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

Mills Estruturas e Serviços de Engenharia S.A.

Presentation of Interim Financial Information for the Quarter Ended March 31, 2014 and Report on Review of Interim Financial Information

Deloitte Touche Tohmatsu Auditores Independentes

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim financial information, of Mills Estruturas e Serviços de Engenharia S.A. ("Company") included in the Interim Financial Information Form (ITR), for the three month period ended March 31, 2014, which comprises the balance sheet as of March 31, 2014 and the related statements of income and comprehensive income, for the three month period then ended and the statement of changes in equity and statement of cash flows for the three month period then ended, including the explanatory notes.

The company's management is responsible for the preparation of interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBCTR 2410 and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21(R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the CVM.

Emphasis of Matter

Restatement of values corresponding to the three month period ended March 31, 2013

As mentioned in Note 2.2, due to the adoption of the technical pronouncement CPC 31 - Non-current Assets Held For Sale and Discontinued Operations, the comparative values of the income statement, related to the period of three month ended March 31, 2013, have been reclassified and are being restated as required by CPC 23 - Accounting Policies, changes in Accounting Estimates and Errors and CPC 26 (R1) - Presentation of Financial Statements. Our conclusion does not contain changes related to this subject.

Other matters

Statements of value added

We have also reviewed the interim statement of value added ("DVA"), for the three month period ended March 31, 2014, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR), and considered as supplemental information for IFRS, which do not require the presentation of DVA. This statement was subject to the same review procedures described above, and, based on our review, nothing has come to our attention that causes us to believe that it was not prepared, in all material respects, consistently with the interim financial information taken as a whole.

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

Rio de Janeiro, May 6, 2014

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Antônio Carlos Brandão de Sousa
Engagement Partner

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

BALANCE SHEET
AS AT MARCH 31, 2014 AND DECEMBER 31, 2013
(In thousands of Brazilian reais - R$) - Unaudited

	Note	3/31/2014	12/31/2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	8,461	25,798
Trade receivables	4	192,152	177,359
Inventories	5	36,585	36,288
Recoverable taxes	6	33,618	38,673
Advances to suppliers		164	529
Derivative financial instruments	25	-	7,516
Other receivables - sale of investee	7	27,427	26,785
Other assets		9,816	6,516
		308,223	319,464
NON-CURRENT ASSETS			
Trade receivables	4	1,448	1,414
Recoverable taxes	6	44,211	42,764
Deferred taxes	16	5,034	-
Judicial deposits	17	10,379	10,053
Other receivables - sale of investee	7	48,425	47,290
		109,497	101,521
Investments	8	87,392	87,392
Property, plant and equipment	9	1,264,838	1,224,476
Intangible assets	10	73,848	68,392
		1,426,078	1,380,260
TOTAL ASSETS		1,843,798	1,801,245

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

BALANCE SHEET
AS AT MARCH 31, 2014 AND DECEMBER 31, 2013
(In thousands of Brazilian reais - R$) - Unaudited

	Note	3/31/2014	12/31/2013
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables	11	55,448	37,904
Borrowings and financing	12	49,138	12,764
Debentures	13	120,203	112,532
Payroll and related taxes		23,587	19,186
Tax debt refinancing program (REFIS)		976	960
Income tax and social contribution		6,161	-
Taxes payable	18	4,576	7,084
Profit sharing payable	15	573	18,697
Dividends and interest on capital payable		40,990	40,990
Derivative financial instruments	25	3,289	-
Other liabilities		3,547	4,866
		308,488	254,983
NON-CURRENT LIABILITIES			
Borrowings and financing	12	17,243	58,749
Derivative financial instruments	25	-	267
Debentures	13	448,433	448,238
Tax debt refinancing program (REFIS)		9,351	9,444
Deferred taxes	16	-	2,478
Provision for tax, civil and labor claims	17	11,387	10,573
Other liabilities		121	-
		486,535	529,749
TOTAL LIABILITIES		795,023	784,732
EQUITY			
Issued capital	19	554,850	553,232
Capital reserves	19	12,418	10,231
Earnings reserves	19	447,862	447,862
Valuation adjustments to equity	19	(227)	5,188
Profit for the period		33,872	-
Total equity		1,048,775	1,016,513
TOTAL LIABILITIES AND EQUITY		1,843,798	1,801,245

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

INCOME STATEMENT
FOR THE PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$) - Unaudited

	Note	3/31/2014	(Restated) 3/31/2013
Net revenue from sales and services	21	207,821	188,428
Cost of sales and services	22	(79,047)	(68,416)
GROSS PROFIT		128,774	120,012
General and administrative expenses	22	(61,887)	(52,929)
PROFIT BEFORE FINANCE INCOME (COSTS)		66,887	67,083
Finance income	23	4,017	2,133
Finance costs	23	(20,565)	(11,335)
FINANCE COSTS, NET		(16,548)	(9,202)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		50,339	57,881
Current income tax and social contribution		(21,189)	(20,507)
Deferred income tax and social contribution		4,722	258
Income tax and social contribution	16	(16,467)	(20,249)
PROFIT FROM CONTINUING OPERATIONS		33,872	37,632
PROFIT FROM DISCONTINUED OPERATIONS	2.2	-	1.629
PROFIT FOR THE PERIOD		33,872	39,261
Basic earnings per share - R$	20(a)	0.27	0.31
Diluted earnings per share - R$	20(b)	0.26	0.31
EARNINGS PER SHARE FROM CONTINUING OPERATIONS			
Basic earnings per share - R$	20(a)	0.27	0.30
Diluted earnings per share - R$	20(b)	0.26	0.30

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$) - Unaudited

	Note	3/31/2014	3/31/2013
PROFIT FOR THE PERIOD		33,872	39,261
OTHER COMPONENTS OF COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT FOR THE PERIOD			
Cash flow hedge net of deferred taxes	25	(5,415)	(509)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		28,457	38,752

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2013
(In thousands of Brazilian reais - R$) - Unaudited

			Earnings reserves				Valuation		
	Subscribed capital	Capital reserve	Legal	Expansion	Special	Earnings retention	adjustments to equity	Retained earnings	Total
AT JANUARY 1, 2013	537,625	233	20,768	61,243	808	238,949	(300)	-	859,326
Capital contribution - share issue	1,865	-	-	-	-	-	-	-	1,865
Purchase/cancelation of treasury shares	-	-	-	-	-	-	-	-	-
Stock option plan	-	1,998	-	-	-	-	-	-	1,998
Realization of special reserve - tax amortization of Itapoã merged goodwill	-	-	-	-	(380)	-	-	380	-
Comprehensive income for the period - cash flow hedge	-	-	-	-	-	-	(509)	-	(509)
Profit for the period	-	-	-	-	-	-	-	39,261	39,261
AT MARCH 31, 2013	539,490	2,231	20,768	61,243	428	238,949	(809)	39,641	901,941

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2014
(In thousands of Brazilian reais - R$) - Unaudited

	Subscribed capital	Capital reserve	Earnings reserves			Valuation adjustments to equity	Retained earnings	Total
			Legal	Expansion	Earnings retention			
AT JANUARY 1, 2014	553,232	10,231	29,398	61,243	357,221	5,188	-	1,016,513
Capital contribution - share issue	1,618	-	-	-	-	-	-	1,618
Stock option premium	-	2,187	-	-	-	-	-	2,187
Realization of special reserve - tax amortization of Itapoã merged goodwill	-	-	-	-	-	-	-	-
Comprehensive income for the period - cash flow hedge	-	-	-	-	-	(5,415)	-	(5,415)
Profit for the period	-	-	-	-	-	-	33,872	33,872
AT MARCH 31, 2014	554,850	12,418	29,398	61,243	357,221	(227)	33,872	1,048,775

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)
MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$) - Unaudited

