MILLS

INTERNATIONAL CONFERENCE CALL

4TH QUARTER AND FULL YEAR OF 2013 EARNINGS RESULTS

March 12, 2014

11:00 a.m.(Brasilia time) / 10:00 a.m.(New York time)

Operator: Good morning and welcome to Mills' call during which we will be discussing the results of 4Q and the full year of 2013. Right now all participants are connected in listen only mode and later on we will have a question-and-answer session when further instructions will be given for you to participate.

Should you need assistance from an operator during the call please press star zero. This call is being simultaneously translated into English and questions may be asked normally by participants connected from abroad. You may also ask questions over the Internet on the webcast platform.

I would like to remind you that this call is being recorded. The audio will be available at the company's website in up to 24 hours.

In case you do not have a copy of Mills' release that was published Tuesday, March 11 you may obtain it at the company's website: www.mills.com.br/ir. This call together with the slide presentation is being broadcast simultaneously on the Internet also with access at www.mills.com.br/ir or at www.ccall.com.br/mills/4T13.htm for Portuguese and www.ccall.com.br/mills/4Q13.htm for English.

Before proceeding I would like to mention that forward-looking statements that might be made during this call related to the business perspectives of the company as well as projections, operating and financial targets related to its growth potential are mere forecasts based on expectations by the company's management in relation to Mills' future. These forward-looking statements depend on the performing of the sector, the general economic performance of the country and the conditions of both domestic and international markets and therefore they are subject to changes.

Today with us we have Mr. Ramon Vazquez, CEO; Mr. Frederico Neves, CFO and Mrs. Alessandra Gadelha, Investor Relations Officer.

Now I would like to give the floor over to Mr. Ramon Vazquez. Mr. Vazquez you may proceed.

Mr. Ramon Vazquez: Good morning ladies and gentlemen, thank you for participating in this call about 4Q and the full year of 2013 results of Mills. On slide number 1 we show you that in order to further reinforce Mills' brand as well as our strategy we launched in January a new brand architecture and now Mills is infrastructure (former construction); real estate (former Jahu) and rental.

On slide number 3 we present the highlights for the last quarter and also the full year of 2013. We concluded the sale of the industrial services business unit on November 30, 2013 with net earnings of R$ 8.3 million.

For comparison purposes we will make a presentation for the historical data of the company net of the industrial services values. Net revenue amounted to 210.1 million in 4Q growing by 12% year on year; Ebitda was R$ 102.4 million and the Ebitda margin was 48.7% whereas the net income was 45.6 million and ROIC 13.4%.

In this quarter we had lower revenues from sales in all segments and the real estate unit operated with lower than normal utilization rate. In 2013 our revenue grew by 25%, records in all business units and the increase in the rental revenue was the main driver of the total revenue for the company.

On slide number 4 we show our revenue breakdown for the quarter. Rental was the business unit that had the highest net revenue representing 46% of the total revenue; infrastructure accounted for 28% and real estate for 26%. In relation to the kind of service 84% of Mills' revenues in the quarter came from equipment rental and 11% from sales.

On slide number 5 we show you the infrastructure results: revenue was 58.6 million, a new quarterly record; Ebitda was 29.3 million; Ebitda margin 49.9%; ROIC 19.1%. In 2013 we had a 25% increase in revenues with increase also in the Ebitda margin. Besides we increased the use of Alumills aluminum shoring with major productivity gains for our clients.

And we consolidated in the market the new product SM Mills, a modular system for formwork and shoring for concrete of complex geometry structures and repeated sections used in the expansion works of line number 5 of São Paulo subway, in the Teles Pires and Belo Monte hydropower plants and Transcarioca BRT.

On slide number 6 we closed the last quarter… We signed very important contracts including subways in Fortaleza and Salvador; the new stretches of the S11D project of Vale; Belo Monte and Jirau hydropower plants and the Norte Sul railway; new stretches of line 4 of the subway and the Comperj refinery in Rio as well as lines 4 and 5 of the subway and Rodoanel Norte in São Paulo among others.

