Margin (%)	45.9%	38.8%	48.9%		
ROIC[1] (%)	24.4%	18.8%	14.4%		
Capex	21.6	8.5	8.4	-2.1%	-61.3%
Invested Capital[(h)]	138.4	200.6	203.9	1.7%	47.3%
Depreciation	3.6	4.8	5.1	5.6%	42.5%

[1]In 1Q10 and 4Q10, ROIC was calculated considering the effective income tax rate for the period, while in 1Q11 ROIC was calculated considering a theoretical 30% income tax rate. Further details are available in the ROIC section.

Jahu Division

In 1Q11, the net revenue of the residential and commercial business, served by the Jahu division, reached R$ 29.2 million, a reduction of 10.9% compared to 4Q10, due to lower equipment sales, and 28.8% above 1Q10.

The nine branches which opened since November 2009, when we started the geographic expansion of the Jahu division, contributed 30% of the revenue for the division in the quarter. The Southeast region was the one that recorded the highest revenue in the quarter, followed by the Mid-West and South regions.

In 1Q11, 89% (vs. 72% in 4Q10) of the net revenue of this segment was related to equipment rental, while the remaining 11% (vs. 28% in 4Q10) was related to technical support services, sales of equipment and others.

Between quarters, revenues with equipment rental expanded by R$ 2.4 million, or 10.2%, of which the growth of the rental volume contributed R$ 3.5 million and prices and mix of equipment caused a reduction of R$ 1.1 million. The utilization rate remained above the normal level, with a slight increase when compared to the previous quarter, despite the significant volume of equipment received in the period.

Sales revenues suffered a strong contraction in this quarter, since there were no launches of new projects for the program *Minha Casa, Minha Vida* (MCMV), aimed at the income range up to three minimum wages, which is our main market in this program, since the homebuilders are waiting for the price adjustments for this type of property, which should be announced in June 2011. Therefore, we expect that the sales recovery for this division will occur at the same pace as the new releases of MCMV for the respective income range.

In 1Q11, there was a reduction in COGS, since the increase in job execution costs, influenced by the higher volume of rented material, was more than offset by the reduction of the remaining cost items. There was 3% qoq reduction in the G&A, excluding the effect of reclassification of equipment storage expenses.

Usually, when we open a new branch, G&A expenses start before generation of revenue and grow at a faster pace than revenue at the beginning of operations, negatively affecting the result of the division. This fact explains the significant growth (23%) in G&A between the third quarter of 2010 (3Q10) and 4Q10 and the maintenance of the G&A level in this quarter, since no branches were opened in 1Q11.

In 1Q11, EBITDA reached R$ 12.3 million, versus R$ 11.6 million in 4Q10 and R$ 10.3 million in 1Q10. The EBITDA margin was 42.0% in 1Q11, versus 35.5% in 4Q10 and 45.3% in 1Q10. Cost reductions, a lower proportion of sales in the revenues mix and the ramp-up of revenues in the new branches all contributed to the qoq improvement of EBITDA margin.

We invested R$ 37.0 million in 1Q11, against R$ 34.5 million in 4Q10, most of which to purchase new equipment for the seven branches opened in 4Q10. In 2011, we plan to invest R$ 136.4 million in the Jahu division and open three more new branches.

ROIC was 15.2% in 1Q11, versus 16.7% in 4Q10, considering the theoretical 30% income tax rate instead of the effective income tax for the period.

Table 8 – Jahu – Residential and Commercial Construction division financial indicators

in R$ millions	1Q10 (A)	4Q10 (B)	1Q11 (C)	(C)/(B) %	(C)/(A) %
Net revenue					
Rental	16.5	23.6	26.0	10.2%	57.9%
Technical assistance, sales and others	6.2	9.2	3.2	-65.0%	-48.4%
Total net revenue	22.7	32.8	29.2	-10.9%	28.8%
EBITDA	10.3	11.6	12.3	5.5%	19.3%
EBITDA margin (%)	45.3%	35.5%	42.0%		
ROIC[1] (%)	29.2%	22.3%	15.2%		
Capex	11.2	34.5	37.0	7.3%	230.3%
Invested Capital	83.2	154.1	175.4	13.8%	110.7%
Depreciation	1.1	2.5	2.7	11.7%	157.3%

[1]In 1Q10 and 4Q10, ROIC was calculated considering the effective income tax rate for the period, while in 1Q11 ROIC was calculated considering a theoretical 30% income tax rate. Further details are available in the ROIC section.

