(A free translation of the original in Portuguese)

Mills Estruturas e Serviços de Engenharia S.A.

Restatement of the Quarterly Information - ITR at March 31, 2010 and Review Report of Independent Accountants

(A free translation of the original in Portuguese)

Review Report of Independent Accountants

To the Board of Directors and Shareholders
Mills Estrutura e Serviços de Engenharia S.A.

1 We have reviewed the accounting information included in the Quarterly Information (ITR) of Mills e Serviços de Engenharia S.A. ("Company"), for the quarter ended March 31, 2010, comprising the balance sheet and the statement of income, changes in equity and of cash flows, the explanatory notes and the performance report. This Quarterly Information is the responsibility of the Company's management.

2 Our review was carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC), and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the Quarterly Information; and (b) a review of information and of subsequent events which have, or could have, significant effects on the financial position and operations of the Company.

3 Based on our limited review, we are not aware of any material modifications that should be made to the quarterly information referred to above in order that it be stated in accordance with the accounting standard CPC 21 - Interim Financial Reporting of the Brazilian Accounting Pronouncements Committee (CPC), and with the international accounting standard IAS 34 - Interim Financial Statements, issued by the International Accounting Standards Board - IASB, applicable to the preparation of the Quarterly Information, consistent with the standards issued by the Brazilian Securities Commission (CVM).

4 We also have reviewed the interim statements of value added for the quarter ended March 31, 2010, whose presentation in the interim financial information is required in accordance with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and considered as supplementary information under IFRS, which do not require the presentation of the statement of value-added. These statements have been submitted to the same review procedures described above and, based on our review, we are not aware of any fact that leads us believe that they are not properly prepared, in all material respects, in relation to the interim accounting information taken as a whole.

5 As mentioned in Note 2 (a), the Brazilian Securities Commission (CVM), through CVM Resolution No. 603/09, permitted companies to present their Quarterly Information during 2010, based on the accounting standards effective until December 31, 2009, provided that this Quarterly Information was subsequently restated, including comparative figures, to comply with the new standards. Accordingly this Quarterly Information (ITR) differs from that originally disclosed by the Company.

Rio de Janeiro, May 12, 2011

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RJ

Patricio Marques Roche
Contador CRC 1RJ081115/O-4

Mills Estruturas e Serviços de Engenharia S.A.

Balance Sheets as of March 31, 2010 and December 31, 2009
In thousands of Reais

(A free translation of the original in Portuguese)

Assets	Note	March 31, 2010	December 31, 2009
Current assets			
Cash and cash equivalents	5	1,796	1,575
Trade receivables	6	84,600	71,504
Inventories		2,049	1,382
Recoverable taxes	7	14,764	25,727
Prepaid expenses		1,960	218
Other current assets		4,211	4,051
		109,380	104,457
Non-current assets			
Trade receivables	6	4,294	4,413
Recoverable taxes	7	173	173
Deferred taxes	13	9,534	10,038
Deposits in court	14	6,081	5,960
		20,082	20,584
Investments			
Property, plant and equipment	8	322,302	275,988
Intangible assets	9	39,304	39,265
		381,688	335,837
Total assets		491,068	440,294

Liabilities and Shareholders' Equity	Note	March 31, 2010	December 31, 2009
Current liabilities			
Payables		23,313	11,713
Loans and financings	10	58,992	56,811
Salaries and payroll charges		20,180	14,716
Income tax and social contribution	13	3,263	74
Tax refinancing program (REFIS)	15	801	786
Taxes payable	13	2,748	4,023
Profit sharing payable	12	3,734	13,824
Proposed dividends		15,528	16,242
Other current liabilities		1,283	1,251
		129,842	119,440
Non-current liabilities			
Loans and financings	10	147,198	127,127
Taxes payable	13	337	375
Tax refinancing program (REFIS)	15	11,229	11,008
Accounts payable - Stock option plan	12	583	583
Provision for contingencies	14	8,782	8,527
Other non-current liabilities		1,042	593
		169,171	148,213
Total liabilities		299,013	267,653
Shareholders' Equity			
Capital		97,527	80,681
Earnings reserves	16	70,031	86,232
Capital reserve	16	5,815	5,728
Retained earnings	16	18,682	
Total Shareholders' Equity		192,055	172,641
Total Liabilities and Shareholders' Equity		491,068	440,294

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

	Note	2010	2009
Net revenues from sales and services	18	115,503	82,356
Cost of products sold and services rendered	19	(49,621)	(32,808)
Gross profit		65,882	49,548
General and administrative expenses	19	(32,055)	(24,824)
Operating income		33,827	24,724
Financial income	20	469	165
Financial expenses	20	(6,221)	(6,955)
Financial expenses, net		(5,752)	(6,790)
Income before income tax and social contribution		28,075	17,934
Income tax and social contribution	13	(9,393)	(5,951)
Net Income for the Quarter		18,682	11,983
Other components of comprehensive income			
Total Comprehensive Income for the Quarter		18,682	11,983
Weighted average number of shares at end of quarter		87,574	87,221
Basic earnings per share	17	0.21	0.14
Diluted earnings per share	17	0.21	0.14

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

Mills Estruturas e Serviços de Engenharia S.A.

Statement of Changes in Shareholders' Equity
for the Quarter Ended March 31, 2010
In thousands of Reais (A free translation of the original in Portuguese)

	Capital		Earnings reserves			Capital reserve		
	Subscribed	To be paid in	Legal	Investment	Special	Stock option premium	Retained earnings	Total
Balances as of December 31, 2009	81,003	(322)	3,419	77,444	5,369	5,728		172,641
Paying in of capital		322						322
Capital increase - capitalization of expansion reserve	16,201			(16,201)				
Capital increase - issue of shares	323							323
Stock option premium						87		87
Net Income for the Quarter							18,682	18,682
Balances as of March 31, 2010	97,527		3,419	61,243	5,369	5,815	18,682	192,055

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

Mills Estruturas e Serviços de Engenharia S.A.

Statements of Cash Flows for the Quarters Ended March 31, 2010 and 2009

In thousands of Reais (A free translation of the original in Portuguese)

	2010	2009
Cash flows from operating activities		
Net income before income tax and social contribution	28,075	17,934
Adjustments		
Depreciation and amortization	8,939	7,358
Provision for expense on stock options	87	1,013
Profit sharing	3,761	3,621
Residual value of fixed and intangible assets written off	(60)	30
Gain on sale of fixed and intangible assets	(1,463)	(1,520)
Interest and monetary and exchange variations on loans, contingencies and deposits in court	6,048	7,295
	17,312	17,797
Changes in assets and liabilities		
Trade receivables	(12,977)	6,499
Inventories	(667)	(264)
Taxes recoverable	14,351	446
Deposits in court	26	(30)
Other assets	(1,902)	(472)
Trade payables	11,600	(7,931)
Salaries and payroll charges	5,464	(514)
Taxes payable	(1,791)	(948)
Other liabilities	480	42
	14,584	(3,172)
Cash provided by operations	59,971	32,559
Profit sharing paid	(13,851)	(93)
Interest paid	(3,781)	(3,447)
Income tax and social contribution paid	(5,699)	(6,016)
Net cash provided by operating activities	36,641	23,003
Cash flows from investing activities		
Acquisitions of fixed and intangible assets	(58,741)	(9,016)
Revenues from sale of fixed and intangible assets	1,582	1,851
Net cash used in investing activities	(57,159)	(7,165)
Cash flows from financing activities		
Capital injections	645	
Amortization of loans	(10,949)	(8,465)
Loans received	31,043	3,824
Net cash provided by (used in) financing activities	20,739	(4,641)
Net increase in cash and cash equivalents	221	11,197
Cash and cash equivalents at beginning of quarter	1,575	1,758
Cash and cash equivalents at end of quarter	1,796	12,955

The accompanying notes are an integral part of the quarterly 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, boiler-work and refractory services, as well as other services inherent in such activities.

(d) Sale, lease and distribution of aerial work platforms and telescopic manipulators, as well as parts, components and technical assistance and maintenance services for such equipment.

The re-issuance of this Quarterly Financial Information (ITR) was approved and authorized for publication by the Company's Executive Officers Committee at a meeting held on May 11, 2011.

Corporate reorganization

Until December 31, 2008 the Mills Group was comprised of the following companies: Mills Andaimes Tubulares do Brasil S.A. ("MAT"), Mills Indústria e Comércio Ltda. ("MIC") and Mills Estruturas e Serviços de Engenharia S.A.

At the beginning of 2009, the Company underwent a process of corporate reorganization that included (i) transformation into a privately held corporation, as approved by the shareholders on January 29, 2009, and (ii) upstream merger of the companies MAT, MIC and Itapoã Participações S.A. ("ltapoã"), approved by the shareholders on January 30, 2009.

2 Presentation of the Quarterly Financial Information - ITR

2.1 Summary of significant accounting policies

The significant accounting policies adopted by the Company in preparing this quarterly financial information are defined in this Note 2. Such policies have been applied in a consistent manner in all periods presented, unless provided otherwise.

(a) ITR presentation

As permitted by Decision No. CVM 603/2009, issued by the Brazilian Securities Commission, the Company initially presented its ITR's during the year 2010 using the accounting standards in effect through December 31, 2009. Such decision allowed the ITR's for 2010 to be re-presented together with the annual financial statements for the year ended December 31, 2010. Nevertheless, on January 25, 2011 the CVM published Decision No. CVM 656/11, which altered Decision No. 603/2009, postponing presentation of the quarterly financial information to the time for presentation of the first ITR for 2011 (1st Quarter 2011). The Company decided to use this

prerogative and, therefore, the quarterly financial information for 2010 was not disclosed together with the annual financial statements. Application of the pronouncements and interpretations issued by the Accounting Pronouncements Committee - CPC during 2010 did not generate any effects on the shareholders' equity and results of the Company for the quarters ended March 31, June 30 and September 30, 2010.

The quarterly financial information has been prepared according to Technical Pronouncement CPC 21, which deals with interim financial statements, and in accordance with International Accounting Standards No. 34 (IAS 34).

(b) Basis for measurement

The Company's quarterly financial information has been prepared based on historic cost, except for the following material items recognized in the balance sheets:

- derivative financial instruments measured at fair value (Note 22); and
- financial instruments measured at fair value through profit and loss - FVTPL (Note 22).

(c) Functional currency and reporting currency

This quarterly financial information is being presented in Brazilian Reais (R$), which is the Company's functional currency. All financial information is presented in thousands of Reais (R$ Th.), except where indicated otherwise.