	Note	3/31/2014	3/31/2013
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT FROM CONTINUING AND DISCONTINUED OPERATIONS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		50,339	60,386
Adjustments:			
Depreciation and amortization	9	39,565	31,323
Provision for tax, civil and labor claims	17	814	486
Accrued expenses on stock options	15	2,187	1,998
Profit sharing payable	15	482	3,974
Gain on sale of property, plant and equipment		(10,085)	(10,166)
Interest, indexation and exchange differences on borrowings, contingencies and judicial deposits		17,186	12,644
Allowance for doubtful debts	4	6,526	4,996
		56,675	45,255
Changes in assets and liabilities:			
Trade receivables		(21,385)	(9,120)
Inventories		(297)	(3,008)
Recoverable taxes		5,864	14,949
Judicial deposits		131	23
Other assets		(2,935)	393
Trade payables		(1,816)	2,445
Payroll and related taxes		4,402	5,698
Taxes payable		(28)	(10,921)
Other liabilities		(1,275)	1,643
		(17,339)	2,102
Lawsuits settled		-	(63)
Interest paid		(9,731)	(7,919)
Income tax and social contribution paid		(7,133)	(8,871)
Profit sharing paid		(18,607)	(20,048)
NET CASH GENERATED BY OPERATING ACTIVITIES		54,204	70,842
Cash flows from investing activities:			
Marketable securities - principal		-	21,567
Purchases of property, plant and equipment and intangible assets		(82,949)	(119,525)
Proceeds from sale of property, plant and equipment and intangible assets		15,296	8,306
NET CASH USED IN INVESTING INVESTMENTS		(67,653)	(89,652)

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MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$) - Unaudited

	Note	3/31/2014	3/31/2013
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contributions		1,618	1,865
Dividends and interest on own capital paid		(2,480)	-
Repayment of borrowings		(3,026)	(3,733)
Borrowings raised		-	988
NET CASH USED IN INVESTING ACTIVITIES		(3,888)	(880)
DECREASE IN CASH AND CASH EQUIVALENTS, NET		(17,337)	(19,690)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (Note 3)		25,798	44,200
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (Note 3)		8,461	24,510

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

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MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF VALUE ADDED
FOR THE PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$) - Unaudited

	3/31/2014	3/31/2013
Revenues:		
Sales of merchandise, products and services	274,974	293,801
Cancelations and discounts	(46,971)	(28,123)
Other revenues (sale of assets)	2,225	773
Allowance for doubtful debts	(6,526)	(4,996)
	223,702	261,455
Inputs purchased from third parties		
Cost of sales and services	(3,794)	(7,424)
Materials, energy, outside services and other	(39,686)	(42,972)
Write-off of leased assets	(6,775)	(5,640)
	(50,255)	(56,036)
Gross value added	173,447	205,419
Depreciation, amortization and depletion	(39,569)	(31,323)
Wealth created by the Company	133,878	174,096
Wealth received in transfer		
Finance income	4,017	3,783
Wealth for distribution	137,895	177,879
Distribution of wealth		
Personnel and payroll taxes	32,943	58,752
Salaries and wages	25,438	45,529
Benefits	5,553	9,861
Severance Pay Fund (FGTS)	1,952	3,362
Taxes and contributions	44,264	59,356
Federal	43,027	55,372
State	913	1,618
Municipal	324	2,366
Lenders and lessors	26,816	20,510
Interest and exchange differences	20,559	14,154
Leases	6,257	6,356
Shareholders	33,872	39,261
Interest on capital		
Mandatory minimum dividends		
Retained earnings	33,872	39,261
Wealth distributed	137,895	177,879

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

1. GENERAL INFORMATION

Mills Estruturas e Serviços de Engenharia S.A. ("Mills" or "Company") is a publicly-traded corporation with registered offices at Avenida das Américas, nº 500 Bloco 14 Loja108 Sala 207 e 208 – Barra da Tijuca, in the City of Rio de Janeiro, Brazil. The Company basically operates in the construction, engaging in the following principal activities:

(a) Rental and sale, including import and export, of steel and aluminum tubular structures, and steel and aluminum props and access equipment for construction works, as well as reusable concrete formworks, along with the supply of related engineering projects, supervisory and optional assembly services.

(b) Rental, assembly, and disassembling of access tubular scaffolding in industrial areas.

(c) Sale, rental and distribution of scissor lifts and telescopic handlers, as well as parts and components, and technical assistance and maintenance services for such equipment.

(d) Holding of interests in other companies, as partner or shareholder.

The Company's operations are segmented according to the new organization and management model approved by Management, containing the following business units: Heavy Construction (former Construction), Real Estate (former Jahu), and Rental. Each business unit is described in Note 24.

The accounting information contained in this interim financial information was approved by the Company's Board of Directors and authorized for issue on April 24, 2014.

2. PRESENTATION OF INTERIM FINANCIAL INFORMATION

2.1 Basis of presentation

The Company's interim financial information comprises the interim financial statements and has been prepared in accordance with Accounting Pronouncement CPC 21 (R1), which addresses interim financial reporting, and in accordance with International Accounting Standard (IAS) 34.

This interim financial information does not include all the information and disclosures required in annual financial statements and should, therefore, be read in conjunction with the financial statements of Mills for the year ended December 31, 2013, which have been prepared in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Boards (IASB).

In compliance with Brazilian Securities Commission (CVM) Circular 003/2011, of April 28, 2011, we present below the notes to the most recent annual financial statements (for the year ended December 31, 2013), which, in view of the lack of significant changes this quarter, are not being reproduced in full in this interim financial information:

The notes not included in the period ended March 31, 2014 are the "Summary of significant accounting policies", "Critical accounting judgments and key estimates and assumptions", "Financial risk management", "Capital management" and "Tax debt refinancing program (REFIS)", represented, in the financial statements for 2013, by notes 2, 3, 4, 5 and 22, respectively.

2.2. Restatement of the income statement for the period ended March 31, 2013

In accordance with CPC 31, the Company is restating the income statement for the first quarter of 2013 to separately classify the profit from discontinued operations. This restatement is associated to the sale of the Industrial Services business unit on November 30, 2013, which started being qualified as discontinued operations on June 30, 2013.

The result from discontinued operations is shown on note 24 - results by business segment - Industrial Services.

			3/31/2013
	Original balance	Reclassifications	Restated balance
Net revenue from sales and services	239,889	51,461	188,428
Cost of sales and services	(107,023)	(38,607)	(68,416)
GROSS PROFIT	132,866	12,854	120,012
General and administrative expenses	(62,224)	(9,295)	(52,929)
OPERATING PROFIT	70,642	3,559	67,083
Finance income	3,908	1,775	2,133
Finance costs	(14,164)	(2,829)	(11,335)
FINANCE COSTS, NET	(10,256)	(1,054)	(9,202)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	60,386	2,505	57,881
Income tax and social contribution	(21,125)	(876)	(20,249)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	39,261	1,629	37,632
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	1,629	1,629
PROFIT FOR THE PERIOD	39,261	-	39,261

2.3. Basis of preparation

The accounting policies, calculation methods, significant accounting judgments, estimates and assumptions used in this interim financial information are the same used in the financial statements for the year ended December 31, 2013, disclosed in Notes 2 and 3. These financial statements were published on March 20, 2014 on the newspaper Valor Econômico and the Official Gazette of the State of Rio de Janeiro.

Adoption of the new and revised International Financial Reporting Standards (IFRSs) without material impacts on the interim financial information

The information related to the Accounting Pronouncements and Interpretations Recently Issued did not change significantly in relation to that disclosed in Note 2.4 to the Financial Statements for the Year Ended December 31, 2013. Below is the list of new and revised standards and interpretations already issued but not yet adopted:

Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities (1);
Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities (1);
IFRS 9 - Financial Instruments (2);

(1) Effective for annual periods beginning on or after January 1, 2014.
(2) Effective for annual periods beginning on or after January 1, 2015.

3. CASH AND CASH EQUIVALENTS

	3/31/2014	12/31/2013
Cash and banks	2,894	2,049
Short-term investments	5,567	23,749
	8,461	25,798

The balances recorded as cash and cash equivalents refer to deposits and highly liquid short-term investments, readily convertible into a known amount of cash and subject to an insignificant risk of change in value. As at March 31, 2014, short-term investments refer to bank deposit certificates (CDBs) issued by Banco Santander, bearing interest at 101.5% of the interbank deposit certificate (CDI) (101.5% at December 31, 2013).

4. TRADE RECEIVABLES

	3/31/2014	12/31/2013
Heavy Construction business unit	67,563	68,785
Real Estate business unit	85,041	82,177
Industrial Services business unit (***)	4,016	4,408
Rental business unit	90,682	73,468
Events business unit (**)	2,602	3,796
	249,904	232,634
Allowance for doubtful debts (*)	(56,304)	(53,861)
	193,600	178,773
Current	192,152	177,359
Non-current	1,448	1,414

(*) The allowance for doubtful debts is calculated based on the amount considered sufficient to cover potential losses on realization of receivables, considering an individual analysis of the Company's major customers.

(**) Amount receivable from sale of property, plant and equipment of the events division, which was discontinued in 2008.