Industrial Services Division

In 1Q11, the Industrial Services division generated revenues of R$ 50.2 million, with a qoq reduction of 11.0% and 25.6% yoy increase. The 4Q10 revenue was positively impacted by the stoppage for preventive maintenance at Braskem, where we carried out maintenance services.

In 1Q11, services for new plants contributed R$ 11.6 million, or 23% of total revenue, while services with maintenance contributed R$ 38.6 million, or 77% of total revenues.

Revenues related to new plants, presented a qoq and yoy reduction, because the construction work at some large industrial plants was concluded and new projects are at an early stage, where they do not demand a significant volume of services offered by this division.

Revenues related to maintenance services fell by 9.8% when compared to 4Q10, but increased 39.9% when compared to 1Q10 and 6.3% when compared to 3Q10. In 4Q10, maintenance revenues benefited from the stoppage for preventive maintenance at Braskem, which demanded a great volume of service and consequently revenue, in a short period. Usually, companies carry out preventive maintenance stoppages once a year.

The contribution from the oil & gas sector made up 47.9% of the division's revenue in 1Q11, versus 50.8% in 1Q10.

In 1Q11, there was a COGS reduction in the same proportion as revenue. Labor costs were responsible for 87% of the qoq COGS reduction, excluding depreciation. G&A also presented a qoq decrease, with a drop in practically all items.

In 1Q11, EBITDA reached R$ 6.1 million, versus the R$ 5.8 million achieved in 4Q10 and the R$ 6.3 million in 1Q10. The EBITDA margin was 12.2% in 1Q11, against 10.3% in 4Q10 and 15.8% in 1Q10.

In 1Q11, we invested R$ 2.2 million, versus R$ 3.6 million in 4Q10. In 2011, we plan to invest R$ 24.8 million in this division and to open a new branch in the North region.

ROIC was 9.6% in 1Q11, versus 10.2% in 4Q10, considering the theoretical 30% income tax rate instead of the effective income tax for the period.

Table 9 – Industrial Services division financial indicators

in R$ millions	1Q10 (A)	4Q10 (B)	1Q11 (C)	(C)/(B) %	(C)/(A) %
Net revenue					
New plant	12.4	13.6	11.6	-14.8%	-6.4%
Maintenance	27.6	42.8	38.6	-9.8%	39.9%
Total net revenue	40.0	56.4	50.2	-11.0%	25.6%
EBITDA	6.3	5.8	6.1	5.6%	-3.4%
EBITDA margin (%)	15.8%	10.3%	12.2%		
ROIC[1] (%)	17.7%	14.8%	9.6%		
Capex	7.3	3.6	2.2	-37.8%	-69.5%
Invested Capital	69.3	97.3	108.4	11.4%	56.4%
Depreciation	1.7	2.2	2.4	6.2%	41.7%

[1]In 1Q10 and 4Q10, ROIC was calculated considering the effective income tax rate for the period, while in 1Q11 ROIC was calculated considering a theoretical 30% income tax rate. Further details are available in the ROIC section.

Rental Division

In 1Q11, the net revenue of the Rental division, which focuses on the rental and sales of motorized access equipment with technical support, totaled R$ 33.7 million, a new quarterly record, being 9.5% higher than 4Q10 and 96.5% above 1Q10.

The ten branches which opened in 2010 contributed 48% of the revenue for the division in this quarter. The Southeast region recorded the highest revenue in the quarter, followed by the Northeast and South regions.

In 1Q11, 91% (vs. 83% from the 4Q10) of the net revenue of this segment was related to equipment rental, while the remaining 9% (vs. 17% from the 4Q10) was related to sales of equipment and technical support services.

Between quarters, the equipment rental revenues expanded by R$ 5.1 million, or 19.6%, with a higher rented volume contributing R$ 4.3 million, and prices and mix of equipment increasing by R$ 0.7 million. The utilization rate remained at a normal level, with a small decrease in comparison with the previous quarter, despite the significant volume of equipment received in the period.