(d) Presentation of segment information

The report per operating segment is presented in a manner consistent with the internal report supplied to the main operating decision-making body. This body, which is responsible for allocating funds and evaluating the performance of the operating segments, is the Executive Officers Committee, which is also responsible for making the Company's strategic decisions.

(e) Statement of value added

The Company has prepared its statement of value added (DVA) in the manner provided by technical pronouncement CPC 09 - Statement of Value Added, which is presented as an integral part of the financial statements accounting to BRGAAP applicable to publicly traded companies, whereas for purposes of IFRS it represents additional financial information.

2.2 Exemptions adopted

CPC 37 - First-time Adoption of IFRS permits certain exemptions in retrospective application of the CPCs for the year ended December 31, 2010. In the Company's case, Management has adopted the following exemption:

CPC 15 - The Company has applied the exemption for business combinations described in CPC 15 and, accordingly, has not re-presented the business combinations that occurred prior to January 1, 2009, the transition date.

The remaining optional exemptions do not apply to the Company:

- stock-based payments and recognition of commercial leases, inasmuch as Brazilian accounting practices and IFRS are already aligned with respect to such transactions as from 2009;
- insurance contracts, since the Company is not party to any operations of this type;
- assets and liabilities of subsidiary and associated companies and joint ventures, as the Company does not have any subsidiary and associated companies and joint ventures;
- compound financial instruments, since the Company has no outstanding balances related to this type of financial instruments as of the transition date;
- restoration liabilities included in the cost of lands, buildings and equipment, as the Company does not have any liabilities of this type; and
- financial assets or intangible assets recognized according to Brazilian Accounting Pronouncements Committee Interpretation No. ICPC 01/IFRIC 12 (issued by the International Financial Reporting Interpretations Committee), as the Company is not party to any agreements signed under the scope of this interpretation.

Exceptions for retrospective application followed by the Company

The Company has applied the following two mandatory exceptions in retrospective application.

(a) Hedge accounting exception

Management has used hedge accounting as from January 1, 2009 only in cases in which the hedge relation meets the hedge accounting criteria established under CPC 38/IAS 39 as of that date.

(b) Exception for estimates

The estimates used in preparation of the financial statements as of January 1, 2009 and December 31, 2009 are consistent with the estimates made on the same dates according to the accounting practices previously adopted in Brazil ("old BR GAAP").

2.3 Significant accounting policies

(i) Cash and cash equivalents

Cash and cash equivalents are maintained in order to meet short-term cash commitments, rather than to make investments or other such purposes. They include cash on hand, bank deposits, cash investments in short-term marketable securities that are highly liquid, have original maturities of no more than three months, are readily convertible into a known amount of cash and feature insignificant risk of change in value, besides guarantee account limits used.

(ii) Financial instruments

(a) Initial recognition and measurement

The Company has classified its financial assets in the following categories: financial assets available for sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets upon initial recognition, when the Company becomes a party to the contractual provisions of the respective instrument. Financial assets are initially recognized at the fair value of the transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases and sales of financial assets that require the delivery of the assets within a set deadline under market regulations or conventions (regular purchases) are recognized as of the operation date, that is, the date on which the Company undertakes to buy or sell the asset. The Company's financial assets include cash and cash equivalents, securities, trade receivables and other accounts receivable.

(b) Financial assets available for sale

Financial assets available for sale are represented by non-derivate financial instruments that are either designated in this category or are not classified in any other category. They are included under non-current assets unless Management intends to sell the investment within 12 months of the balance sheet date. Changes in the fair value of the securities classified as available for sale are recognized under shareholders' equity. Yields from these securities are recognized in the statement of income as financial income.

They are represented by securities featuring immediate liquidity at leading financial institutions and are indexed to the variation in the Interbank Certificate of Deposit (CDI) rate, with yields being recognized in the statement of income under financial income in the period in which they occur. Since they are indexed to the CDI rate, the carrying values of these securities substantially approximate their fair values.

(c) Loans and receivables

Included in this category are receivables that are non-derivative financial assets with fixed or determinable payments and no quotations on an active market. They are recognized as current assets, except those with maturities of more than 12 months after the balance sheet date, which are classified as non-current. The Company's receivables encompass trade receivables, other accounts receivable, deposits in court and cash and cash equivalents, except short-term investments. The receivables are recognized at their amortized cost, using the effective interest rate method.

(d) Impairment of financial assets at amortized cost

At the end of each reporting period, the Company evaluates whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and the impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the assets (an "event of loss") and that event (or events) of loss has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

The criteria that the Company uses to determine whether there is objective evidence of a loss due to impairment include the following:

(i) the issuer or debtor is facing material financial difficulties;

(ii) there has been a breach of contact, such as default on or delay in payment of interest or principal;

(iii) it has become likely that the borrower will declare bankruptcy or undergo some other type of financial reorganization; and/or

(iv) the active market for such financial asset has disappeared due to financial difficulties or observable data indicating that there is a measurable reduction in the estimated future cash flows from a portfolio of financial assets since the initial recognition of such assets, although such impairment may not yet be identified with respect to the individual financial assets in the portfolio, including:

- adverse changes in the payment situation of the borrowers in the portfolio; and
- national or local economic conditions that correlate with the defaults on the portfolio's assets. The Company evaluates first of all whether there is objective evidence of impairment.

The amount of the loss is measured as the difference between the carrying value of the assets and the present value of the estimated future cash flows (excluding the future credit losses that were not incurred), discounted at the original effective interest rate of the financial assets. The carrying value of the asset is reduced and the amount of the loss is recognized in the statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed through the statement of income.

(e) Hedge activities

Derivative financial instruments are initially recognized at their fair values as of the date on which the derivative agreement is signed and then subsequently remeasured at their fair values with the changes in fair value being recorded as a contra entry to results, except when the derivatives are designated as cash flow hedge instruments.

(e.1) Cash flow hedges

At the beginning of the operation the Company documents the relation between the hedge instruments and the hedged items, as well as the objectives of the risk management and the strategy for carrying out the hedge operations. The Company also documents its evaluation, both at the beginning of the hedge as well as on an ongoing basis, that the derivatives used in the hedge operations are highly effective in offsetting the changes in the fair values or in the cash flows of the hedged items.

The effective portion of the changes in the fair values of the derivatives designated and qualified as cash flow hedges is recognized under shareholders' equity. The gain or loss related to the ineffective portion is immediately recognized in the statement of income for the quarter.

When the hedged operation results in the recognition of non-financial assets (such as fixed assets, for example) previously deferred under shareholders' equity, the gain or loss related to the effective portion is transferred from equity and included in the initial measurement of the cost of PP&E and the deferred amounts are finally recognized in income for the quarter through depreciation of the fixed assets.

In the first quarter of 2009 the gain or loss related to hedge operations has been recognized in the income statements, since the documentation was not prepared in time.

The total fair value of a hedge derivative is classified as a noncurrent asset or liability when the remaining maturity of the hedged item is greater than 12 months and as a current asset or liability when the remaining maturity is less than 12 months.

The fair values of the derivative instruments are disclosed in Note 22.

(iii) Trade receivables

The Company's trade receivables are recognized under the accrual accounting method upon performance of the services and/or sales to customers. They are recognized at the fair value as of the time of sale, adjusted by the provision for any impairment, which is set up when there is objective evidence that Mills will not receive the total amount under the original terms of the trade receivables. Such provision is calculated based on the analysis of credit risks, which considers the individual situation of each customer, the situation of the economic group to which it belongs, the guarantees posted for the debts and the appraisal of the Company's legal counsel.

(iv) Inventories

Management records the Company's inventories at the lower of cost and net realizable values. Cost is determined under the weighted average cost method. The net realizable amount is the estimated sale price for the normal course of business, less the costs for carrying out the sale and the selling expenses.

(v) Current and deferred income tax and social contribution

The Company's income tax and social contribution expenses for the quarter encompass both current and deferred taxes. Income taxes are recognized in the statement of income, except to the extent that they are related to items directly recorded under shareholders' equity or in comprehensive income. In such a case, the tax is also recognized in shareholders' equity or comprehensive income.

The current income tax and social contribution is calculated according to the tax rates effective in Brazil as of the date for presentation of the quarterly financial information, which are 15% plus a surcharge of 10% for taxable income in excess of R$ 240 for the corporate income tax (IRPJ) purposes and 9% for results for purposes of the social contribution on net income (CSLL). Management periodically evaluates the positions it has adopted with respect to tax issues that are subject to varying interpretations and recognizes a provision when there are expectations of payment of income tax on taxable income for IRPJ purposes and results for CSLL purposes.

The deferred IRPJ and CSLL are calculated on temporary differences between the bases for calculation of taxes on assets and liabilities and the carrying values in the quarterly financial information. The rates of these taxes, as defined officially for determination of such deferred credits, are 25% for the income tax and 9% for the social contribution.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available to be used to offset temporary differences, based on projections of future results prepared and grounded on internal premises and future economic scenarios that may, therefore, undergo changes.

For purposes of calculating IRPJ and CSLL, the Company has adopted the Transition Tax System - RTT, as permitted by Law No. 11.941/09, that is, in determining its taxable income it considered the criteria established by the Brazilian Corporation Law (Law No. 6.404/76,) prior to the changes introduced by Law No. 11.638/07.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities are related to the income taxes levied by the same taxing authority or different taxing authorities where there is the intent to settle the balances on a net basis.

(vi) Deposits in court

The Company's deposits in court are presented at their monetarily updated amounts under non-current assets (Note 14).

(vii) Property, plant and equipment for use and lease and operational use

Most of the Company revenues are derived from leasing and operational use, either through just rental or rental combined with assembly and dismantling.

The PP&E for use of Mills company mainly consists of the installations for safeguarding of equipment, offices, leasehold improvements, furniture and equipment required for the functioning of such installations.

These fixed assets are measured at historical cost, less accumulated depreciation and impairment losses. The historical cost includes disbursements directly attributable to the acquisition of such fixed assets.

Subsequent costs are incorporated into the residual value of the PP&E or recognized as a specific item, as appropriate, only if the economic benefits associated with such items are probable and the values can be reliably measured. The residual balance of the substituted item is written off. Other repairs and maintenance operations are recognized directly in income when incurred.

Depreciation is calculated under the straight-line method at the rates presented in Note 8, which take into consideration the estimated useful economic lives of the assets. Land is not depreciated.