(***) Remaining amount receivable from the operations of the Industrial Services business unit, which was discontinued on November 30, 2013.

Mills holds receivables corresponding to assets of the Events business unit, whose activities were discontinued. Part of these assets was sold in the course of 2008 and 2009 under agreements for sale of chattels with reserve of title entered into on May 20, 2008 and February 18, 2009. The total amount will be received over a period not exceeding eight years, and the installments are adjusted using the percentage fluctuation of the Extended Consumer Price Index (IPCA). As at March 31, 2014, the asset is adjusted at present value and management, based on the collaterals provided for in the agreement, believes that the amount will be fully realized by the due date of the last installment.

To determine whether or not trade receivables are recoverable, the Company takes into consideration any change in the customer's creditworthiness from the date the credit was originally granted to the end of the reporting period. The credit risk concentration is limited because the customer base is comprehensive and there is no relationship between customers. The Company does not have any customer concentration in its revenue or trade receivables as no single customer or corporate group represents 10% or more of its trade receivables in any of its segments.

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

	3/31/2014	12/31/2013
Current	120,580	112,126
Current (bills with original due dates extended)	10,480	8,539
1 to 60 days past due (*)	38,314	37,220
61 to 120 days past due (*)	14,441	13,943
More than 120 days past due (*)	66,089	60,806
Total	249,904	232,634

(*) The analysis above was conducted considering the extended due dates of the bills.

The changes in the Company's allowance for doubtful debts are as follows:

	3/31/2014	12/31/2013
Balance at the beginning of the year	53,861	36,703
Set up of allowance for doubtful debts	6,526	17,283
Write-offs	(4,083)	(125)
At December 31	56,304	53,861

As at March 31, 2014, trade receivables totaling R$56,304 (R$53,861 in 31) were accrued. The increase in the amount of this allowance refers basically to the accrual of the balance receivable from specific customers that during the first quarter of 2014 were having difficulties to discharge their obligations.

5. INVENTORIES

	3/31/2014	12/31/2013
Raw materials	6,297	6,617
Goods for resale	18,920	15,015
Replacement parts and supplies	9,680	8,972
Advances for inventories	1,688	5,140
Other	-	544
Total	36,585	36,288

Raw material inventories, and advances for inventories are linked to toll manufacturing processes, to meet Company and customer requirements. The spare parts inventory refers basically to access equipment. All inventories are carried at average cost.

6. RECOVERABLE TAXES

	3/31/2014	12/31/2013
Taxes on revenue (PIS and COFINS) (*)	74,434	71,856
Income tax (IRPJ) and social contribution (CSLL) (**)	655	8,537
State VAT (ICMS) (***)	2,498	909
Other	242	135
	77,829	81,437
Current	33,618	38,673
Non-current	44,211	42,764

(*) PIS and COFINS credits refer basically to amounts recoverable on purchases of property, plant and equipment and that will be offset at the rate of 1/48 per month against non-cumulative PIS and COFINS federal tax obligations. Mills expects that these credits will be realized by 2017.

(**) Refers to IRPJ and CSLL tax loss carryforwards determined at March 31, 2014, which will be adjusted for inflation monthly based on the SELIC rate and offset against taxes of the same nature during 2014.

(***) Refers to State VAT (ICMS) levied on the Company's operations due to purchase of parts and equipment for sale.

7. OTHER RECEIVABLES - SALE OF INVESTEE

	3/31/2014
2014	27,427
2015	16,141
2016	16,142
2017	16,142
Total	75,852
Current	27,427
Non-current	48,425
	75,852

On November 30, 2013 the Company completed the sale of its Industrial Services business unit to Fundo de Investimento em Participação (FIP) Leblon Equities Partners V, managed by Leblon Equities Gestão de Recursos Ltda.

The agreement prescribes that the acquisition price be paid in six (6) installments, all adjusted using the CDI, from May 31, 2013 to the payment date, as follows:

1. The first installment of R$25,000 (R$25,207, including the CDI-based adjustment through the payment date) was paid on the agreement execution date;

2. The second installment R$17,000 (R$18,293, considering the CDI-based adjustment through March 31, 2014) will be paid in April 2014. The amount of the second installment was adjusted by the partial performance of the business, which means that the business profit plus the depreciation of the assets acquired, less investments, plus the increase in trade payables (or less the decrease in trade payables, as applicable), and less the increase in trade receivables (or plus the decrease in trade receivables, as applicable), from May 31, 2013 to the closing date, i.e., November 30, 2013. These amounts were determined using the same expense apportionment, allowance for doubtful debts recognition, and equipment derecognition accounting criteria currently used by the Company. For profit for the year calculation purposes, the income tax and social contribution rate used was identical to the average tax rate charged on Company operations in the twelve months immediately prior to the closing date, and the following were disregarded: (i) allocated costs related to the Company's stock options and profit sharing, and (ii) finance income and costs. The accumulated partial performance of the business amount, between June 1 and November 30, 2013, the date when the Company completed the transaction, was R$6,789. Thus, the second installment outstanding balance as at March 31, 2014 was R$ 11,286.

3. Four installments of R$15,000 each (R$16,142, including the CDI-based adjustment through March 31, 2014), with annual maturity, on the agreement execution anniversaries.

8. INVESTMENTS

a) Non-controlling interest

On February 8, 2011, the Company acquired 25% of the capital of Rohr S.A. Estruturas Tubulares ("Rohr") for R$ 90,000. Rohr is a privately-held company specialized in access engineering and supplying construction solutions, which operates mainly in the heavy construction and industrial maintenance sectors.

In May 2011 the Company received R$2,035 (net of taxes) of interest on capital and dividends relating to its investment in Rohr. This amount was recognized reducing the investment amount since it refers to amounts received soon after the acquisition of the investee's shares.

In December 2011, Mills received R$573 (net of taxes) in interest on capital related to the year 2007. This amount was recognized reducing the amount of the investment, as it referred to dividends derived from profits or reserves already existing at the time the shares were purchased. In addition, the Company received extraordinary dividends in the amount of R$1,346 related to the year 2011 that were recognized as revenue in the income statement.

In the fourth quarter of 2011, there was an increase in the stake in Rohr S.A. Estrutura Tubulares (Rohr) from 25% to 27.47%, resulting from a buyback by Rohr of 9% of its shares, which are currently in its treasury and will be cancelled or proportionally distributed to its shareholders.

The Company assessed its influence over the management of Rohr and concluded that, even though it holds 27.47% of the investee's capital, such investment should be carried at acquisition cost, due to the following facts: Mills does not have power to influence Rohr's financial, operational and strategic policies, it does not control, either individually or

jointly, such policies, and it is not represented in the investee's management. Furthermore, there is no shareholders' agreement that might give Mills the right to have influence over the investee's management or that might give it the right to increase its stake in the future. Based on these factors, the Company concluded that it does not have significant influence over the investee and will keep the investment carried at acquisition cost.

In December 2013 the Company recognized finance income of R$1,648 (R$3,214 in December 2012 referring to 2011 and 2012) related to interest on capital of Rohr for 2013.

9. PROPERTY, PLANT AND EQUIPMENT

	Equipment for rental and operational use	Leasing	Rental equipment in progress	Total rental equipment	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fixtures	Construction in progress	Total assets in use	Total PP&E
Gross cost of PP&E													
Balances at December 31, 2013	1,409,698	82,156	38,506	1,530,360	19,040	24,274	13,886	3,640	5,470	8,945	580	75,835	1,606,195
Purchases	92,764	-	-	92,764	1,453	-	713	180	356	315	53	3,070	95,834
Write-offs/disposals	(10,234)	(1,867)	-	(12,101)	-	-	-	(258)	-	-	-	(258)	(12,359)
Adjustment for PIS and COFINS credits	(10,151)	-	-	(10,151)	-	-	-	-	-	-	-	-	(10,151)
Transfers	19,553	-	(19,553)	-	-	-	-	-	-	-	-	-	-
Balances at March 31, 2014	1,501,630	80,289	18,953	1,600,872	20,493	24,274	14,599	3,562	5,826	9,260	633	78,647	1,679,519
Accumulated depreciation													
Balances at December 31, 2013	(320,309)	(42,440)	-	(362,749)	(4,169)	(1,526)	(6,594)	(2,232)	(1,051)	(3,398)	-	(18,970)	(381,719)
Depreciation	(34,817)	(1,999)	-	(36,816)	(598)	(168)	(558)	(113)	(120)	(173)	-	(1,730)	(38,546)
Write-offs/disposals	4,357	1,032	-	5,389	-	-	-	195	-	-	-	195	5,584
Reclassification	-	-	-	-	(19)	-	-	19	-	-	-	-	-
Balances at March 31, 2014	(350,769)	(43,407)	-	(394,176)	(4,786)	(1,694)	(7,152)	(2,131)	(1,171)	(3,571)	-	(20,505)	(414,681)
Annual depreciation rates - %	10	10	-	-	10	4	20	20	10	10	-	-	-
Property, plant and equipment, net													
Balance at December 31, 2013	1,062,009	67,096	38,506	1,167,611	14,871	22,748	7,292	1,408	4,419	5,547	580	56,865	1,224,476
Balance at March 31, 2014	1,150,861	36,882	18,953	1,206,696	15,707	22,580	7,447	1,431	4,655	5,689	633	58,142	1,264,838

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.