In 1Q11, sales revenue declined 56% qoq, when sales were four times higher than the previous quarter. In relation to the same period last year, there has been a growth of 70% in sales revenue.

In 1Q11, excluding the effect of the reclassification of equipment storage expenses, previously explained in the Costs section, there was a reduction of COGS, since the increase of the job execution cost, whose growth was in line the rental revenue growth, was more than offset by the reduction in the cost of sales.

Usually, when we open a new branch, G&A expenses start before generation of revenue and, at the beginning of its operations, grow at a faster pace than the revenue, negatively affecting the result of the division. This fact explains the significant growth (49%) in G&A between 3Q10 and 4Q10 and the maintenance of the G&A level in this quarter, since no branches were opened in the period.

In 1Q11, EBITDA amounted to R$ 18.9 million, versus R$ 14.7 million in 4Q10 and R$ 9.8 million in 1Q10. The EBITDA margin was 56.0% in 1Q11, versus 47.6% in 4Q10 and 57.0% in 1Q10. Cost reduction, a lower proportion of sales in the revenues mix and the ramp-up of revenues in the new branches contributed to the qoq improvement of EBITDA margin.

We invested R$ 42,4 million in 1Q11, against R$ 25.0 million in 4T10. In 2011, the Rental division will require R$ 128.9 million in investments and will open five new branches. This quarter we started the implementation of three new branches - located in São Luís, in the state of Maranhão, in Itaboraí and Resende, both in the state of Rio de Janeiro, with some contracts already signed.

ROIC was 17.3% in 1Q11, versus 14.4% in 4Q10, considering the theoretical 30% income tax rate instead of the effective income tax for the period.

Table 10 – Rental division financial indicators

in R$ millions	1Q10 (A)	4Q10 (B)	1Q11 (C)	(C)/(B) %	(C)/(A) %
Net revenue					
Rental	16.0	25.7	30.8	19.6%	92.9%
Technical assistance, sales and others	1.2	5.1	2.9	-42.0%	145.4%
Total net revenue	17.2	30.8	33.7	9.5%	96.5%
EBITDA	9.8	14.7	18.9	28.8%	93.2%
EBITDA margin (%)	57.0%	47.6%	56.0%		
ROIC[1] (%)	23.5%	18.7%	17.3%		
Capex	18.1	25.0	42.4	69.9%	134.3%
Invested Capital	80.6	187.8	212.4	13.1%	163.6%
Depreciation	2.6	5.0	5.8	15.4%	122.0%

[1]In 1Q10 and 4Q10, ROIC was calculated considering the effective income tax rate for the period, while in 1Q11 ROIC was calculated considering a theoretical 30% income tax rate. Further details are available in the ROIC section.

Conference call and webcast

Date: May 13th, 2011, Friday

Time: 10 am (New York time)

Teleconference: 1 866 890 2584 (toll free) or + 55 11 2188 0155, code: Mills

Webcast: www.mills.com.br/ri

Glossary

(a) **EBITDA** - EBITDA is a non-accounting measurement which we prepare and which is reconciled with our financial statement in accordance with CVM Instruction 01/2007, when applicable. We have calculated our EBITDA (usually defined as earnings before interest, tax, depreciation and amortization) as net earnings before financial results, the effect of depreciation of assets and equipment used for rental, and the amortization of intangible assets. EBITDA is not a measure recognized under BR GAAP, IFRS or US GAAP. It is not significantly standardized and cannot be compared to measurements with similar names provided by other companies. We have reported EBITDA because we use it to measure our performance. EBITDA should not be considered in isolation or as a substitute for "net income" or "operating income" as indicators of operational performance or cash flow, or for the measurement of liquidity or debt repayment capacity.

(b) ***Capex*** (*Capital Expenditure)* – Acquisition of goods and intangibles for permanent assets.

(c) **ROIC** – (Return on Invested Capital) - Calculated as Operating Income before financial results and after the payment of income tax and social contribution on this income, divided by average Invested Capital, as defined below. ROIC is not a measure recognized under BR GAAP, and it is not significantly standardized and cannot be compared to measurements with similar names provided by other companies.