Gains and losses on sales are determined by comparing the sale values with the carrying values and are included in operating results.

The residual value and estimated useful life of the PP&E are reviewed as of each balance sheet closing date. In the appraisals and measurements carried out by Mills, the useful lives employed have proven to be considerably accurate approximations of the actual wear and tear of the equipment and other fixed assets.

(viii) Intangible assets

Computer software programs

These intangible assets are value at the cost of acquisition, less accumulated amortization and impairment loss, when applicable.

Costs associated with the development and maintenance of such programs are recognized as expenses when incurred.

The software programs have a defined useful lifespan and are amortized over a 5-year period (Note 9).

(ix) Goodwill

This refers to the goodwill calculated upon the acquisition of Jahu and Kina, based on the difference between the purchase value and the carrying value of the assets and liabilities. This goodwill is grounded on future profitability and was amortized through December 31, 2008. As from January 1, 2009, the goodwill has been tested for impairment on an annual basis.

The goodwill is allocated to Cash Generating Units (CGU's) for impairment testing purposes. Such allocations are made to CGU's or to groups of CGU's that should benefit from the business combination from which the goodwill arose and are identified according to the operating segment.

(x) Impairment of assets

Fixed and other non-current assets, including goodwill and intangible assets, are reviewed each year to identify evidence of impairment losses or, furthermore, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When this is the case, the recoverable amount is calculated in order to ascertain if there is a loss. When there is such an impairment loss, it is recognized according to the amount at which the carrying value of the asset exceeds its recoverable value, which is the higher of an assets fair value less cost to sell and value in use. For impairment testing purposes, the assets are grouped at the lowest levels for which separately identifiable cash flows exist, that is to say Cash Generating Units - UGC's. The non-financial assets, except goodwill, that have been impaired, are reviewed for analyzing possible reversal of impairment as of the reporting date.

(xi) Trade payables (suppliers)

The Company's trade payables are obligations to pay for goods or services that have been acquired from suppliers in the normal course of business, being classified as current liabilities if the payment is due within a period of one year (or the normal operating cycle of the business, even if it is longer). Otherwise, the trade payables are shown as noncurrent liabilities.

Trade payables are initially recognized at their fair values and subsequently measured at their amortized cost using the effective interest rate method. In practice, they are normally recognized at the value presented on the corresponding invoice.

(xii) Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably measured.

Provisions for contingencies are recorded at the amount of the probable loss, considering the nature of each contingency (Note 14). Based on the provision of its legal counsel, the Company's Management believes that the provisions set up are sufficient to cover any losses on the cases presently underway. The provisions for contingencies are updated on a monthly basis according to the SELIC rate, with increases in the provisions being recognized as operating expenses under income.

A provision for onerous contracts is recognized when the benefits expected to be derived from a contract are lower than the inevitable costs of fulfilling the contractual obligations. The provision is measured at present value according to the lower of the expected cost for terminating the contract and the net cost expected for continuing with it.

(xiii) Profit sharing

Recognition of profit sharing is carried out over the course of one year and is disbursed in the following year. The amount of such profit sharing distributed is 25% of the earnings through value added - EVA, which is the operating profit after taxes, less interest on capital paid out.

(xiv) Share-based payment

The Company offers its employees and executives a plan for remuneration based on stock options convertible into common shares in Mills when the IPO took place, according to which the Company receives their services as consideration for the stock purchase options. The fair value of the options granted is recognized as an expense during the period in which the right is acquired, this being the period during which the specific terms for acquisition of rights are to be complied with. As of the balance sheet date, the Company reviews its estimates of the number of options, the rights to which should be acquired based on such terms, recognizing the impact of the revision of the initial estimates, if any, in the statement of income, with a contra entry under shareholders' equity.

The amounts received, net of any directly attributable transaction costs, are credited to the Company's capital when the options are exercised.

(xv) Loans and financings

Loans are initially recognized at fair value and are subsequently presented at the balance of the debt, including the interest appropriated for the period, according to the contractual terms agreed to with each financial institution. The methodology for calculation of each loan is in line with the particular terms of each agreement, based on the effective interest rate method.

The fees and taxes paid for contracting the loan are recognized as transaction costs, and are also recorded under financial expenses according to the effective interest rate.

Management controls the balances of each debt on a monthly basis through managerial controls that updated the financial indicators (interest rates) as agreed in each agreement.

Loans and financings are classified under current liabilities, except for those portions that can be settled unconditionally after 12 months from the date for closing the balance sheet for the quarterly financial information.

(xvi) Leases

The Company leases certain items of its property, plant and equipment. Such leased items where Mills retains substantially all the risks and benefits of ownership are classified as finance leases.

Upon initial recognition, the leased asset is measured at the lower of the fair value and the present value of the payments of the lease installments. After initial recognition, the asset is recorded according to the accounting policy applicable to assets.

The balances of the Finance leasing accounts, as presented under current and noncurrent liabilities, refer to the remaining portions payable under the finance leasing agreements.

(xvii) Foreign currency translation

Transactions carried out in foreign currency are translated into Reais using the exchange rates in effect on the transaction dates. Balance sheet accounts are translated at the exchange rate in effect on the balance sheet date. Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the statement of income.

Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the statement of income, except when deferred under shareholders' equity as qualified cash flow hedging operations.

(xviii) Capital

The Company's capital is divided into common shares without par value.

The incremental costs directly attributable to the issue of new shares or options are shown under shareholders' equity as a deduction from the amount funded, net of taxes.

(xix) Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Company's shareholders is recognized as a liability in the Group's financial statements at the end of the respective period, based on the Mills Bylaws. Any amount paid out over and above the mandatory minimum is provided for as of the date on which this is approved by the shareholders at their general meeting.

The tax benefit of interest paid out on capital is recognized in the statement of income.

(xx) Revenue recognition

Revenues from the sale of merchandise are recognized when the significant risks and benefits of ownership thereof is transferred to the buyer. Therefore, the Company's accounting policy for revenue recognition is as of the date when the product is delivered to the buyer.

Service revenues are recognized based on the measurement of the stages for carrying out the services through the balance sheet date.

Rental revenues are recognized monthly in results under the straight-line method according to the equipment lease agreements.

The Company separates the identifiable components of a single agreement or group of agreements, in order to reflect the substance thereof, recognizing the revenue from each one of the elements in a manner proportional to its fair value. Accordingly, the Company's revenues are divided into rental, technical assistance, sales and expense indemnities/recoveries.

Interest income is recognized on a proportional basis over time, taking into consideration the outstanding principal and the effective rate over the period through to maturity, when it is determined that this income will be appropriated to the Company.

Revenues, expenses and assets are recognized net of the taxes levied on sales.

(xxi) Earnings per share

Basic earnings per share are calculated by means of results for the period attributable to the owners of the Company and to non-controlling shareholders and the weighted average number of common shares in circulation for the respective period. Diluted earnings per share are calculated by means of the cited average shares in circulation, adjusted by the instruments potentially convertible into shares, with diluting effect, in the periods presented, in the manner provided by CPC 41 and IAS 33.

(xxii) New standards and interpretations not yet in effect

The following standards and alterations in standards have been published and are mandatory for the Company's accounting periods beginning as of January 1, 2011 or after such date or for subsequent periods. Nevertheless, these standards and alterations in standards have not yet been adopted on an anticipated basis by the Company.

The principal IFRS standards, alterations in standards and interpretations issued by the IASB are described as follows:

- Comparative Disclosures of IFRS 7 for First-time Adoption Entities - Allows those entities that adopt IFRS for the first time the same options as given to the current users of IFRS in the adoption of the alterations to IFRS 7. It also clarifies the transition rules for alterations to IFRS 7.

- Enhancements to IFRS in 2010 - Several enhancements were made to IFRS 2010. By and large, the alterations are applicable for annual periods beginning after January 1, 2011, unless some other form is indicated. Although permitted by the IASB, early application is not available in Brazil.

- IFRS 9 Financial Instruments - Issued in November 2009, this standard is the first step in the process of replacing IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for classifying and measuring financial assets. Even though this standard is not applicable until January 1, 2013, it is available for early adoption.

- IAS 24 Revised (revised), "Disclosures of Related Parties", issued in November 2009 to replace IAS 24, "Disclosures of Related Parties", issued in 2003. IAS 24 (revised) is mandatory for periods beginning at or after January 1, 2011. Early application, in whole or in part, is permitted. The revised standard clarifies and simplifies the definition of related party and removes the requirement for government-related entities to disclose details of all transactions with the government or other government-related entities.

- Early Payments of Minimum Requirements for Providing Funds (Alteration of IFRIC 14) - The alterations correct an unintentional consequence of IFRIC 14, IAS 19 - "Limit of Defined Benefit Assets, Minimum Requirements for Providing Resources and their Interaction". Without the alterations, entities cannot recognize as an asset certain voluntary early payments made for minimum contributions for providing funds. This was not the intention when IFRIC 14 was issued and the alterations correct this. The alterations take effect for annual periods beginning January 1, 2011. Early application is permitted. The alterations should be applied retroactively to the first comparative period presented.

- Alteration of IAS 32, "Financial Instruments: Presentation - Classification of Share Rights" - issued in October 2009, this alteration applies to annual periods beginning at or after February 1, 2010. Early application is permitted. The alteration deals with the recognition of rights of shares denominated in a currency other than the issuer's functional currency. Provided that certain conditions are met, these share rights are classified under equity, irrespective of the currency in which the exercise prices is denominated. Previously, such shares had to be recognized as derivative liabilities. The alteration applies retroactively, in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

- IFRIC 19, "Extinction of Financial Liabilities with Equity Instruments", has been in effect since July 1, 2010. This interpretation clarifies the accounting treatment on the part of an entity when the terms of a financial liability are renegotiated and result in issue by the entity of equity instruments to a creditor of the entity in order to extinguish it in whole or in part of the financial liability (debt conversion). This requires that a gain or loss be recognized in results, measured as the difference between the carrying value of the financial liability and the fair value of the equity instruments issued. If the fair value of the financial instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the extinguished financial liability.

The CPC has not yet issued pronouncements equivalent to the IFRS's cited above, although there are expectations that the Brazilian authority will do so prior to the date on which it is required to take effect. Early adoption of the IFRS pronouncements is conditioned to prior approval in the form of a normative act by the Brazilian Securities Commission (CVM).