We highlight below the main purchases during the first quarter of 2014, by group of assets:

Props	4,585
Lifts and handlers	75,989
Reusable concrete formworks	2,448
Suspended scaffolding and access structures	9,140
Other	3,672
Total purchases	95,834

The depreciation for the period, allocated to cost of services and general and administrative expenses, amounts to R$36,214 and R$2,332 as at March 31, 2014 (R$29,631 and R$1,149 as at March 31, 2013), respectively.

Certain items of the Company's property, plant and equipment are pledged as collateral of borrowing and financing transactions (Note 12).

Property, plant and equipment are measured at historical cost, less accumulated depreciation. Historical cost includes costs directly attributable to the acquisition of items and may also include transfers from equity of any gains/losses on cash flow hedges qualifying as referring to the purchase of property, plant and equipment in foreign currency.

Review of estimated useful life

For purposes of this review, based on a valuation conducted by technical experts the Company issued a valuation report dated December 31, 2013, approved at an executive committee's meeting. In order to prepare the report, the technical experts considered the Company's operational planning for the coming fiscal years, past experience, such as the level of maintenance and use of the items, external elements for benchmarking, such as available technologies, manufacturers' recommendations and technical manuals, and the service lives of the assets.

There was no change in the remaining estimated useful lives of property, plant and equipment items for 2013 and there were no events during the period ended March 31, 2014 that would affect the valuation undertaken in 2013.

The Company concluded that there were no events or changes in circumstances that would indicate that such assets may be impaired.

10. INTANGIBLE ASSETS

	Software	Trademarks and patents	Intangible assets in progress	Goodwill on investments	Total intangible assets
Gross cost of intangible assets					
Balances at December 31, 2013	20,943	895	12,626	44,294	78,758
Purchases	1,907	-	4,568	-	6,475
Transfer	16,616	-	(16,616)	-	-
Balances at March 31, 2014	39,466	895	578	44,294	85,233
Accumulated amortization					
Balance at December 31, 2013	(5,839)	(295)	-	(4,232)	(10,366)
Amortization	(975)	(44)	-	-	(1,019)
Balances at March 31, 2014	(6,814)	(339)	-	(4,232)	(11,385)
Annual amortization rates - %	20	20		-	-
Intangible assets, net					
Balance at December 31, 2013	15,104	600	12,626	40,062	68,392
Balance at March 31, 2014	32,652	556	578	40,062	73,848

Allowance for impairment of goodwill

Goodwill arose on the acquisition of Jahu in 2008 and the acquisition of GP Sul in 2011 (Note 1), which are considered as a business segment and a cash-generating unit (CGU) to which the goodwill is allocated.

The impairment test of the Real Estate CGU was conducted based on the budgeted cash flow for this segment in 2014, before income tax and social contribution, approved by Management. No need to recognize an allowance for impairment losses of this goodwill was identified.

Management believes that any type of change reasonably possible in key assumptions on which the recoverable amount is based would not lead the total carrying amount to exceed the total recoverable amount of the cash-generating unit.

11. TRADE PAYABLES

	3/31/2014	12/31/2013
Domestic trade payables	53,119	32,229
Foreign trade payables	2,329	5,675
	55,448	37,904

As at March 31, 2014, the trade payables balance refers basically to installment purchase of equipment.

12. BORROWINGS, FINANCING AND FINANCE LEASES

The borrowings were used for financing the expansion of the Company's investments and for its general expenses and uses, being indexed to the CDI, TJLP and US dollars.

For borrowings in foreign currency, financial instruments were contracted to hedge the Company against fluctuations in exchange rates.

The financing agreements for rental equipment have been contracted at the Long-Term Interest Rate (TJLP) charges plus interest of 0.2% to 0.90% per year, with amortization on a monthly basis through June 2021.

Borrowings, financing and finance leases are as follows:

	3/31/2014	12/31/2013
Current:		
Borrowings and financing	43,596	4,936
Finance lease payables	5,542	7,828
	49,138	12,764
Non-current:		
Borrowings and financing	17,243	58,423
Finance lease payables	-	326
	17,243	58,749

Borrowings and financing

	Current liabilities	
	3/31/2014	12/31/2013
Financing from financial institutions:		
Indexed to US dollar plus interest of 2.13% per year	38,607	-
Indexed to TJLP plus interest of 0.2% to 0.90% per year	4,989	4,936
	43,596	4,936

	Non-current liabilities	
	3/31/2014	12/31/2013
Financing from financial institutions:		
Indexed to US dollar plus interest of 2.13% per year	-	39,932
Indexed to TJLP plus interest of 0.2% to 0.90% per year	17,243	18,491
	17,243	58,423

The financial institutions with which the Company has borrowing and financing transactions as at March 31, 2014 are as follows:

- Santander
- Banco do Brasil
- Itaú BBA
- HSBC

On December 6, 2013 the Company entered into a loan agreement with the Nassau Branch of Banco Itaú BBA S.A. totaling US$16.9 million (equivalent to R$40.0 million). Principal and interest will be settled in a bullet payment on January 30, 2015. In order to minimize the foreign exchange risk on this borrowing, on the same date a swap was contracted with Banco Itaú BBA S.A. in the amount of R$40.0 million so that the obligations (principal and interest) are fully converted into local currency and carried out on the same maturity dates (see Note 25).

The table below shows a breakdown of the contractual guarantees outstanding on the indicated dates:

	3/31/2014	12/31/2013
Guarantees provided:		
Collateral sale (*)	60,888	65,858
Total collaterals	60,888	65,858
Promissory notes	12,415	20,128

* Refer to equipment acquired under the Federal Equipment Financing Program (FINAME) and leases.

The promissory notes are enforceable guarantees and serve as additional guarantees in relation to the borrowings and financing.

The maturities of the non-current portions as at March 31, 2014 are as follows:

2015	2,175
2016	3,138
2017	3,138
2018 to 2021	8,792
	17,243

The Company's borrowings do not have restrictive covenants.

Finance leases

Refer basically to agreements for purchase of property, plant and equipment for rental for periods between 36 and 60 months, with maturities through 2015 and indexed to the CDI plus interest of 2.5% to 3.80% per year. These obligations are collateralized by the leased assets. The Company is not presenting the undiscounted debt payment cash outflows since payments are calculated at a floating rate basis according to CDI fluctuation.

	3/31/2014	12/31/2013
2014	5,542	7,828
2015	-	326
Present value of minimum lease payments	5,542	8,154
Current portion	5,542	7,828
Non-current portion	-	326

There are no significant differences between the present value of minimum lease payments and the market value of such financial liabilities. Interest charges are at floating rates and are recognized on a prorated basis.

The Company has finance lease agreements with purchase option at the end of the contractual term. The purchase option is based on the guaranteed residual value that can be paid at the beginning of, end of or during the contractual term. There is also an option to renew the lease agreement for the period and under the terms agreed by the parties.

The Company's current finance leases do not contain any restrictive covenants.

13. DEBENTURES

1st issue of debentures

The first issue by the Company of a total of 27,000 unsecure, nonconvertible registered debentures in single series was approved on April 8, 2011, totaling R$270,000 and unit face value of R$10.00. These debentures mature on April 18, 2016 and pay interest equivalent to 112.5% of the CDI, payable semiannually, and will be amortized in three annual, consecutive installments, commencing on April 18, 2014. The transaction costs associated with this issue, in the amount of R$2,358, are being recognized as borrowing costs, in accordance with the contractual terms of the issue.