On slide number 7 we show you the construction revenues segmentation by sector. Infrastructure works represented 69% of revenues including urban mobility projects and airports and industry 22%. We participated in the projects of 9 airports, 5 subway lines and BRTs and light rails in 11 Brazilian capitals.

On slide number 8 we see the World Economic Forum report that shows Brazil as having the worst infrastructure quality among the BRICs.

And as we show you in slide number 9 the country has been investing only 2% of the GDP and infrastructure in the last 20 years vis-à-vis 5% of the GDP in the 70s, nevertheless with an increase in the participation of private initiative in the last few years. The good news is that the participation of private initiative should be extended substantially in the next few years.

On slide 10 we show you that the concessions with successful auctions at the end of 2013 already amount to R$ 62 billion of investment, exceeding the amount transferred to the private initiative in the last 10 years. We continue to be bullish about the infrastructure sector with the outlook of an expressive increase in investment in this sector.

I would like to mention that there is a gap of approximately 12 months between the auction itself and the beginning of our participation in the project. This way the impact of these concessions on our revenues will only occur as of 2015.

On slide 11 we show you the results of real estate, which reached R$ 54.2 million revenues within Ebitda margin of 31.5% and 3.2% ROIC. Lower revenues from sales contributed 45% in the reduction on a quarter to quarter basis whereas the lower volume of equipment rented contributed with 21%. The utilization rate was lower than normal levels with a reduction vis-à-vis the previous quarter.

Seasonally 4Q is impacted by the holiday season; however due to the fact that the holidays were right in the middle of the week most of the builders had collective vacations, which impacted mainly the beginning of new projects. In 2013 there was an 8% increase in revenues, however with a downward pressure on margins.

We consolidated the mast climbing platform in the market that promotes a higher degree of safety and productivity in façades and shopping malls and there was a 50% increase in sales of the easy set formwork with a reactivation of the Minha Casa Minha Vida program.

As you can see on slide number 12 we opened the unit in São Luiz, Maranhão State, in 2013 and we closed the year with 17 units. Units opened since November 2009 contributed 55% of the real estate revenues in 2013.

According to the chart that you see on slide 13 we saw a 17.6% increase in total launches by listed real estate companies in 2013 after two consecutive years on a downward trend, and this will bring about higher opportunities for construction in 2014 once there is a gap of between 9 and 12 months between the launch and the beginning of our participation in the projects, helping us recover our profitability bouncing it back to historical levels.

I would like to mention that there is no demand shortage in this sector. The constructed area continues to grow; however the growth rate of 2013 (10.7%) was lower than the one of 2012. Our projects and equipment allow us to have the productivity gains by reducing the cycle as well as the number of workers involved and increasing our business in real estate besides the growth of the sector itself.

On slide 14 you can see that with the industrialization of the construction process it is possible to reduce the execution of a slab or floor in a building from 15 down to 4 days and the number of workers from 30 down to 10; however this industrialization process is slow because it requires a cultural change by homebuilders. In the special civil construction survey of 2012 94% of the participating builders said that they had a problem with lack of basic labor, such as carpenters, but only 7% of these companies mentioned that they were planning to industrialize their worksite in order to tackle the problem of this shortage of labor.

We trust the major growth opportunities in the real estate market were the growth drivers of the housing deficit, the increase in the purchasing power of the Brazilian population and higher availability of mortgages, besides the industrialization of the construction process in increasingly expensive and scarce labor scenario.

On slide 15 we show you the results of rental, which were revenues 97.2 million; Ebitda 56 million (both record, 51% growth on a year on year basis); Ebitda margin was 57.7% and ROIC 17.5%. Our revenues increased by 41% on a year on year basis maintaining our profitability.