The Company's Management will evaluate further the total impact of the new standards, interpretations and alterations in standards on its financial statements, even though it does not expect significant impacts upon such adoptions

3 Significant Judgments, Estimates and Accounting Premises Adopted

Preparation of the Company's quarterly financial information requires Management to make judgments and estimates and adopt premises that affect the amounts presented for revenues, expenses, assets and liabilities, as well as disclosures of contingent liabilities as of the dates of the quarterly financial information. Nevertheless, the uncertainty regarding these premises and estimates may lead to results that require significant adjustments to the carrying value of the asset or liability affected in future periods.

The main premises relating to sources of uncertainty in the future estimates and other important sources of estimates as of the balance sheet date involving significant risk of causing material adjustments in the carrying value of assets and liabilities in a forthcoming financial period are described as follows:

3.1 Loss due to impairment of non-financial assets

An impairment loss occurs when the carrying value of an asset exceeds is recoverable amount, which is the greater of the fair value less costs of sale and the value in use. Calculation of the latter value is based on the discounted cash flow model. The cash flows derive from the budget for the next 5 (five) years and do not include reorganization activities for which the Company has not yet committed itself or significant future investments that will improve the basis for assets of the cash generating unit covered by the impairment testing. The recoverable amount is sensitive to the discount rate used in the discounted cash flow method, as well as to the expected future cash receipts and the growth rate used for extrapolation purposes.

3.2 Transactions with share-based payments

The Company measures the cost of transactions with employees settled with shares based on the fair value of the equity instruments on the date they are granted. The estimate of the fair value of the share-based payments requires determination of the most appropriate model for the granting of equity instruments, which depends on the terms and conditions of the grant. This also requires determination of the most appropriate data for the appraisal model, including the expected life of the option, volatility and yield of dividends and corresponding premises. The premises and models used to estimate the fair value of share-based payments are disclosed in Note 12.

3.3 Taxes

There are a series of uncertainties in Brazil in relation to the interpretation of complex tax regulations and the value and timing of future taxable results. Differences between actual results and the premises adopted, or future changes in such premises, may require future adjustments in the tax revenues and expenses already recorded. The Company has set up provisions, based on appropriate estimates, for the potential consequences of audits conducted by the tax authorities. The amounts of these provisions are based on several factors, such as past experiences with tax audits and differing interpretations regarding the tax regulations by the taxing entity and the tax authorities in charge. Such differences in interpretation may arise in a wide variety of matters, depending on the conditions in effect in the Company's respective domicile. Deferred tax assets are recognized for all temporary differences to the extent that it is probable that there will be taxable income available for use thereof. Significant Management judgment is required to determine the value of the deferred asset that should be recognized, based on the probable term and level of future taxable profits, together with future tax planning strategies.

3.4 Fair value of financial instruments

When the fair value of financial assets and liabilities, such as stock options, securities and hedge instruments, as shown in the balance sheet, cannot be obtained from active markets, it is determined by using appraisal techniques, including the discounted cash flow method. The data for such methods are based on those normally employed in the market, whenever possible. Even so, when this is not feasible, a certain level of judgment is required to establish the fair value. Such judgment includes considerations regarding the data employed, such as, for example, liquidity risks, credit risks and volatility. Changes in the premises regarding these factors may affect the fair value presented for the financial instruments.

3.5 Provisions for tax, civil and labor risks

The Company recognizes provisions for tax, civil and labor risks. Evaluation of the likelihood of loss in cases underway includes the evaluation of the evidence available, the hierarchy of laws, the jurisprudence available, the most recent decisions in the courts and their relevance in the legal order, as well as the appraisal of outside legal counsel. The provisions are reviewed and adjusted to take into account such changes in circumstances as applicable statute of limitations period, conclusions of inspections or additional exposure identified based on new matters or court decisions.

4 Financial Risk Management

4.1 Financial risk factors

The Company's activities expose it to various financial risks: market risk (including currency risk, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The risk management program in place concentrates on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Mills uses derivative financial instruments to hedge against certain exposures to risks, but has adopted a policy of not participating in any derivative transactions for speculative purposes.

Risk management is carried out by the Financial Department, according to policies approved by the Board of Directors, when such is the case. The Financial Department identifies, evaluates and protects the Company against any financial risks in cooperation with the Mills operating units. The Financial Department establishes principles for the management of global risk, as well as for specific areas, such as exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of surplus cash.

4.2 Market risk

(i) Exchange risk

The Company is exposed to the exchange risk resulting from exposures to certain currencies around the world, mainly in relation to the U.S. Dollar and the Euro. Such exchange risk derives from future importations of equipment, mainly telescopic manipulators and forms.

It is Company policy to eliminate 100% of the cash risks related to exchange variation by adopting a conservative approach, as all its revenues are accrued in Reais. To this end, the Company enters into swap agreements with financial institutions for hedging purposes. All such agreements call for the simple exchange of rates whereby the financial assumes the exchange risk and Mills, in return, undertakes to pay an interest rate on the notional amount (corresponding to the original value of the liability in foreign currency).

(ii) Interest rate and monetary updating risk

The Company's indebtedness is denominated in Reais, subject to floating interest rates, especially the Brazilian CDI and TJLP rates. There is a risk of Mills incurring losses on account of fluctuations in interest rates, which increase financial expenses relating to loans and financings obtained on the market.

As part of its risk management policy, the Company does not adopt the use of any instrument to mitigate its exposure to fluctuations in interest rates. This is a market risk due to macroeconomic and regulatory conditions inherent to all companies operating in Brazil.

Mills analyzes its interest rate exposure in a dynamic manner. Various scenarios are simulated taking into consideration financing, re-financing and hedging aspects. Based on these scenarios, the Company defines a reasonable change in the interest rate. The scenarios are drawn up only for those liabilities that represent the main interest-related positions. See the sensitivity analysis of possible fluctuations in interest rates in Note 22 (d).

4.3 Credit risk

The credit risk is the risk of financial loss that the Company may face if a customer or counterpart in an operation involving a financial instrument should fail to fulfill its contractual obligations arising in operational (mainly in relation to trade receivables) and financing activities, including amounts on deposit at banks and other financial institutions.

(i) Trade receivables

The Company periodically invoices the amounts due by its customers for rentals and services for maturity periods that normally vary from 30 to 45 days, with average receiving terms of 50 days. Accordingly, it is subject to the risk of default in relation to such trade receivables. However, in practical terms the default indices are relatively low, which can be attributed to the lengthy history of relationship with the customers of Mills and, in the case of the Jahu and Rental Divisions, the widely scattered base of customers and projects. The Company's commercial credit portfolio is primarily concentrated on local Brazilian customers. Management sets up allowances for doubtful accounts when it believes there are risks of not receiving the amounts due.

Management of customer credit risks is carried out by the Company's financial management, which evaluates the customers' financial capacity for payment. This analysis is conducted prior to the effective commercial agreement is entered into between the parties and, to such end, individual appraisals are made of each customer, mainly taking the following information into consideration: (i) data on file; (ii) financial information and indicators; (iii) risk classes (methodologies adopted by the credit protection service - SERASA); (iv) majority controlling shareholder; and (v) pending credit items and protests filed with SERASA. The Company does not adopt the practice of obtaining financial guarantees from its customers in order to manage credit risks.

(ii) Financial instruments and cash deposits

The credit risk involving balances on deposit at banks and other financial institutions is managed by the Company's Treasury according to the policy established by this division. Excess cash is invested only with approved counterparts.

The Company's policy is to use only leading financial institutions ranked as "investment grade". Management does not expect any counterpart to fail to live up to its obligations.

4.4 Liquidity risk

The Company's liquidity risk is the one in which it may encounter difficulties in complying with obligations associated with its financial liabilities that are settled in the form of cash payments or with other financial assets. The approach adopted by Mills in managing its liquidity is to guarantee, to the maximum extent possible, that it always has sufficient liquidity to comply with its obligations as they fall due, under normal and stress conditions, without causing unacceptable losses or risking damage to the Company's reputation.

The Financial Department monitors the continuing forecasts for the Company's liquidity requirements to ensure that it has sufficient cash to cover operating needs. These forecasts, which are made on a monthly basis, take into consideration the plans for financing the Company's debt, complying with contractual clauses and attaining internal goals according to the Mills strategic plan. Moreover, the Company further maintains credit lines with the leading financial institutions that operate in Brazil.

The following table breaks down the principal financial liabilities per maturity brackets, corresponding to the remaining period in the balance sheet to the contractual due date when the Company expects to make payment.

	Under 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years
As of March 31, 2010				
Loans and financings	(44,114)	(44,030)	(59,177)	
Finance lease obligations	(27,813)	(29,502)	(49,222)	
Derivative financial instruments	(953)			
Trade payables	23,313			
As of December 31, 2009				
Loans and financings	42,467	38,123	52,954	
Finance lease obligations	23,704	26,354	57,471	
Derivative financial instruments	(263)			
Trade payables	11,713			

The interest rates (CDI and TJLP) estimated for these future commitments reflect the market rates for each period.

5 Cash and Cash Equivalents

	March 31, 2010	December 31, 2009
Cash	195	148
Banks	1,550	1,371
Marketable securities	51	56
	1,796	1,575

6 Trade Receivables

	March 31, 2010	December 31, 2009
Construction division	42,299	34,729
Jahu division	7,741	7,608
Maintenance and assembly division	30,884	27,826
Rental division (Mills Rental)	9,543	7,002
Events	7,218	7,500
	97,685	84,665
Allowance for doubtful accounts (*)	(7,997)	(7,767)
	89,688	76,898
Present value adjustment	(794)	(981)
	88,894	75,917
Current	84,600	71,504
Non-current	4,294	4,413

The variation in trade receivables during the 1st quarter of 2010 reflects the increase in the Company's operations. Mills 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.

Changes in the provision for impairment losses on the Company's trade receivables are broken down as follows:

	March 31, 2010	December 31, 2009
Opening balance	7,767	4,186
Provision for impairment of trade receivables	366	3,895
Trade receivables form customers written off during the quarter as uncollectible	(120)	(254)
Amounts received	(16)	(60)
Closing balance	7,997	7,767

As of March 31, 2010, accounts receivable from customers in the total amount of R$ 7,997 (December 31, 2009 - R$ 7,767) were impaired and provided for. The individually impaired trade receivables refer mainly to customers facing difficult economic situations.