2nd issue of debentures

The second issue by the Company of a total of 27,000 unsecure, nonconvertible registered debentures in two series was approved on August 3, 2012, totaling R$270,000 and unit face value of R$10.00. The transaction costs associated with this issue, in the amount of R$1,810, are being recognized as borrowing costs, in accordance with the contractual terms of the issue. The debentures have their maturities according to the issue of each series, as follows:

- 1st series - 16,094 debentures of the first series, totaling R$160,940, with maturity on August 15, 2017, not subject to adjustment for inflation. The nominal amount of the debentures of the first series will be amortized in two annual installments as from the fourth year of their issue and interest paid semiannually will correspond to a surcharge of 0.88% p.a. levied on 100% of the accumulated variation of the DI rate;
- 2nd series - 10,906 debentures of the second series, totaling R$109,060, with maturity on August 15, 2017, subject to adjustment for inflation based on the accumulated variation of the IPCA index. The nominal amount of the debentures of the second series will be amortized in three annual installments as from the sixth year of their issue and interest paid semiannually will correspond to 5.50% p.a. of the amount adjusted for inflation as indicated above.

As at March 31, 2014, the balance of debentures including transaction costs is R$120,942 in current liabilities and R$450,000 in non-current liabilities, and R$120,203 and R$448,433, net of transaction costs, respectively. (As at December 31, 2013, the balance of debentures is R$113,271 in current liabilities and R$450,000 in non-current liabilities, and R$112,532 and R$448,238, net of transaction costs, respectively.)

Covenants

The indentures of the debentures require the compliance of debt and interest coverage ratios under preset parameters, as follows:

(1) Net debt-to-EBITDA ratio equal to three (3) or less; and

(2) EBITDA-to-net financial expenses equal to two (2) or higher.

On the closing of the financial statements for the quarter ended March 31, 2014 the Company was compliant with all ratios.

14. RELATED PARTIES

a) Transactions and balances

There were no loans between the Company and any of its officers during the period.

As at March 31, 2014 the Company had no service agreements with members of its Board of Directors.

b) Management compensation

The amounts relating to compensation paid to the members of the Company's management are as follows:

	3/31/2014	3/31/2013
Salaries and payroll charges - officers	1,557	1,842
Directors' fees	352	460
Profit sharing	219	320
Share-based payments	518	425
Total	2,646	3,047

15. EMPLOYEE BENEFITS

a) Employee profit sharing

The provision for profit sharing of employees and executives is set up on an accrual basis and is accounted for as an expense. The determination of the amount, which is paid in the year following the year the provision is set up, takes into consideration the targets established together with the employees' union under a collective labor agreement, in accordance with Law 10,101/00 and the Company's Bylaws.

The Company's Board of Directors decided on March 27, 2012 that the amount of the profit sharing will no longer be set at 25% of profit and can vary between 20% and 30% of the economic value added (EVA), which is calculated based on operating profit deducted from or added to non-recurring profits, less taxes and the weighted average cost of capital. The metrics for this calculation is approved by the Company's management.

The profit sharing is recognized over the year and paid in the following year. The amount recorded in current liabilities and profit as at March 31, 2014 is R$482 (March 31, 2013 - R$3,974 in current liabilities and profit).

b) Stock option plan

The Company has stock option plans approved by the shareholders' meeting aimed at integrating its executives in the Company development process over the medium and long terms. These plans are managed by the Company and the options granted are approved by the board of directors.

			Shares in thousands		
Plans	Grant date	Final exercise date	Shares granted	Shares exercised	Outstanding shares
Top Mills Special Plan	1/01/2008	7/10/2015	782	(782)	-
2010 Plan					
2010 Program	5/31/2010	5/31/2016	1,475	(1,114)	361
2011 Program	4/16/2011	4/16/2017	1,184	(502)	682
2012 Program	6/30/2012	5/31/2018	1,258	(266)	992
2013 Program	4/30/2013	4/30/2019	768	(8)	760

The information related to the Company's stock option programs is summarized below:

Plan pricing and accounting

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

The plans granted as from 2010 were classified as equity instruments and the weighted average fair value of the options granted was determined based on the Black-Scholes valuation model, considering the following assumptions:

Program	Grant	Weighted average fair value by option - R$	Weighted average fair value of the share at the grant date - R$	Exercise price - R$	Volatility	Dividend yield	Annual risk-free interest rate	Maximum exercise period
2010	First	3.86	11.95	11.50	31.00%	1.52%	6.60%	6 years
2010	Second	5.49	14.10	11.50	31.00%	1.28%	6.37%	6 years
2011	Single	6.57	19.15	19.28	35.79%	1.08%	6.53%	6 years
2012	Basic	21.75	27.60	5.86	37.41%	0.81%	3.92%	6 years
2012	Discretionary	12.57	27.60	19.22	37.41%	0.81%	3.92%	6 years
2013	Basic	24.78	31.72	6.81	35.34%	0.82%	3.37%	6 years
2013	Discretionary	11.92	31.72	26.16	35.34%	0.82%	3.37%	6 years

The table below shows the accumulated balances of the plans in the balance sheet accounts and the effects on profit for the year.

	3/31/2014	12/31/2013
2002 Plan		
Capital reserve	1,446	1,446
Number of shares exercised (thousands)	3,920	3,920
Top Mills, Special CEO and EX-CEO plans		
Capital reserve	1,148	1,148
Number of exercisable options (thousands)	-	-
Number of shares exercised (thousands)	1,055	1,055
Mills Rental Executives Plan		
Capital reserve	4,007	4,007
Number of shares exercised (thousands)	391	391
2010 Plan		
Capital reserve	5,492	5,303
Number of exercisable options (thousands)	361	413
Number of shares exercised (thousands)	1,114	1,062
2011 Program (2010 Plan)		
Capital reserve	5,513	5,142
Number of exercisable options (thousands)	682	711
Number of shares exercised (thousands)	502	473
2012 Program (2010 Plan)		
Capital reserve	7,144	6,308
Number of exercisable options (thousands)	992	1,015
Number of shares exercised (thousands)	266	243
2013 Program (2010 Plan)		
Capital reserve	3,294	2,503
Number of exercisable options (thousands)	760	768
Number of shares exercised (thousands)	8	-
Total recognized as equity (accumulated)	28,044	25,857
Effect on profit (*)	(2,187)	(9,998)

(*) As at March 31, 2013, the effect on profit was an expense of R$1,998.

On March 31, 2014, the Company approved in the Board of Directors meeting: (i) the creation of the program 1/2014 of Grant of Stock Options; (ii) the definition of the criteria for determining the exercise price of the options and the terms of payment; (iii) the definition of the terms and conditions of exercise of the options; and (iv) the authorization for the Board to make the grants of the stock options to the beneficiaries eligible according to the Program 2014.

16. INCOME TAX AND SOCIAL CONTRIBUTION

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

Reconciliation between the income tax and social contribution expense at the statutory and effective rates is as follows:

	3/31/2014	3/31/2013 (Restated)
Profit for the year before income tax and social contribution	50,339	57,881
Statutory income tax and social contribution rate	34%	34%
Income tax and social contribution at statutory rate	(17,115)	(19,680)
Non-deductible provisions(*) and permanent differences	(270)	(835)
Other	918	266
Total current and deferred income tax and social contribution	(16,467)	(20,249)
Effective tax rate	33%	35%
Current income tax	(21,189)	(20,508)
Deferred income tax	4,722	259
	(16,467)	(20,249)

* Non-deductible provisions consist of stock option expenses, gifts, debt waivers, and fines for tax infractions.

b) Income tax and social contribution recognized in other comprehensive income

The deferred tax recognized in other comprehensive income is a result of the provision for gains/losses on cash flow hedging instruments transferred to the opening carrying amounts of the hedged items. The total income tax and social contribution recognized in comprehensive income in March 2014 is R$117.

c) The changes in deferred income tax and social contribution during the period, without considering the offset of balances, are as follows:

Description	December 31, 2013	Additions	Write-offs	March 31, 2014
Stock option	-	744	-	744
Discount to present value	77	-	(21)	56
Profit sharing	-	164	-	164
Hedge on property, plant and equipment	(1,434)	-	1,066	(368)
Other provisions	815	-	(371)	444
Allowance for doubtful debts	7,839	707	-	8,546
Finance leases	2,244	651	-	2,895
Provision for tax, civil and labor claims	3,637	277	-	3,914
Provision for billing write-off	2,815	1,821	-	4,636
NDF derivatives	(2,673)	117	2,673	117
Accelerated depreciation	(753)	(188)	-	(941)
GP Andaimes Sul Locadora	(325)	(33)	-	(358)
Jahu goodwill	(12,949)	-	-	(12,949)
Adjustment for inflation of judicial deposits	(921)	(160)	-	(1,081)
Debentures	(850)	-	65	(785)
	(2,478)	4,100	3,412	5,034

d) The rationale and expectations for realization of the deferred income tax and social contribution are shown below:

Nature	Realization rationale
Provision for tax, civil and labor claims	Tax realization of loss
Allowance for receivables impairment losses	Filing of lawsuits and past-due credits
Finance leases	Realization over straight-line depreciation period of assets
Discount to present value	Tax realization of loss/gain
Other provisions	Payment
Itapoã goodwill	Tax amortization
Jahu goodwill/GP Sul goodwill	Asset disposal/impairment
Adjustment for inflation of judicial deposits	Deposit withdrawal
Debentures	Amortization of borrowing cost
Derivatives – Cash flow hedge	Depreciation

The table below shows the expected realization of deferred income tax and social contribution as at March 31, 2014.