(d) **Job execution costs** - Job execution costs include: (a) labor costs for erection and dismantling of the equipment rented to our clients, when such tasks are carried out by the Mills workforce; (b) equipment freight costs, when under Mills' responsibility; (c) cost of materials used in the execution of our services, such as individual safety equipment (EPIs), paint, insulation material, wood, among others; and (d) cost of materials used in the maintenance of the equipment, when it is returned to our warehouse; and (e) cost of equipment rented from third-parties.

(e) **Expenses with contract coordination** - Expenses with contract coordination include personnel expenses with our project teams and commercial engineers, who are responsible for the management and supervision of each of our contracts. It is the most relevant item in G&A, representing from 50% to 60% of the total G&A.

(f) **Net debt -** Gross debt less cash holdings.

(g) **Enterprise Value** *(EV)* – Company value at the end of the period. It is calculated by multiplying the number of outstanding shares by the closing price per share, and adding the net debt.

(h) **Invested Capital** – For the Company, invested capital is defined as the sum of its own capital (net equity or shareholders' equity) and capital from third parties (total loans and other liabilities that carry interest, from banks or not), both being average capital from the beginning to the end of the period considered. By division, it is the average of the capital invested by the company weighted by the average assets of each division (net liquid assets plus PPE – Property, Plant and Equipment).

INCOME STATEMENT

In R$ millions	1Q10	4Q10	1Q11
Net revenue from sales and services	**115.5**	**154.2**	**145.0**
Cost of products sold and services rendered	(49.6)	(76.5)	(71.3)
Gross profit	**65.9**	**77.7**	**73.7**
Operating expenses			
General and administrative	(32.1)	(46.9)	(36.8)
Operating profit before financial result	**33.8**	**30.8**	**36.8**
Financial result			
Financial expense	(6.2)	(4.4)	(5.1)
Financial income	0.5	4.8	2.1
Profit before taxation	**28.1**	**31.3**	**33.8**
Income tax and social contribution expenses	(9.4)	(1.2)	(11.6)
Net income	**18.7**	**30.1**	**22.2**
Number of shares at the end of the period (in thousands)	87,421	125,495	125,495
Net income per thousand shares at the end of the period (R$)	0.21	0.24	0.18

BALANCE SHEET

in R$ millions	1Q10	4Q10	1Q11
Assets			
Current assets			
Cash and cash equivalents	1.8	6.2	4.3
Marketable securities	-	136.1	11.0
Accounts receivable	84.6	122.1	122.6
Inventories	2.0	5.6	6.7
Taxes recoverable	14.8	26.2	19.0
Prepaid expenses	2.0	0.3	-
Prepaid suppliers	2.8	7.3	9.1
Other assets	1.4	4.1	3.6
Total Current assets	109.4	307.9	176.5
Non-current assets			
Long-term assets			
Accounts receivable	4.3	3.8	3.4
Taxes recoverable	0.2	3.9	3.9
Deferred taxes	9.5	8.1	8.4
Judicial deposits	6.1	7.3	7.3
Total long-term assets	20.1	23.1	23.1
Permanent assets			
Investments	-	-	90.0
Property, plant and equipment	322.3	551.2	621.2
Intangible assets	39.3	41.9	41.8
Total permanent assets	361.6	593.1	753.0
Total non-current assets	381.7	616.2	776.0
Total assets	**491.1**	**924.1**	**952.5**

in R$ millions	1Q10	4Q10	1Q11
Liabilities			
Current assets			
Suppliers	23.3	32.7	24.3
Loans and financing	59.0	46.7	78.2
Salaries and social charges	20.2	21.3	26.9
Income tax and social contribution	3.3	-	3.3
Tax recovery program (REFIS)	0.8	0.7	0.9
Taxes payable	2.7	4.4	3.4
Profit sharing payable	3.7	17.5	1.4
Proposed dividends	15.5	28.1	24.5
Other liabilities	1.3	9.4	12.0
Total current liabilities	129.8	160.8	175.0
Non-current assets			
Loans and financing	147.2	85.9	78.7
Provision for contingency	8.8	11.1	11.3
Taxes payable	0.3	-	-
Deferred taxes	-	-	-
Tax recovery program (REFIS)	11.2	10.0	10.5
Accounts payable - stock option plan	0.6	-	-
Other liabilities	1.0	1.0	0.8
Total non-current assets	169.2	108.2	101.3
Total liabilities	299.0	268.9	276.3
Stockholders' equity			
Capital	97.5	525.1	525.1
Revenue reserves	70.0	145.2	145.2
Capital reserves	-	(8.2)	(7.7)
Carrying value adjustments	5.8	(7.0)	(8.6)
Accumulated results	18.7	-	22.2
Total stockholders' equity	192.1	655.2	676.2
Total liabilities and stockholders' equity	**491.1**	**924.1**	**952.5**