7 Recoverable Taxes

	March 31, 2010	December 31, 2009
Federal Social Security Finance Contribution - COFINS and Social Integration Program - PIS offsettable (*)	11,581	18,561
Federal Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL offsettable	163	4,753
State Value-Added Tax on Circulation of Goods and Services - ICMS offsettable	1,128	517
Other recoverable and offsettable taxes and contributions	2,065	2,069
	14,937	25,900
Current	14,764	25,727
Noncurrent	173	173

(*) The PIS and COFINS credits 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 2013. In 2009 the Company changed the manner for taking advantage of these credits by beginning to take credits for 1/48 or 1/12 thereof, according to the applicable legislation, instead of benefiting from the depreciation period for the fixed assets, which was the practice adopted until 2008.

8 Property, Plant and Equipment

	Equipment for leasing and operational use	Leasing	Equipment for rental under construction	Total equipment for rental	Leasehold improvements	Buildings and lands	Computers and peripherals	Vehicles	Installations	Furniture and fixtures	Construction in progress	Total Company PP&E in use	Total PP&E
Gross Cost of PP&E													
Balances as of December 31, 2009	285,259	90,155	9,187	384,601	4,589	8,433	4,878	774	584	3,571	653	23,482	408,083
Acquisitions	24,506	4,147	28,133	56,786	557		266	154	15	270	556	1,818	58,604
Sales	(448)			(448)	(52)					(1)		(53)	(501)
Adjustments for PIS and COFINS credits	(3,388)			(3,388)									(3,388)
Transfers	13,629	2,040	(15,703)	(34)	34							34	
Balances as of March 31, 2010	319,558	96,342	21,617	437,517	5,128	8,433	5,144	928	599	3,840	1,209	25,281	462,798
Accumulated Depreciation													
Balances as of December 31, 2009	(109,581)	(13,847)		(123,428)	(1,358)	(674)	(3,406)	(328)	(469)	(2,432)		(8,667)	(132,095)
Depreciation	(6,165)	(2,319)		(8,484)	(109)	(25)	(128)	(45)	(4)	(47)		(358)	(8,842)
Sales	388			388	52					1		53	441
Transfers													
Balances as of March 31, 2010	(115,358)	(16,166)		(131,524)	(1,415)	(699)	(3,534)	(373)	(473)	(2,478)		(8,972)	(140,496)
Annual depreciation rates - percentages	10%	10%			10%	4%	20%	20%	10%	10%			
Net PP&E													
Balances as of December 31, 2009	175,678	76,308	9,187	261,173	3,231	7,759	1,472	446	115	1,139	653	14,815	275,988
Balances as of March 31, 2010	204,200	80,176	21,617	305,993	3,713	7,734	1,610	555	126	1,362	1,209	16,309	322,302

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.

In 2010 the Company acquired several pieces of rental equipment in order to increase its capacity to perform services for customers, basically with funds derived from the process of going public and from third parties.

Depreciation for the period, allocated to the cost of products and services sold and general and administrative expenses, amounts to R$ 8,484 and R$ 358 (March 31, 2009 - R$ 6,552 and R$ 282), respectively.

Certain items of the Company's PP&E have been posted as guarantee for loans and financing operations (see Note 10).

PP&E is recognized at historical costs, less accumulated depreciation. The historical costs include 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 qualified as referring to the purchase of PP&E in foreign currency.

Review of estimated useful life

For purposes of this analysis, based on an appraisal conducted by its technical specialists, Company Management issued an appraisal report dated November 23, 2009, approved at a meeting of the Executive Officers Committee. In 2010, in order to corroborate the appraisal conducted by its technical specialists, the Company 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 property, plant and equipment 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 (see Note 25).

Deemed cost

The Company did not exercise the option of using the deemed cost to value its property, plant and equipment due to the fact that such assets, as presented in accordance with the previous accounting practices (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 mainly due to the following: (i) the internal controls in the area of PP&E already encompassed as of 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 items of the PP&E subject to depreciation already took into consideration the impacts of depreciation on the main components of the PP&E. Moreover, the Company's Management believes that the accounting practice of appraising property, plant and equipment 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	Trademarks and patents	Goodwill on investments	Total
Gross Cost of Intangible Assets				
Balances as of December 31, 2009	3,007	56	42,317	45,380
Acquisitions	136			136
Sales				
Transfers				
Balances as of March 31, 2010	3,143	56	42,317	45,516
Accumulated Amortization				
Balances as of December 31, 2009	(1,873)	(10)	(4,232)	(6,115)
Amortization	(96)	(1)		(97)
Sales				
Transfers				
Balances as of March 31, 2010	(1,969)	(11)	(4,232)	(6,212)
Annual amortization rates - percentages	20%	10%		
Net Intangible Assets				
Balances as of December 31, 2009	1,134	46	38,085	39,265
Balances as of March 31, 2010	1,174	45	38,085	39,304

Provision for impairment of goodwill

The goodwill arises from the acquisition of Jahu and Kina, and therefore the Jahu segment is being considered Cash Generating Unit (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 2009, before income tax and social contribution, projected for a period of 10 (ten) years, considering a discount rate of 10% p.a. and without considering any growth rate. Studies conducted by the Company's Management did not identify any need for recognition of a provision for impairment of this goodwill.

10 Loans, Financings and Finance Leases

The loans were contracted by the Company for purchase of equipment and are being indexed at either the Certificate of Interbank Deposit (CDI) rate or at the Long-Term Interest Rate (TJLP). All loans are denominated in Reais.

The loans indexed to the CDI rate also bear additional interest charges of between 1.0% (one per cent) and 5.4% (five and four tenths per cent) per year, with amortization of the principal and interest on a monthly basis through February 18, 2015.

The financings for rental equipment have been contracted at TJLP charges plus additional annual interest of 3.5% (three and a half per cent) to 7.5% (seven and a half per cent), with amortization on a monthly basis through October 15, 2012.

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

	March 31, 2010	December 31, 2009
Current		
Bank loans	34,796	34,088
Finance lease obligations	24,196	22,723
	58,992	56,811
Non-current		
Bank loans	85,553	71,745
Finance lease obligations	61,645	55,382
Total	147,198	127,127

Loans and financings

	Current liabilities	
	March 31, 2010	**December 31, 2009**
Financings contracted with financial institutions (operations indexed to the CDI rate plus interest of 1% to 4.5% per annum)	33,252	32,036
Financings contracted with financial institutions (operations indexed to the TJLP rate plus interest of 0.2% to 7.0% per annum)	1,544	2,052
	34,796	34,088

	Non-current liabilities	
	March 31, 2010	**December 31, 2009**
Financings contracted with financial institutions (operations indexed to the CDI rate plus interest of 1% to 4.5% per annum)	83,946	69,515
Financings contracted with financial institutions (operations indexed to the TJLP rate plus interest of 0.2% to 7.0% per annum)	1,607	2,230
	85,553	71,745

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

	March 31, 2010	**December 31, 2009**
Guarantees posted:		
Pledge of duplicate trade bills	2,616	2,616
Receivables	9,660	10,368
Pledge of assets	35,355	35,355
Chattel mortgage	118,900	107,899
Total tangible guarantees	166,531	156,238
Promissory notes	98,634	87,710

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 loan and financing operations are broken down as follows:

	March 31, 2010	**December 31, 2009**
2010		
2011	27,031	30,487
2012	29,943	24,264
2013	19,055	13,339
2014	8,692	3,655
2015	832	
2016		
	85,553	71,745

Finance leases

These operations basically refer to agreements for purchase of property, plant and equipment for rental for periods of between 36 and 60 months, with maturities through the year 2015 and indexed at the CDI rate plus annual interest of 1.0% to 4.5%. These obligations are guaranteed by the pledge of the leased assets themselves. The Company 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 variation in the CDI rate.

	Current liabilities	
Financial institution:	**March 31, 2010**	**December 31, 2009**
Banco ABN Amro Real S.A.	773	803
Banco Alfa S.A.	5,569	5,282
Banco Bradesco S.A.	4,272	4,186
Banco de Lage	128	126
Banco Dibens	669	
Banco do Brasil	1,172	1,144
Banco Itaú S.A.	2,388	2,012
Banco Rodobens S.A.	5	13
Banco Safra S.A.	336	328
Banco Unibanco S.A.		654
Banco Santander S.A.	2,311	2,460
HSBC Bank Brasil S.A.	6,573	5,715
	24,196	22,723

	Non-current liabilities	
Financial institution:	**March 31, 2010**	**December 31, 2009**
Banco ABN Amro Real S.A.	1,087	1,239
Banco Alfa S.A.	10,092	6,410
Banco Bradesco S.A.	10,044	10,832
Banco de Lage	341	365
Banco Dibens	1,683	
Banco do Brasil	3,725	3,918
Banco Itaú S.A.	6,733	5,449
Banco Safra S.A.	412	483
Banco Unibanco S.A.		1,807
Banco Santander S.A.	7,739	7,767
HSBC Bank Brasil S.A.	19,789	17,112
	61,645	55,382

The maturities of the non-current installment payments of the Company's finance lease obligations are set out as follows:

	March 31, 2010	December 31, 2009
2010		
2011	18,833	21,720
2012	20,735	17,207
2013	15,411	11,999
2014	6,478	4,453
2015	188	3
Total	61,645	55,382

Covenants

Some of the financing agreements signed with Banco Itaú BBA S.A. establish limits for determined indicators linked to the Company's capacity for indebtedness and payment of interest. The parameters of such covenants take into account the following ratios: EBITDA versus net debt, short-term net debt over total net debt and net financial expenses over EBITDA.

As of March 31, 2010 the Company is in compliance with such obligations.

11 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 in either 2009 or 2010.

(b) Remuneration of Company administrators

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

	March 31, 2010	March 31, 2009
Salaries and payroll charges - Executive Officers Committee	810	702
Fees - Board of Directors	45	41
Profit sharing	1,993	1,728
Stock-based payments	38	50
	2,886	2,521

As of March 31, 2010 the Company had agreements for performance of consulting services with certain members of its Board of Directors and Executive Officers Committee, generating expenses of R$ 232 in the quarter (R$ 135 in the quarter ended March 31, 2009).

12 Employee Benefits

(a) Employee profit and results sharing

The provision for profit sharing by the Company's 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 Shareholders, in order to integrate its executives into the process of Company development over the medium- and long-term. These plans are administered by the Company and approval of the options granted is sanctioned by the Board of Directors.

Description of the plans

2002 Plan

This plan was approved at the Extraordinary General Meeting (EGM) of the Company's Shareholders 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), 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 of 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 service performance 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 a total of 140,825 thousand options in all were granted to purchase shares of the former company MAT, corresponding to 901 thousand ME stock options as of December 31, 2009.