	Deferred IR and CSLL assets	Deferred IR and CSLL liabilities
2014	4,042	(707)
2015	3,878	(707)
2016	3,878	(707)
2017	3,878	(707)
2018	3,881	(707)
Beginning 2019	1,959	(12,947)
Total	21,516	(16,482)

Transition Tax Regime

The Transition Tax Regime (RTT) shall remain effective until it is converted into law governing the tax impacts of the new accounting methods to ensure tax neutrality.

On November 12, 2013 Provisional Act ("MP") 627 was issued to repeal the Transitional Tax Regime (RTT) and the Corporate Income Tax Return (DIPJ) and create the Tax Accounting Recordkeeping Form (ECF) in exchange.

The Bookkeeping Tax - ECF consolidate the fiscal neutrality adjustments which were previously submitted by the Accounting Tax Control Transition - FCONT. As the MP for the adoption of ECF triggering events registered from January 2014 will be optional from 2015 it will be mandatory for all corporations opting for real profit. The Company joined the cited provisions in the year 2014 with regard to the prospective calculation of interest on capital, dividends and with respect to the tax treatment of stock options plans. Adherence to ECF will be made in due course within the time prescribed by law. The other measures contained in that MP did not bring significant impacts to the Company. Any changes that may arise upon

conversion of MP into law, will be considered in due course by the Company, together with their tax and legal advisors.

To date the cited legal instrument was pending from Presidential sanction to be converted into Law and its effects perpetuated. Until the publication in the Official Gazette of Law enacted MP is still subject to changes by presidential vetoes.

17. PROVISION FOR TAX, CIVIL AND LABOR CLAIMS AND JUDICIAL DEPOSITS

The Company is a party to tax, civil and labor lawsuits that have arisen in the normal course of business, and is discussing these matters in both the administrative and legal spheres, which, when applicable, are backed by judicial deposits.

Based on the opinion of its outside legal counsel, management understands that the proper legal steps and measures already taken in each situation are sufficient to cover potential losses and preserve the Company's net assets, being reassessed periodically.

The Company does not have any contingent assets recorded.

a) Breakdown of the provision for tax, civil and labor claims:

	3/31/2014	12/31/2013
Tax (i)	3,865	3,818
Civil (ii)	484	467
Labor (iii)	4,104	3,588
Success fees (iv)	2,934	2,700
Total	11,387	10,573

(i) Refers basically to a writ of mandamus filed by the Company when challenging the increase in the PIS and COFINS rates (established by the non-cumulative regime of these contributions, with the enactment of Laws 10,637/2002 and 10,833/2003). The Company maintains a judicial deposit for this provision, related to the differences in rates.

(ii) The Company is a party to lawsuits filed against it relating to civil liability and compensation claims.

(iii) The Company is a defendant in several labor lawsuits. Most of the lawsuits involve claims for compensation due to occupational diseases, overtime, hazardous duty premium and salary equalization.

(iv) The success fees are generally set in up to 10% of the amount pledged in each claim, payable to outside legal counsel depending on the success of the demand of each case. Payment is contingent upon favorable outcome in the lawsuits.

a) Breakdown of judicial deposits:

	3/31/2014	12/31/2013
Tax (i)	6,895	6,805
Civil	278	278
Labor (ii)	3,206	2,970
	10,379	10,053

(i) As at March 31, 2014, the breakdown of judicial deposits related to tax lawsuits totaled R$ 6,895. The reconciliation of this amount refers basically to the challenge of the increase in the PIS and COFINS rates, totaling the amount of R$ 3,620, as informed in note 17, item "a", subitem "i", and, also, judicial deposits made on behalf of certain municipalities due to the understanding of our legal counsel as regards the levy of the ISS (service tax) on revenues from rental of properties. The balance recorded in this line items is R$ 2,554. Starting 2003, with the enactment of the Supplementary Law 116 and based on the opinion of its legal counsel, the Company has not made judicial deposits of this nature.

(ii) The judicial deposits are linked to various labor lawsuits in which the Company is the defendant. Most of the lawsuits involve claims for compensation due to occupational diseases, overtime, hazardous duty premium and salary equalization.

The Company is a party to tax, civil and labor lawsuits involving risks of loss classified by management as possible based on the assessment of its legal counsel, for which no provision was recognized as estimated below:

	3/31/2014	12/31/2013
Tax	26,347	26,442
Civil	4,987	4,812
Labor	11,369	10,944
Total	42,703	42,198

18. TAXES PAYABLE

	3/31/2014	12/31/2013
Withholding Income tax (IRRF) on interest on capital	-	2.480
Taxes on revenue (PIS and COFINS)	3,331	3,417
Social Security Contribution (INSS)	266	321
Service Tax (ISS)	597	586
Other	382	280
	4,576	7,084

19. EQUITY

a) Subscribed capital

The Company's fully subscribed and paid-in capital stock as at March 31, 2014 is R$554,850 (December 31, 2013 - R$553,232) represented by 127,491 registered common shares without par value (December 31, 2013 - 127,386). Each common share corresponds to the right to one vote in decisions made by the shareholders.

Under the Company's Mills bylaws, the Board of Directors may increase the capital up to a ceiling of 200,000,000 shares.

(a.1) Share issue

The Company's shares have been issued as approved by the Company's Board of Directors due to the exercise of stock options by beneficiaries. The shares issued in the period were fully subscribed and paid up by their respective beneficiaries and are as follows:

Stock option plan	Approval by the Board of Directors	Number of shares issued	Issue price R$	Capital increase (in thousands)
2010 Program	10/01/2014	6	13.02	-
2011 Program	10/01/2014	5,772	21.51	124
2012 Program	10/01/2014	711	5.76	4
2012 Program	10/01/2014	3,000	20.39	61
2010 Program	2/05/2014	50,174	13.13	658
2011 Program	2/05/2014	13,825	21.70	300
2012 Program	2/05/2014	3,554	5.81	21
2012 Program	2/05/2014	11,250	20.56	231
2013 Program	2/05/2014	7,710	6.78	52
2010 Program	2/14/2014	1,820	13.16	24
2011 Program	2/14/2014	3,890	21.74	85
2012 Program	2/14/2014	2,800	20.60	58
		104,512		1,618

The table below shows the shareholding structure at the reporting dates:

	3/31/2014		12/31/2013	
Shareholders	Number of shares (in thousands)	Percentage	Number of shares (in thousands)	Percentage
Andres Cristian Nacht	15,596	12.22%	15,596	12.24%
Snow Petrel S.L.	17,728	13.90%	17,728	13.90%
HSBC Bank Brasil S.A. (*)	6,323	5.01%	6,323	5.07%
Capital Group International, Inc (**)	6,445	5.07%	6,445	5.01%
Other signatories of the Company Shareholders' Agreement (***)	11,825	9.27%	11,825	9.28%
Other	69,574	54.53%	69,469	54.50%
	127,491	100.00 %	127,386	100.00 %

(*) (**) On October 2, 2012, it became the holder of a material share interest according to information officially received by the Company and disclosed to CVM.

(**) (**) On June 15, 2013, it became the holder of a material share interest according to information officially received by the Company and disclosed to CVM.