On slide 16 we show you that we opened 9 units in 2013 amounting to 26 overall. The units open since 2010 contributed 69% of the rental revenues for the year. After having been awarded this in 2012 we are, once again, among the four finalists to the awards… For the award best company, access company of the year from the world Association of Makers and Motorized Access as an international recognition of our work for the dissemination of the concept of the safe use of aerial platforms in Brazil and we were among the finalists in the training center category.

IPAF is the international association that promotes the safe operation in the use of access machinery. We have the highest number of certified structures by IPAF and specialized training centers to give these courses in Latin America. We account for 74% of all platform operation IPAF certificates in Brazil.

On slide 17 we show you that the motorized access equipment market continues growing. The Brazilian fleet of aerial platforms and telehandlers delivered a growth of 40% closing 2013 with 30,000 units vis-à-vis 21,000 at the end of 2012 according to our estimates.

With the replacement of methods such as you see on slide number 18 we believe that the market will continue to grow at high rates in the next few years due to the underutilization of this kind of equipment in Brazil. They started to be used in 2007 by the regulation NR-18 and reinforced in 2012 by the specific regulation of work at height NR-35. Both required the use of aerial platforms to take people to heights promoting a higher degree of safety and productivity at the worksite.

And lastly we show you our growth plan. As you can see on slide number 20 there is a low correlation between the company's performance and the country's performance as measured by the GDP. Productivity gains of our equipment and solutions give us the opportunity, a great opportunity for penetration of our services and our growth can be in a way independent from the overall economic performance.

As you can see on slide 21 we opened 12 new units in 2013: 9 rental, of which 2 in the last quarter; 2 infrastructure and 1 real estate, and we expect to open at least 7 units of rental in 2014.

As you can see on slide number 22 the investments in the rental equipment amounted to 464 million in 2013 of which 84 million in 4Q. The 2014 budget includes investments of R$ 231 million in rental assets that may be expended over the year of 2014 according to the opportunities in our markets mainly related to the concession auctions in the infrastructure sector.

I would like to remind you that although the rental equipments are imported we have hedge contacts in order to protect ourselves from exchange rate variation.

Thank you very much and now we are available to answer any questions that you might have.

Q&A Session

Operator: Ladies and gentlemen now we would like to start the Q&A session. In order to ask a question please press star one. If you wish to remove your question from the queue please press star two.

Alexandre Falcão, HSBC.

Mr. Alexandre Falcão: Good morning everyone. I have two questions, the first one has to do with the market share in rental. The number of machines went up almost 40% and the capital invested went up almost 50%, but of course there is the effect of the exchange rate I understand.

I would like to know about the market share with such a big development in the industry. This is my first question.

Mr. Vazquez: Our market share has been growing consistently and we estimate it is around 25% today of the whole market.

Mr. Falcão: The second question has to do with the real estate division (the former Jahu division). Maybe you could expand a little bit about the first months of this year, if part of the surplus capacity that you had in 4Q due to the facts that you have already referred to and also the end of the stadia projects, etc.

In the first months of this year do you have a change in the idle capacity this year? And what about the earnings in the sector this year?

Mr. Vazquez: What we see at the beginning of this year we already have a higher activity in this business unit and we understand that also driven by the fact that last year for the first time ever or up to two years we had an increase in launches by builders. We will see a year of recovery of our margins in this business unit bouncing back to historical levels that were 40-something percent.
So the beginning of this year is favorable and the recovery should happen over the next few quarters. And also in the Minha Casa Minha Vida sector our easy-set equipment is being used more extensively and if you look at the last quarter of last year we almost had no sales in this business unit, and already in 1Q we already have a major portfolio of equipment for Minha Casa Minha Vida and we are working now regarding the sales for 2Q as all the contracts that have already been signed already cover our capacity for 1Q. So this business unit should bounce back to normal historical levels of 40-something percent Ebitda margin over the year.

Mr. Falcão: Thank you.

Operator: Mr. Bruno Savaris, Credit Suisse.