These options will be 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 will be extinguished on or before July 10, 2015, or at any other time by decision of the Extraordinary General Meeting.

The Special CEO Plan took effect on November 1, 2008 and will be extinguished by July 10, 2012, or at any other by decision of the Extraordinary General Meeting.

Ex-CEO Plan

Under this plan, a total of 24,000 thousand options of the former MAT were granted on May 1, 2008, corresponding to 154 thousand ME stock options as of December 31, 2009.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 during the 1st Quarter (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 stock of the former MAT, but this time for the principal executives of the Rental Division, which started up in January 2008. Exercise of the options is conditioned to attaining the Company's EBITDA targets.

In the first stage of the plan, options were distributed equivalent to US$ 387 thousand (three hundred and eight-seven thousand United States Dollars), conditioned to the division's attaining EBITDA of R$ 11 million. In the second stage, options were distributed equivalent to US$ 1,162 thousand (one million, one hundred and sixty-two thousand United States Dollars), conditioned to the division's attaining 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 when 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 for 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 by December 31, 2008 and the second by December 31, 2009, resulting in the granting of 137,031 thousand options for the former MAT, corresponding as of 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 and the options can already be 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 Extraordinary General Meeting.

2010 Stock Purchase Option Plan

At the Extraordinary General Meeting held on February 8, 2010, Shareholders 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 Mills Board of Directors. The Board of Directors 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 option. 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. Moreover, 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 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 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 will 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.

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-Merton model to calculate the fair values.

With respect 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 shareholders' equity.

For the other plans granted through 2009 the Company 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 2010 were determined based on the Black-Scholes appraisal model, in the amount of R$ 3.86 per option. The significant data included in the model was as follows: weighted average price per share of R$ 11.95 on the grant date, exercise price of R$ 11,00, volatility of 31% measured by the Company's historical EBTIDA, dividend yield of 1.52%, expected life of the option corresponding to 4 (four) years and an annual risk-free interest rate of 6.60%.

The equity portion was priced only upon the grant and has not undergone any fair value re-measurements as of each balance 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 over which the shares are blocked for trading), based on Management's best estimate regarding the final date thereof. The lock-up period considered by Management was based on the scenario whereby the public offer would take place in 2010.

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

	March 31, 2010	December 31, 2009 (*)
2002 Plan		
Capital reserve	1,446	1,446
Capital subscribed	81,003	81,003
Capital to be paid in		(255)
Historical exercise price (per thousand share)		
Number of shares (thousands)	3,920	3,920
Top Mills, Special CEO and Ex-CEO Plans		
Percentage probability of occurrence of IPO	95%	95%
Capital reserve	505	418
Debt portion (long-term liabilities)	309	309
Total debt + reserve	814	727
Historical exercise price (per thousand shares)		
Number of options to be exercised (thousands)	901	1,055
Mills Rental Executives Plan		
Percentage probability of occurrence of IPO	95%	95%
Capital reserve	3,864	3,864
Debt portion (long-term liabilities)	275	275
Total debt + reserve	4,138	4,138
Historical exercise price (per thousand shares)		
Number of options to be exercised (thousands)	238	658
Number of options exercised (thousands)	219	219
Capital subscribed	134	134
Capital to be paid in		(67)
Total recorded as debt	583	583
Total recorded as equity	5,815	5,728
Annual effect on results	87	4,060

(*) Up to 2008 the number of options and shares corresponds to MAT and, in 2009, to Mills Estruturas e Serviços de Engenharia S.A.

13 Income Tax (IRPJ) and Social Contribution (CSLL)

(a) Reconciliation of IRPJ and CSLL 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 1st quarter 2010 and 2009 is as follows:

	March 31, 2010	March 31, 2009
Net income for the quarter before IRPJ and CSLL	28,075	17,934
Combined statutory rate of IRPJ and CSLL - percentage	34%	34%
IRPJ and CSLL at combined statutory rate	(9,545)	(6,098)
Effect on IRPJ and CSLL expense resulting from adjustments to net income		
Interest on capital		
Non-deductible provisions	111	(139)
Other items	41	286
Total current and deferred IRPJ and CSLL	(9,393)	(5,951)
Effective rate	33%	33%
Current IRPJ and CSLL	8,888	5,775
Deferred IRPJ and CSLL	505	176

(b) Breakdown of deferred IRPJ and CSLL

The breakdown of the deferred income tax and social contribution is as follows:

Nature	March 31, 2010	December 31, 2009
Itapoã goodwill (*)	4,989	5,369
Present value adjustment	270	334
Other provisions	187	135
Provision for impairment of trade receivables	1,481	1,440
Finance leases	2,800	2,475
Provisions for contingencies	3,404	3,163
Jahu goodwill (*)	(3,597)	(2,878)
Net tax credits	9,534	10,038

(*) The IRPJ and CSLL tax credits and charges are comprised of the benefits of corporate reorganization operations, involving the upstream mergers of Itapoã and Jahu, relating to the temporary difference for non-amortization of the goodwill generated upon acquisition.

The grounds and expectations for realization of these tax credits are set out below:

(c) Deferred IRPJ and CSLL assets

Nature	Grounds for realization
Provision for contingencies	Fiscal realization of loss
Provision for impairment of trade Receivables	Filing of protests and overdue credits
Finance leases	Realization of straight-line depreciation of assets over the respective term
Present value adjustment	Fiscal realization of loss/gain
Other provisions	Payments
Itapoã goodwill	Fiscal amortization
Jahu goodwill	Sale of asset
Updating of deposits in court	Release of deposits

The following are expectations for realization of the deferred IRPJ and CSLL as of March 31, 2010:

	Deferred IRPJ and CSLL assets/ liabilities
2011	4,009
2012	2,868
2013	2,156
2014	1,349
2015	1,349
2016 onwards	(2,197)
	9,534

Given that taxable income for IRPJ purposes and negative results for CSLL purposes do not just derive from the profits that may be generated, but also from the existence of non-taxable revenues, non-deductible expenses, tax incentives and other variables, there is no immediate correlation between the Company's net income and its IRPJ and CSLL results. Therefore, the expectations for use of tax credits should not be taken as the sole indication of the Company's future results.

Transition Tax System

The Transition Taxation System (RTT) will remain in effect until such time as a law takes effect 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 IRPJ and CSLL 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.

14 Contingencies and Deposits in Court

(a) Breakdown of tax, civil and labor risks

As of the reporting dates the Company has the following liabilities recorded in relation to provisions:

	Provision for contingencies	
	March 31, 2010	**December. 31, 2009**
Brazilian National Social Security Institute - INSS	923	909
Federal PIS/COFINS contributions - rentals		
Civil liability claims	803	803
Labor lawsuits	1,420	1,420
IRPJ/CSLL - Jahu	4,765	4,708
Social Security Accident Factor - FAP	149	
Other tax, civil and labor risks	722	687
	8,782	8,527

(b) Breakdown of deposits in court

	Deposits in court	
	March 31, 2010	**December 31, 2009**
Brazilian National Social Security Institute - INSS	383	383
Federal PIS/COFINS contributions - rentals		
Municipal service taxes (ISS) - rentals	3,810	3,810
Civil liability claims		
Labor lawsuits	1,009	1,011
IRPJ/CSLL - Jahu		
Other deposits in court	879	756
	6,081	5,960

(c) Nature of contingencies

The Company has been questioning in court the payment of various taxes and contributions, largely based on the argument of unconstitutionality of creation and collection thereof.

Based on the opinions of its external legal counsel, the Management of Mills has been setting up provisions for all cases where the likelihood of loss has been ranked as probable for the companies involved. Management believes that the provisions set up are sufficient to cover any losses on the cases presently underway.

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

(i) Brazilian 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$ 194 as of March 31, 2010 (December 31, 2009 - R$ 909).

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 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, the Company decided to include this debt in the special installment payment plan under Law No. 11.941/2009.

(ii) Labor lawsuits

Mills 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 and CSLL

Before it was merged upstream by the Company, Jahu was served notice for depreciating its assets in five years and also for non-deductibility of expenses incurred on service providers, as well as IRRF on amounts paid to the latter. Jahu had a technical report that supported such 5-year depreciation and, on account of this, the attorneys handling this portion of the assessment case ranked the chances of loss as remote. The other amounts included in the assessment notice, in the updated amount of R$ 4,765 as of March 31, 2010 (R$ 4,708 as of December 31, 2009), have been provided for, since chances of success are ranked as remote.

(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$ 803 as of March 31, 2010 for losses ranked as probable.

(v) ISS on rentals

In October 2001 the Company filed suit in the various cities and towns 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, as from August, 2003, Mills interrupted payment of the ISS on rentals of its chattel goods, 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 goods and made the respective deposits in court, even after enactment of Law No. 116/2003. No provisions have been set up in relation to such deposits, given that the likelihood of success in these cases is ranked as possible.

15 Fiscal Recovery Program (REFIS)

In November 2009 the Company signed on to the Special Installment Program instituted by Law No. 11.941/2009 and by Provisory Measure No. MP 470/2009, with a view to equalizing and straightening out its tax liabilities by means of this special system for installment payment of tax and social security obligations to the Brazilian federal government.

The general terms and conditions of the REFIS installment program can be summarized as follows:

(a) The term of the installment program is 180 (one hundred and eighty) months.

(b) Reduction of 60% (sixty per cent) of the amounts relating to official fines and payment in arrears and 25% reduction on late payment interest.

(c) Under the REFIS program, the following federal debts have been spread out into installment payments:

(i) PIS and COFINS contributions (for the periods from April 2002 to May 2004).

(ii) IRPJ (December 2003, January 2004 and April 2004).

(iii) CSLL (November 2003, January 2004 and April 2004).

(iv) INSS - Additional contribution to SAT

The amounts for PIS/COFINS, IRPJ and CSLL had been offset against PIS and COFINS credits on rentals (from September 1993 to January 1999), in relation to rental and assembly of own rented assets. The credits originated from a decision of the Federal Supreme court which did not consider rental of movable assets as service provision.

In view of the new jurisprudential guide, signed in the Superior Court of Justice (1st Section of the STJ - judgment in September 2009 of Special Appeal No. 929.521), which settled the understanding with regard to the levying of COFINS on revenue received from rental of movable assets, the Company decided to pay the amount of the above-mentioned debts in installments.

As a result of signing up for this tax recovery program, the Company undertakes to pay the installments without delays of more than three months, to discontinue proceedings and forege any claims to rights on which these proceedings were based, under penalty of immediate rescission of the financing and consequently, loss of the above-mentioned benefits.