(***) (**) The other signatories of the Company's Shareholders' Agreement, all holders of individual interests of less than 5% of the Company's capital, are represented in the capacity as shareholders, including for voting right exercise purposes, by Andres Cristian Nacht.

b) Earnings reserves

(b.1) Legal reserve

The legal reserve is set up annually by allocating 5% of profit for the year until it reaches a ceiling of 20% of the share capital. The purpose of the legal reserve is to ensure the integrity of share capital and it can only be used to offset losses and increase capital.

(b.2) Expansion reserve

The purpose of the expansion reserve is to provide funding to finance additional investments in fixed and working capital and expand corporate activities. Under the Company's bylaws, the ceiling of the expansion reserve is 80% of total subscribed capital.

(b.3) Special reserve

The Company's special reserve referred to the tax benefit generated by the corporate restructuring undertaken in 2009.

c) Capital reserve

The capital reserve incorporates the transaction costs incurred in capital funding, amounting to R$15,068, net of taxes, related to the distribution of shares under the IPO, the premium reserve of the stock options amounting to R$28,044 related to the employees' stock option plans, and the cost of the canceled shares amounting to R$558, totaling R$12,418 as capital reserve as at March 31, 2014 (R$10,231 as at December 31, 2013).

d) Earnings retention

This earnings retention reserve refers to the remaining balance of retained earnings used to fund the business growth project set out in the Company's investment plan, according to the capital budget proposed by management, to be submitted to and approved at a Shareholders' Meeting, pursuant to Article 196 of the Brazilian Corporate Law.

e) Valuation adjustment to equity – cash flow hedge

The cash flow hedge reserve incorporates the effective portion of the cash flow hedges through the end of the reporting period, amounting to a negative R$227, net of taxes (R$5,188 as at December 31, 2013).

f) Mandatory minimum dividends

The Company's bylaws provide for the payment of mandatory minimum dividends equivalent to 25% of the profit for the year, after the respective allocations, pursuant to article 202 of the Brazilian Corporation Law (Law 6,404).

20. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of common shares issued during the year.

	3/31/2014	3/31/2013 (Restated)
Profit attributable to owners of the Company	33,872	39,261
Weighted average number of common shares issued (thousands)	127,441	126,477
Basic earnings per share from continuing and discontinued operations	0.27	0.31
Basic earnings per share from continuing operations	0.27	0.30

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company has one category of dilutive potential common shares: stock options. A calculation is made for the stock options to determine the number of shares that would 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 outstanding stock options. The number of shares calculated as described above is compared with the number of shares issued, assuming exercise of the stock options.

	3/31/2014	3/31/2013 (Restated)
Profit		
Profit used to determine diluted earnings per share	33,872	39,261
Weighted average number of common shares issued (thousands)	127,441	126,477
Adjustments for:		
Stock options (thousands)	817	1,337
Weighted average number of common shares for diluted earnings per share (thousands)	128,258	127,814
Diluted earnings per share from continuing and discontinued operations	0.26	0.31
Diluted earnings per share from continuing operations	0.26	0.29

21. NET REVENUE FROM SALES AND SERVICES

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

	3/31/2014	3/31/2013 (Restated)
Rentals	234,383	192,489
Sales	7,170	13,244
Technical assistance	4,090	5,307
Indemnities and recoveries	29,331	15,667
Taxes on sales and services	(20,182)	(18,779)
Cancelations and discounts	(46,971)	(19,500)
	207,821	188,428

22. COST OF SALES AND SERVICES AND GENERAL AND ADMINISTRATIVE EXPENSES (BY NATURE)

The costs refer mainly to personnel expenses and payroll taxes, the equipment sublet from third parties when the Company's inventory is insufficient to meet demand, freight for transportation of equipment between branches and occasionally to customers, and expenses on supplies consumed in the projects, from personal protective equipment (PPE) to wood, paint and thermal insulation.

General and administrative expenses refer to the management of each Company contract, encompassing the project teams and sales function engineers, which correspond basically to salaries, payroll taxes and benefits, and other expenses on travel, representations and communications, as well as the administrative function overheads.

	3/31/2014			Restated 3/31/2013		
Nature	Direct project and rental costs	General and administrative expenses	Total	Direct project and rental costs	General and administrative expenses	Total
Personnel	(14,285)	(28,081)	(42,366)	(12,526)	(25,287)	(37,813)
Third parties	(1,344)	(7,471)	(8,815)	(1,051)	(4,401)	(5,452)
Freight	(3,833)	(196)	(4,029)	(2,904)	(68)	(2,972)
Construction/ maintenance/material and repair	(9,803)	(2,438)	(12,241)	(8,847)	(1,519)	(10,366)
Equipment and other rentals	(1,369)	(4,888)	(6,257)	(1,473)	(3,334)	(4,807)
Travel	(1,136)	(2,954)	(4,090)	(1,441)	(2,841)	(4,282)
Cost of sales	(8,855)	-	(8,855)	(12,087)	-	(12,087)
Depreciation and amortization	(36,214)	(3,351)	(39,565)	(26,934)	(1,651)	(28,585)
Write-off of assets	(1,651)	-	(1,651)	(859)	-	(859)
Allowance for doubtful debts	-	(6,526)	(6,526)	-	(4,302)	(4,302)
Stock option plan	-	(2,187)	(2,187)	-	(1,689)	(1,689)
Provision for contingencies	-	(614)	(614)		(85)	(85)
Profit sharing	-	(482)	(482)	-	(4,264)	(4,264)
Other	(557)	(2,699)	(3,256)	(294)	(3,488)	(3,782)
	(79,047)	(61,887)	(140,934)	(68,416)	(52,929)	(121,345)

23. FINANCE INCOME (COSTS)

a) Finance income

	3/31/2014	3/31/2013 (Restated)
Interest income on past-due bills	2,464	513
Income from short-term investments	842	1,419
Discounts obtained	57	14
Foreign exchange and inflation gains	592	74
Other	62	113
	4,017	2,133

b) Finance costs

	3/31/2014	3/31/2013 (Restated)
Borrowing costs	(2,060)	(1,291)
Inflation losses	(706)	(91)
Interest on finance leases	(236)	(331)
Interest - debentures	(15,983)	(8,848)
Bank fees	(28)	(59)
Other	(1,552)	(715)
	(20,565)	(11,335)

24. SEGMENT INFORMATION

Information by operating segment is being presented in accordance with CPC 22 Operating Segments (IFRS 8).

The Company's reportable segments are business units that offer different products and services and are managed separately since each business requires different technologies and market strategies. The main information used by management to assess the performance of each segment is as follows: total property, plant and equipment since these are the assets that generate the Company's revenue and the profit of each segment to evaluate the return on these investments. The information on liabilities by segment is not being reported since it is not used by the Company's chief decision makers to manage the segments. Management does not use analyses by geographic area to manage its businesses.

The Company's segments involve completely different activities, as described below, and thus their assets are specific for each segment. The assets have been allocated into each reportable segment according to the nature of each item.

Heavy Construction business unit

Mills Heavy Construction operates in the heavy construction market, using cutting edge technology in formworks, props, and special equipment systems to perform construction works. This business unit is present in several states and draws on a team of engineers and specialized technicians, acting as consultants, to meet deadline and optimize costs and safety.

Real Estate business unit

Mills Real Estate provides non-mechanized access equipment, mast climbing platforms, and scaffolds for the residential and office building construction sector. It has the largest product and service portfolio, with customized solutions that meet the specific needs of each project and generate efficiency and cut costs. Mills Real Estate is present in several states, where it has teams qualified to provide technical assistance and help planning works, detail projects, and oversee the assembly.

Industrial Services business unit

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

On July 10, 2013 the Company entered into an agreement for sale of assets and liabilities of this business unit, this operation was concluded on November 30, 2013.

Rental business unit

Mills Rental operates in the scissor lifts and telescopic handlers lease and sale market, for height works in all sectors of the construction, trade, and manufacturing markets. The BU ensures productivity, profitability and safety, has the most advanced product line for lifting people and cargo, and offers its customers operation training certified by the IPAF (world areal

access authority). Its presence in several Brazilian cities not only reinforces only the agility of its commercial service but it also broadens the technical assistance with certified professionals.

The accounting policies for the operating segments are the same described in the summary of significant accounting policies. The Company assesses the performance by segment based on pretax profit or loss as well as on other operating and financial indicators.