Mr. Bruno Savaris: Good morning everyone, thank you for the call. Just to follow up on Falcão's question: when you look at the real estate (the former Jahu division) could you

expand on the business outlook per region? What about the North East, the South and the Southeast and where do you see the higher growth potential?
Also regarding provisions for loan losses in this division there was a slight increase in 2013 year on year. Do you see any problem regarding your provisions for bad debt?
And the third question, which is more linked to the upside of industrializing the construction process in Brazil you said that 94% of the companies say that there is a shortage of labor but only 7% mentioned industrializing their processes. So what is the reason for that and have you been doing anything to improve this with the other players? Okay these are my questions.

Mr. Vazquez: Let us start by your last question, the industrialization of the construction process. When you look at the slides it is very clear, or the advantages of industrializing your construction process are very clear and basically in our case it means using the systems that we offer, most of them in aluminum, and because of that they allow you to reduce the use of labor and also to shorten the cycle.
However, this is not as simple as it looks because it depends on a cultural change on the part of the homebuilders. There are still many processes that utilize quite a lot of wood, quite a lot of labor and this takes time.
What we have been doing in order to encourage this change is to send missions to one of our partners in Canada basically, in which we try to show the advantage of using systems that reduce the use of labor in these construction sites and we also make presentations to associations that have to do with civil construction and we try to show them the advantage of using these systems. We have been doing this but to talk very frankly the results are not achieved in the short run. The civil construction industry has been facing quite a lot of problems regarding labor - not only the availability but also costs - and so our mission is to publicize not only to homebuilders but also to calculation engineers the advantages of considering the structure of a building not only focusing on the amount of the concrete that is needed for the structures but also focusing on how you are going to execute the concrete structure.
Depending on the solution it may allow you to either reduce or not reduce the number of people or the number of workers involved in the execution of the formwork and shoring part of the construction.

Regarding our provision for bad debt we see no problem regarding this, so there is nothing I could add to what was said.
And now about the geography we continue to see especially the São Paulo and Rio de Janeiro areas really picking up and the South also picking up; the Midwest recovering (because there was a drop in 2Q 13) and the Northeast market is still weaker vis-à-vis the other markets.

Mr. Savaris: Thank you.

Operator: Cássio Lucin from J.P. Morgan.

Mr. Cássio Lucin: Good morning, thank you for the call. Two questions: about your working capital over this last quarter I see that there was a deterioration in your working capital and what about the market for used equipment? What is your rental division doing to develop this market? Thank you.

Mr. Vazquez: Regarding the rental machines what we have been doing is create a market for the sale of used equipment. When you go to mature markets you can see that this is a major source of profit for companies and also it helps the purchase of new equipment and it also reduces maintenance costs because as you know maintenance costs go up as the machine gets older. So if you have an older fleet you have higher maintenance costs.
Our fleet is rather new still; but of course we want to create this market because this is part of the overall picture of using this kind of equipment. Since the beginning of 2013 we have been creating a group inside the company for this purpose and we are investing in the creation of this market basically selling used equipment to other rental companies that rent all kind of equipment… Or this kind of equipment plus other kinds of equipment. So this is the main market for used equipment in Brazil.

This is a very time-consuming process, this is not a simple one; but as the market grows gradually it also becomes more and more important for our company.

Mr. Lucin: And what about the working capital?

Ms. Alessandra Gadelha: Could you clarify your doubt Cássio? Because if you look at the working capital in the cash flow the main variations are Accounts Receivable and inventories. Inventories in 4Q and Accounts Receivable the variation was even lower; so could you explain your question?

Mr. Lucin: Just a moment please. I am sorry…

Mr. Frederico Neves: This is Frederico good morning. This is a one-off situation probably linked to investments. What we see is that for the full year the suppliers account has a positive variation vis-à-vis 2012, so probably a lower investment vis-à-via the previous quarters. If you do that you generate less Accounts Payable to suppliers or trade accounts, okay?