16 Shareholders' Equity

(a) Subscribed capital

The Company's fully subscribed and paid-in capital as of March 31, 2010 is represented by the amount of R$ 97,527 (December 31, 2009 - R$ 81,003 subscribed and R$ 322 to be paid in) and divided into 87,574 (December 31, 2009 - 87,421) common registered shares without par value.

At the Annual and Extraordinary General Meetings (AGM/EGM) held in 1st Quarter 2010 (March 12, 2010), the Shareholders of Mills decided to increase the Company's capital by the amount of R$ 16,201 through capitalization of the statutory expansion reserve, without issue of shares.

On that same date the Shareholders approved another capital increase, resulting from exercise of stock options granted in the manner provided by the plan, in the amount of R$ 323, with issue of 153,690 common shares, all registered and without par value, fully subscribed on the same date. In addition, the amount of R$ 322 was paid in relating to the exercise of stock options granted in previous years.

The breakdown of the Company's ownership structure is as follows:

		March 31, 2010		December 31, 2009	
	Shareholders	**Quantity of shares (thousands)**	**Percentage**	**Quantity of shares (thousands)**	**Percentage**
Brazilian residents - common shares	Part. e Empr. Stalzene S.A.	57,273	65.40%	63,427	72.55%
Brazilian residents - common shares	Other Brazilian shareholders	4,710	5.37%	4	0.01%
Brazilian residents (*)	Península Fundo de Investimentos em Participações	11,995	13.70%	11,995	13.72%
Non-residents (*)	Natipriv Global L.L.C.	11,995	13.70%	11,995	13.72%
Non-residents - common shares	Other foreign shareholders	1,601	1.83%		
		87,574	100,00%	87,421	100,00%

(b) Earnings reserves

(b.1) Legal reserve

The legal reserve is set up on an annual basis 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 stock and it may only be used to offset losses and increase capital.

(b.2) Retained earnings reserve

The retained earnings 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 Shareholders, 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 mentioned in Note 1.

(c) Other reserves

(c.1) Capital reserve

The capital reserve contains the transaction costs incurred in funding the Company's capital, in the amount of R$ 14,659, net of taxes, relating to the IPO distribution of shares and reserve for share options premium under the stock option plans for employees, in the amount of R$ 842 as of March 31, 2010 (R$ 5,728 as of December 31, 2009), as detailed in Note 12.

17 Earnings per Share (EPS)

(a) Basic EPS

The basic earnings per share are calculated by dividing the net income attributable to Mills shareholders by the weighted average number of common shares issued during the quarter.

	March 31, 2010	March 31, 2009
Net income for the Quarter attributable to Company owners	18,682	11,983
Weighted average quantity of common shares issued (thousands)	87,574	87,221
Basic earnings per share - Reais and centavos	0.21	0.14

(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. The Company 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.

	March 31, 2010	March 31, 2009
Net income for the Quarter Net income used to determine diluted EPS	18,682	11,983
Weighted average quantity of common shares issued (thousands)	87,574	87,221
Adjustments: Stock purchase options (thousands)	1,139	
Weighted average quantity of common shares used to determine diluted EPS (thousands)	88,713	87,221
Diluted earnings per share - Reais and centavos	0.21	0.14

18 Net Revenues from Sales and Services

The information on net sales and service revenues presented below for 1st Quarter 2010 and 2009 refers only to the nature of the revenues per type of service:

	March 31, 2010	March 31, 2009
Rentals	86,819	70,519
Sales	11,824	680
Technical assistance	34,776	21,214
Indemnities and recoveries	1,942	1,750
Taxes on sales and services	(12,103)	(7,787)
Cancellations and discounts	(7,755)	(4,020)
	115,503	82,356

19 Cost of Products Sold and Services Rendered and G&A Expenses (by nature)

	March 31, 2010			March 31, 2009		
Nature	Direct project and rental costs	General and administrative expenses	Total	Direct project and rental costs	General and administrative expenses	Total
Personnel	(24,368)	(16,684)	(41,052)	(16,700))	(12,305)	(29,005)
Third parties	(779)	(3,297)	(4,076)	(886)	(2,581)	(3,467)
Freight charges	(1,583)	(429)	(2,012)	(1,272)	(190)	(1,462))
Construction, maintenance and repair supplies	(4,253)	(1,978)	(6,231)	(2,378)	(1,373))	(3,751))
Equipment rentals	(2,225)		(2,225)	(3,144)	-	(3,144)
Other rentals	(1,217)	(1,218)	(2,435)	(369)	(1,216)	(1,585)
Travel expenses	(1,041)	(1,491)	(2,532)	(962)	(831)	(1,793)
Depreciation	(8,484)	(358)	(8,842)	(6,552)	(282)	(6,834)
Amortization of intangible assets		(97)	(97)	-	(81)	(81)
Write-off of assets	(60)		(60)	(120)		(120)
Sales (CMS)	(5,360)		(5,360)	(280)		(280)
Allowance for doubtful accounts - ADA		(215)	(215)		(607)	(607)
Stock option plan		(87)	(87)		(1,013)	(1,013)
Updating of provisions		(84)	(84)		(284)	(284)
Non-operating results		(87)	(87)		73	73
Profit and results sharing		(3,761)	(3,761)		(3,528)	(3,528)
Other items	(251)	(2,269)	(2,520)	(145)	(606)	(751)
	(49,621)	(32,055)	(81,676)	(32,808)	(24,824)	(57,632))

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 (G&A) expenses refer to deposits, management of each contract by the Company, 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.

Details of these three groups of G&A expenses are as follows for the quarters ended March 31, 2010 and 2009:

	March 31, 2010	March 31, 2009
Expenses on deposits	5,245	2,305
Contract coordination expenses	17,068	13,920
Administrative expenses	5,054	2,878
	27,367	19,103

20 Financial Income and Expenses

(a) Financial income

	March 31, 2010	March 31, 2009
Interest income on delinquent invoices	143	100
Income from cash investments in marketable securities	79	49
Discounts obtained	72	9
Exchange and monetary variation assets	52	1
Net results of "swap" operations	122	
Other financial income	1	6
	469	165

(b) Financial expenses

	March 31, 2010	March 31, 2009
Interest expenses on loans	3.197	4.902
Interest expenses on finance leases	2.239	1.922
Other interest charges	138	32
Bank charges	137	107
Financial operations tax - IOF	400	11
Net result of swap operations		157
Other financial expenses	297	26
Present value adjustment	(187)	(202)
	6.221	6.955

21 Income per Business Segment

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

The reportable segments of Mills 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 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 does not use analyses by geographic area in order to manage its businesses.

The Company's 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.

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 prop structures intended for the construction of large-sized structures, as well as planning, design, technical supervision, equipment and correlated services.

Jahu Division

The Jahu Division supplies concreting forms, props and scaffolding within the scope 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 correlated services.

Industrial Services Division

This division supplies 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

The Rental 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 those described in the summary of significant accounting policies (Note 2). The Company 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).

Statement of income per business segment for the quarters ended March 31, 2010 and 2009

	Construction		Jahu		Industrial Services		Rental		Total	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2010
Net Revenues	35,658	32,835	22,692	14,142	39,988	23,373	17,165	12,006	115,503	82,356
(-) Costs and expenses	(19,297)	(15,765)	(12,409)	(7,004)	(33,649)	(23,191)	(7,382)	(4,750)	(72,737)	(50,710)
(-) Depreciation	(3,578)	(2,905)	(1,064)	(706)	(1,683)	(1,597)	(2,614)	(1,714)	(8,939)	(6,922)
Operating Profit	12,783	14,165	9,219	6,432	4,656	(1,415)	7,169	5,542	33,827	24,724
Financial income	176	63	106	34	88	32	99	36	469	165
Financial expenses	(2,333)	(2,669)	(1,397)	(1,431)	(1,180)	(1,330)	(1,311)	(1,525)	(6,221)	(6,955)
Income before IRPJ/CSLL	10,626	11,559	7,928	5,035	3,564	(2,713)	5,957	4,053	28,075	17,934
(-) IRPJ/CSLL	(3,555)	(3,836)	(2,652)	(1,670)	(1,193)	900	(1,993)	(1,345)	(9,393)	(5,951)
Net Income for the Quarter	7,071	7,723	5,276	3,365	2,371	(1,813)	3,964	2,708	18,682	11,983
EBITDA for the Quarter	16,361	17,070	10,283	7,138	6,339	182	9,783	7,256	42,766	31,646

Assets per business segment

	March 31, 2010				
	Construction	**Jahu**	**Industrial services**	**Rental**	**Total**
PP&E	123,159	46,586	60,313	92,244	322,302
Other assets	53,132	58,119	40,027	17,488	168,766
Total assets	176,291	104,705	100,340	109,732	491,068

	December 31, 2009				
	Construction	**Jahu**	**Industrial services**	**Rental**	**Total**
PP&E	110,122	35,715	49,290	80,861	275,988
Other assets	47,674	54,191	51,875	10,566	164,306
Total assets	157,796	89,906	101,165	91,427	440,294

22 Financial Instruments

	Carrying value	
	March 31, 2010	**December 31, 2009**
Loans and receivables		
Cash and cash equivalents	1,796	1,575
Trade and other accounts receivables	84,600	75,917
Deposits in court	6,081	5,960
	92,477	83,452
Other financial liabilities		
Loans at floating rates	120,349	105,833
Finance leases	85,841	78,105
Trade payables to suppliers	23,313	11,713
Financial liabilities at fair value and derivative financial instruments		
Stock option plans		6,311
	229,503	201,962

(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 Interbank Certificate of Deposit (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 loans and financings

Company Management considers that loans and financings that are recognized in the financial statements at their carrying values are substantially similar to their market (i.e. fair) values.

Loans and financings

		Fair value		Carrying value	
Debt	**Index**	**March 31, 2010**	**December 31, 2009**	**March 31, 2010**	**December 31, 2009**
BNDES	TJLP	3,296	4,187	3,151	4,284
Working capital loans	CDI	119,348	105,216	117,198	101,550
Finance leases	CDI	87,590	78,149	85,841	78,105

(b) Derivative financial instruments for hedging purposes

(b.1) Policy of 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 managing 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 Management and the Financial Department, under the direction of the CFO, in order to 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, the Company contracts operations involving derivatives, normally swaps 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 are entered into to guarantee the flow of payments (amortization of principal and interest) for foreign currency financings. Under the Company's 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 operations are carried out to convert future financial commitments in foreign currency into Reais. 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 equivalent to the interest rate, normally the percentage of the CDI rate. The swap 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 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, the Company 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 the Company 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.