CASH FLOW

in R$ millions	1Q10	4Q10	1Q11
Cash flow from operating activities			
Net earnings	**28.1**	**31.3**	**33.8**
Adjustments			
Depreciation and amortization	8.9	14.5	16.0
Provision for contingencies	-	0.8	0.2
Provision for expense with share options	0.1	0.3	0.4
Residual value of written-off intangible and property and equipment	(0.1)	(0.0)	-
Tax recovery program (law 11,941/2009)	-	0.3	-
Profit sharing	3.8	6.6	1.4
Marketable Securities income	-	(2.5)	(1.6)
Interest, monetary and exchange rate variation on loans, contingencies and escrow deposits	6.0	5.9	4.3
Gain on disposal of noncurrent assets and intangible write-off	(1.5)	(3.8)	(2.9)
Deferred Income tax and social contribution	-	(0.0)	-
	17.3	**22.1**	**17.8**
Changes in assets and liabilities			
Accounts receivable	(13.0)	(14.8)	(0.2)
Inventories	(0.7)	(1.7)	(1.1)
Taxes recoverable	14.4	4.1	4.2
Judicial deposits	0.0	(1.0)	0.0
Other assets	(1.9)	(0.0)	(0.7)
Suppliers	11.6	4.1	(8.4)
Salaries and social charges	5.5	(4.9)	5.6
Taxes payable	(1.8)	(0.3)	(1.0)
Other liabilities	0.5	(0.5)	5.1
	14.6	**(14.9)**	**3.5**
Cash from operations	**60.0**	**38.5**	**55.0**
Profit sharing paid	(13.9)	-	(17.5)
Interest paid	(3.8)	(5.5)	(4.3)
Income tax and social contribution paid	(5.7)	(8.7)	(2.2)
Net cash provided by operating activities	**36.6**	**24.3**	**31.1**
Cash flow from investment activities			
Acquisition of property and equipment and intangible assets	(58.7)	(80.0)	(94.6)
PIS and COFINS tax credits from acquisition of rental equipment	-	(0.0)	-
Marketable securities	-	58.5	126.7
Revenue from sale of non current and intangible assets	1.6	6.5	4.2
Investment Acquisitions	-	-	(90.0)
Cash used in investment activities	**(57.2)**	**(14.9)**	**(53.8)**
Cash flow from financing activities			
Capital subscription	0.6	1.7	-
Dividend paid and Interest attributed to shareholders	-	-	(3.6)
Share issuance cost	-	(0.4)	-
Amortization of loans	(10.9)	(10.7)	(6.3)
New loans	31.0	1.5	30.7
Net cash provided for (used in) financing activities	**20.7**	**(7.9)**	**20.8**
Increase in cash and cash equivalents	**0.2**	**1.4**	**(1.9)**
Cash and cash equivalents at the beginning of the period	**1.6**	**4.8**	**6.2**
Cash and cash equivalents at the end of the period	**1.8**	**6.2**	**4.3**

This press release may include declarations about Mills' expectations regarding future events or results. All declarations based upon future expectations, rather than historical facts, are subject to various risks and uncertainties. Mills cannot guarantee that such declarations will prove to be correct. These risks and uncertainties include factors related to the following: the Brazilian economy, capital markets, infrastructure, real estate and oil & gas sectors, among others, and government rules that are subject to change without previous notice. To obtain further information on factors that may give rise to results different from those forecasted by Mills, please consult the reports filed with the Brazilian Comissão de Valores Mobiliários (CVM, equivalent to U.S. "SEC").