Mr. Lucin: Thank you.

Operator: I would like to remind you that in order to ask a question you should press star one.

Mr. Eduardo Couto, Morgan Stanley.

Mr. Eduardo Couto: Good morning Alessandra, Ramon, Frederico. I have a question about the rental division. Just to confirm: you said that the idea is to open 7 new units this year; could you confirm that? And could you please talk about the ramp-up of the units that you opened last year? Is it according to your expectations or better or worse? Because the number of units opened was quite relevant.

Mr. Vazquez: Last year our objective at the rental division was to open 12 new units and in fact we opened 11; but we are seeing that we opened nine units because we can already carry out operations in these regions. However, we have to be able to issue

invoices in each one of them and until this happens we do not consider them as fully operational.
So we started to operate with 11 units last year and our objective is to open an additional 7 this year and the operation itself, well, we are opening these units everywhere in the country and very successfully. So as you can see on one of the slides in my presentation the contribution of the new branches is very significant to the overall result of the rental division.
So it is part of our strategy to expand geographically our operations in such a way as to cover more and more economic centers of the country where we see potential to develop this kind of activity and we are also increasing our footprint in states where we already have a reasonable number of branches. But with the development of the market we must increase our footprint such as it is the case of São Paulo and Rio.

Mr. Couto: Do you believe that rental will continue to grow more than the other divisions?

Mr. Vazquez: I understand that the process, the expansion process allows us to have an expressive increase also in the rental division, such as was the case a couple of years ago in the real estate area. Regarding the future we understand that with the increase in activities in the infrastructure market we could have a very fast growth and you can see that in spite of the country crowing very little and with very small investments by the private initiative in infrastructure we were able to grow our revenues by 25% in infrastructure last year.
So we believe that with these concessions, with R$ 62 billion this means investments for the next few years will be very significant because private initiatives in the last six months alone received concessions amounting to more than happened in the last 10 years.
So what we expect to see is that over the next few years we will see an even faster growth in the infrastructure sector in Brazil and because of that we will be able to position ourselves as to tap into these opportunities. So the outlook for growth of the rental division is very good and the idea for the next few years is to open at least five

new branches per year and we have a concrete perspective based on the success of these first concessions of a very strong growth in infrastructure as well.

Mr. Couto: So you believe that both in rental and infrastructure we should continue to see two-digit growth for the foreseeable future?

Mr. Vazquez: I would rather say that we will see strong growth for the next few years.

Mr. Couto: Thank you.

Operator: Alexandre Falcão, HSBC.

Mr. Alexandre Falcão: Thank you for the follow-up. I do not know whether you can do this; but what is really contracted for each one of the divisions? I do not know whether you can talk about that…

Mr. Vazquez: No. Unfortunately we cannot break this down, we do not talk about backlogs or the amount of contracts; what you can see that there is a very big correlation between contracts that are under way and those that are starting and in the case of rental and real estate it is more scattered, I mean the amount of projects is too big: we have over 1300 active clients in the case of real estate for instance and over 4000 active clients in the rental division, so you can see that this is quite scattered.

Mr. Falcão: What do listed companies mean to you in the real estate division of your revenues? What is your exposure to the listed real estate companies? Could you give us some more details about these launches, etc.?

Mr. Vazquez: Nowadays the listed real estate companies represent… Well, in the last quarter of 2013 they represented 22% of the real estate division revenues.

Mr. Falcão: Thank you.

Operator: Once again if you wish to ask a question please press star one.

As there are no more questions I would like to give the floor back to Mr. Ramon Vazquez for his closing remarks.

Mr. Vazquez: Once again I would like to thank you very much for participating in our call about Mills' results and our investor relations team is available to you to clarify any doubts that you might have. Thank you very much.

Operator: Mills' conference call is closed. We thank you for participating and wish you a very good day. Thank you.