(c) The Company's derivative financial instruments can be summarized as follows:

	Notional amount		Fair value		Amounts receivable/payable		Gains/losses realized		Gains/losses not realized	
Type	**March 31, 2010**	**December 31, 2009**	**March 31, 2010**	**December 31, 2009**	**March 31, 2010**	**December 31, 2009**	**2010**	**2009**	**2010**	**2009**
Swap agreements										
Asset position										
Citibank	6,312		6,379		6,202					
Santander/ABN	42,192	65,969	41,879	65,950	43,061	66,053	122			
Liability position										
Citibank	6,312		6,124		6,379				(177)	
Santander	42,192	65,969	43,087	66,294	43,087	66,192			(26)	(344)

(d) Methodology for calculating the fair value of the derivatives

The derivatives are appraised at present value at the market rate as of 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.

(e) Sensitivity analysis

The following is a chart that breaks 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 are to be disclosed. Moreover, two other scenarios are shown besides, in the manner prescribed by the CFM 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 index	3,152	3,198	3,243
	Lease agreements - CDI	Rise in index	85,841	88,953	92,134
	Working capital loans - CDI	Rise in index	117,198	119,909	122,587
Total			206,191	212,060	217,964
Percentage Variation				2.85%	5.71%
Exchange rate	Commercial commitments *	Appreciation of US$	(49,314)	(61,643)	(73,971)
	Results of swap contracts **	Appreciation of US$	(203)	12,177	24,505
Total			(49,517)	(49,466)	(49,466)
Percentage Variation				(0.10%)	(0.10%)

* Commercial commitments for purchase of equipment signed in foreign currency (US$), but not recognized (Note 22).

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

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

Reference	Scenario I Maintenance	Scenario II 25% rise	Scenario III 50% rise
CDI (%) (i)	8.75	10.94	13.12
TJLP (%) (ii)	6.25	7.81	9.38
US$ (%) (iii)	1.78	2.22	2.67

(i) As concerns the interest rate risk, the Company's 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 direction relationship between the rates, and a rise in the rate as the premise for the other two scenarios.

(ii) For the financial liabilities related to loans and financings - BNDES (Brazilian Development Bank), 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) Company 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.

(f) Gains and losses for the period

Given the fact that Mills 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 equity appraisal adjustment under shareholders' equity.

(g) Embedded derivatives

All agreements with potential clauses for derivative instruments or marketable securities to be carried out are assessed 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.

The Company currently is not part to any outstanding agreements involving embedded derivatives.

(h) Value and type of margins posted in guarantee

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

23 Obligations and Commitments

The Company has outstanding purchase orders for equipment placed with foreign supplies in the amount of approximately US$ 28 million (as of December 31, 2009 - US$ 34 million), all scheduled for payment in 2010. As detailed in Note 22, Mills has contracted derivative instruments to hedge against exchange exposure between the date the order is placed and the date for settlement of the respective obligations.

24 Insurance

Company policy is 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 of March 31, 2010 to R$ 15,800 (December 31, 2010 - R$ 13,000), considered sufficient to cover potential claims.

25 Subsequent Events

Acquisition of equity interest in Rohr S/A Estruturas Tubulares

On January 19, 2010, Mills signed an agreement of purchase and sale in order to acquire 25% (twenty-five per cent) of the voting and total capital stock of Rohr S/A Estruturas Tubulares (Rohr) for R$ 90 million. This amount was paid on February 8, 2011. Since Rohr has not yet disclosed its financial statements for the year ended December 31, 2010, it has not been possible for the Company to calculate the probable amount of the goodwill on the operation.

Rohr is a privately held corporation under Brazilian Law that specializes in access engineering and the supply of solutions for civil construction, with 45 years of experience in the Brazilian market. It carries out activities in the following industries: heave construction and infrastructure, construction of buildings, industrial maintenance services and events.

The Company has no plans to participate in the administration of Rohr, such that it is a strategic acquisition whereby Mills is aiming to expand its visibility in such industries as infrastructure, residential and commercial construction, oil and gas, among others.

Reduction of the equity interest of the principal Mills shareholder

Nacht Participações S.A. - Nacht (the majority and controlling shareholder) 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. Such capital reduction will come about through the turning over of the shares issued by Mills presently held by such company to some of its shareholders, after the 60-day period to creditors to file their opposition, as required by applicable Brazilian law.

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 39.0% to 21.8%, while shareholders Jeroboam Investments LLC (Jeroboam), Andres Cristian Nacht (Cristian Nacht) and Jytte Kjellerup Nacht began holding direct equity interests of 15.3%, 1.4% and 0.5% in Mills, respectively.

Furthermore, in order to regulate its relationship as Mills shareholders and to remain qualified, together, as the controlling group of the Company, even after the Nacht capital reduction, all the shareholders of Nacht as of February 11, 2011, which includes the company Jeroboam and the Nacht family members (Nacht Family), including Cristian Nacht and Jytte Nacht, signed a shareholders agreement to regulate the voting rights and transfer of the shares of Nacht and Mills.

The principal terms of this shareholders agreement are: (a) maintenance of the Nacht Family and Jeroboam as the controlling group of Mills, (b) joint exercise of voting rights in any and all decisions pertaining to Mills, (c) appointment of Cristian Nacht as the representative of the controlling group on the Board of Directors and at the General Meetings of the Company's Shareholders, and (d) prohibition against selling Mills share in amounts of more than 10% (ten per cent) of the equity stake that each one of the shareholders retains, on an individual basis, to third parties.

The reduction of Nacht's equity interest in the Company and the signing of the shareholders agreement do not cause any alteration in the administrative or control structure of Mills, which will remain in the hands of the Nacht Family in the same proportion as previously retained. Moreover, this operation does not involve change in the number of shares or value of the capital stock of Mills.

Review of estimated useful life of PP&E

As described in Note 9, in 2010, in order to corroborate the appraisal conducted by its technical experts, the Company contracted independent appraisers who issued an appraisal report dated February 4, 2011.

The estimated remaining useful life of the fixed asset items that are part of the group of rental equipment calculated is in line with the depreciation rates used by the Company, for which reason that has been no change in the depreciation rate as from January 1, 2010.

Upstream merger of the principal shareholder

On November 30, 2010 an upstream merger of Participação e Empreendimentos Staldzene S.A., the majority controlling shareholder of Mills, by Nacht Participações S.A., which since that time has been the Company's controlling shareholder.

Operation for going public

On April 14, 2010, the shareholders granted their approval to increasing the Company's capital to R$ 523,453, thus corresponding to an increase of R$ 411,019, net of commissions and expenses, through public subscription of 37,037,037 (thirty-seven million, thirty-seven thousand and thirty-seven) shares, at the price of R$ 11.10 (eleven Reais and ten centavos) per share. The shares were paid in upon subscription in Brazilian currency.

Issue of debentures

On April 18, 2011 a public offer was carried out for distribution of de 27 thousand simple, non-stock convertible debentures in the total amount of R$ 270 million, with interest rate equivalent to 112.5% of the CDI rate and five-year maturity period. The debentures have a unit face value of R$10, with due heed being paid to the provision contained in Article 4, item II, of Brazilian Securities Commission Instruction No. CVM 476.

26 Additional Information

(a) Statements of Value Added

	March 31, 2010	March 31, 2009
Revenues		
Sales of merchandise, products and services	135,361	94,164
Cancellations and discounts	(7,755)	(4,021)
Other revenues (sale of assets)	42	15
Allowance for doubtful accounts - Reversal / (Setting up)	(214)	(630)
	127,434	89,528
Third Party Inputs		
Cost of merchandise, products and services sold	(5,360)	(280)
Raw materials, energy, services from third parties and others	(17,172)	(11,121)
Write-off of rentals assets	(60)	(164)
Other items	(16)	(224)
	(22,608)	(11,789)
Gross Value Added	104,826	77,739
Depreciation, amortization and depletion	(8,939)	(6,658)
Net Value Added Produced by the Company	95,887	71,081
Value Added Received in Transfer		
Financial income	347	164
	347	164
Total Value Added to be Distributed	96,234	71,245
Distribution of Value Added		
Personnel and charges	38,039	27,791
Direct remuneration	29,840	22,270
Benefits	6,376	4,153
Accrued severance pay (FGTS)	1,823	1,368
Taxes, fees and contributions	28,568	19,004
Federal	25,448	17,525
State	1,046	124
Municipal	2,074	1,355
Remuneration of third party capital	10,945	12,467
Interest and exchange variation	6,286	7,117
Rentals	4,659	5,350
Remuneration of Company capital	18,682	11,983
Retained earnings for quarter	18,682	11,983
Value Added Distributed	96,234	71,245

(b) Quarterly Statements of Changes in Shareholders' Equity in 2009:

	Capital			Earnings reserves				
	Subscribed	To be paid in	Capital reserve	Legal	Investment	Special	Retained earnings (deficit)	Total
Balances at January 1, 2009	67,124		(58)		23,279			90,345
Upstream merger of Mills Andaimes Tubulares and Mills Insústria e Comércio	13,725	(337)	1,837		4,044			19,269
Upstream of Itapoã Participações	20					6,763		6,783
Paying of capital								
Capital increase - subscription of new shares								
Realization of capital reserve								
Realization of special reserve - tax amortization of goodwill on upstream merger of Itapoã								
Net income for the Quarter							11,983	11,983
Stock option plan			971					971
Appropriation of net income								
Setting up of statutory reserves on net income								
Proposed dividends and interest on capital								
Balances at March 31, 2009	80,869	(337)	2,750		27,323	6,763	11,983	129,351
Upstream merger of Mills Andaimes Tubulares and Mills Indústria e Comércio								
Upstream merger of Itapoã Participações								
Paying of capital		15						15
Capital increase - subscription of new shares	134							134
Realization of capital reserve			58					58
Realization of special reserve - tax amortization of goodwill on upstream merger of Itapoã						(1,394)	1,394	
Net income for the Quarter							56,405	56,405
Stock option plan			2,920					2,920
Appropriation of net income								
Setting up of statutory reserves on net income				3,419	50,121		(53,540)	
Proposed dividends and interest on capital							(16,242)	(16,242)
Balances at December 31 ,2009	81,003	(322)	5,728	3,419	77,444	5,369		172,641

* * *