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Income statement per business segment

	Heavy Construction		Real Estate		Industrial Services		Rental		Other		Total	
	3/31/2014	3/31/2013	3/31/2014	3/31/2013	3/31/2014	3/31/2013	3/31/2014	3/31/2013	3/31/2014	3/31/2013	3/31/2014	3/31/2013
Net revenue	51,035	47,467	59,517	64,857	-	51,461	97,269	76,104	-	-	207,821	239,889
(-) Costs and expenses	(25,419)	(23,120)	(36,053)	(37,108)	-	(45,164)	(38,841)	(32,532)	(1,056)	-	(101,369)	(137,924)
(-) Depreciation and amortization	(9,363)	(7,108)	(11,475)	(8,895)	-	(2,738)	(18,727)	(12,582)	-	-	(39,565)	(31,323)
Profit before finance income (costs)	16,253	17,239	11,989	18,854	-	3,559	39,701	30,990	(1,056)	-	66,887	70,642
Finance income	485	1,146	860	520	-	1,775	920	467	1,752	-	4,017	3,908
Finance costs	(4,465)	(3,307)	(7,454)	(4,027)	-	(2,829)	(8,562)	(4,001)	(84)	-	(20,565)	(14,164)
Profit before IRPJ/CSL	12,273	15,078	5,395	15,347	-	2,505	32,059	27,456	612	-	50,339	60,386
(-) IRPJ/CSL	(4,015)	(5,275)	(1,765)	(5,368)	-	(876)	(10,487)	(9,606)	(200)	-	(16,467)	(21,125)
Profit for the period	8,258	9,803	3,630	9,979	-	1,629	21,572	17,850	412	-	33,872	39,261

Assets by business segment

	Heavy Construction		Real Estate		Rental		Other		Total	
	3/31/2014	12/31/2013	3/31/2014	12/31/2013	3/31/2014	12/31/2013	3/31/2014	12/31/2013	3/31/2014	12/31/2013
Property, plant and equipment	284,041	271,685	351,628	369,569	629,169	583,222	-	-	1,264,838	1,224,476
Other assets	112,935	118,462	203,334	209,426	175,299	161,489	87,392	87,392	578,960	576,769
Total assets	396,976	390,147	554,962	578,995	804,468	744,711	87,392	87,392	1,843,798	1,801,245

25. FINANCIAL INSTRUMENTS

25.1. Category of financial instruments

The classification of financial instruments, by category, can be summarized as shown in the table below:

	Carrying amount	
	3/31/2014	12/31/2013
Cash and cash equivalents	8,461	25,798
Loans and receivables:		
Trade receivables	193,600	178,773
Judicial deposits	10,379	10,053
Financial liabilities measured at amortized cost		
Borrowings and financing	60,839	63,359
Finance leases	5,542	8,154
Debentures	568,636	560,770
Trade payables	55,448	37,904
Financial liabilities at fair value		
Derivatives - NDF	688	-
Derivatives - Swap	2,601	267
Financial assets at fair value		
Derivatives - NDF	-	7,516
Equity financial instruments		
Stock option plans	28,044	25,857

25.2. Fair value of financial instruments

Several Company policies and accounting disclosures require the determination of the fair value both for financial assets and liabilities and for non-financial assets and liabilities. The fair values have been determined for the purpose of measurement and/or disclosure based on the methods below. When applicable, additional information on the assumptions used in calculating the fair values are disclosed in specific notes applicable to such asset or liability.

The Company applies CPC 40/IFRS 7 for financial instruments measured in the balance sheet at fair value, which requires disclosure of fair value measurements at the level of the following fair value measurement hierarchy:

- Quoted (unadjusted) prices on active markets for identical assets and liabilities (Level 1).
- In addition to the quoted prices, included in Level 1, inputs used by the market for assets or liabilities, whether directly (e.g. prices) or indirectly (e.g., derived from prices) (Level 2).

The Company does not have financial instruments measured at fair value that are classified as Level 3, i.e., obtained based on valuation techniques that include variables for the asset or liability, but which are not based on observable market inputs.

The table below shows the Company's assets and liabilities measured at fair values as at March 31, 2014.

	Level 2	
assets	3/31/2014	12/31/2013
Derivatives used for hedging	-	7,516
Total assets	-	7,516
Financial liabilities		
Derivatives used for hedging	(688)	-
Derivatives used for borrowings	(2,601)	(267)
Total liabilities	(3,289)	(267)

(a) Fair value of trade receivables and payables

The fair value of trade and other receivables is estimated according to the present value of future cash flows, discounted at the market interest rate determined at the end of the reporting period.

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

(b) Fair value of borrowings and financing

Fair value determined for disclosure purposes is calculated based on the present value of principal and future cash flows, discounted at the market interest rate determined at the end of the reporting period. For finance leases, the interest rate is determined by reference to similar lease agreements.

The Company's management believes that the carrying amounts of borrowings and financing stated in the financial statements are substantially similar to their fair values.

The fair value of borrowings from BNDES was not calculated since this type of financing does not have observable fair value calculation as BNDES adopts differentiated rates for borrowers.

Borrowings and financing

		Fair value		Carrying amount	
Debt	Indicator	3/31/2014	12/31/2013	3/31/2014	12/31/2013
BNDES	TJLP	22,232	23,427	22,232	23,427
Working capital	CDI	40,386	40,027	38,607	39,932
Leasing	CDI	5,432	8,043	5,542	8,154
1st issue of debentures	CDI	285,135	275,483	282,975	275,530
2nd issue of debentures					
1st series	CDI	168,436	166,208	162,892	166,938
2nd series	IPCA	122,208	119,718	125,075	120,803

(c) Fair value of stock options

The fair values of the employees' stock options and rights to Company share appreciation are measured using the Black-Scholes approach. Changes in measurement include share prices on measurement date, the strike price of the related instrument, the expected volatility (based on the historical weighted average volatility adjusted for expected changes based on publicly available information), the average weighted life of the instruments (based on historical experience and the overall behavior of option holders), expected dividends and risk-free interest rate (based on government bonds). Non-market service conditions and performance conditions inherent to the transactions are not taken into account in determining the fair value.

(d) Derivatives

The fair value of exchange forwards is calculated at present value, using market rates that are accrued on each measurement date.

The fair value of interest rate swaps is based on quotations obtained from brokers. These quotations are tested as to their reasonableness by discounting the estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument calculated on the measurement date. The fair values reflect the credit risk of the instrument and include adjustments to consider the credit risk of the entity and the counterparty, when appropriate.

25.3. Derivative financial instruments

(a) Derivative policy

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

Mills believes that the management of such risks is key to support its growth strategy without potential financial losses that reduce its operating profits, as the Company does not aim at obtaining financial gains through the use of derivatives. Foreign currency risks are managed by the Finance Manager and the CFO, who evaluate possible exposures to risks and set guidelines to measure, monitor and manage the risk related to the Company's activities.

Based on this objective, the Company contracts derivative transactions, usually NDFs (non-deliverable forwards) with prime financial institutions (with credit ratings of brAAA - national scale, Standard & Poor's or similar), in order to guarantee the agreed trading value at the time the imported goods are ordered. Likewise, swaps or NDFs are entered into to guarantee the flow of payments (amortization of principal and interest) for foreign currency-denominated financing. Pursuant to the Company's bylaws, any contract or obligation assumed in amounts exceeding R$10,000 has to be approved by the Board of Directors, unless it is already set out in the Business Plan. For amounts under R$100, for periods of less than 90 days it is not necessary to contract hedge transactions. Other commitments should be hedged against foreign exchange exposure.

The swap and NDF transactions are carried out to convert into reais future financial commitments in foreign currency. At the time such transactions are entered into, the Company mitigates the foreign exchange risk by matching the commitment amount and the exposure period. The derivative cost is pegged to the interest rate, usually a percentage of the CDI rate. The swaps and NDFs with maturities shorter or longer than the final maturity of the commitments may, over time, be renegotiated so that their final maturities match or approximate the final maturity of the commitment. Accordingly, on the settlement date, the gain or loss on the swap or NDF can offset part of the impact of the exchange fluctuation in relation to the real, thus helping to stabilize cash flows.

As these transactions involve derivatives, the calculation of the monthly position is carried out using the fair value method and they are valued by calculating their present value using market rates that are impacted on the date of each calculation. This widely used methodology can present monthly distortions in relation to the curve of the contracted derivative; however, the Company believes that this is the best applicable method since it measures the financial risk should an early settlement of the derivative be required.

Monitoring the commitments assumed and the monthly valuation of the fair value of the derivatives permits following up on the financial results and the impact on cash flows, and ensure that the initially planned objectives are achieved. The calculation of the fair value of positions is made available on a monthly basis for management monitoring purposes.

The derivatives contracted by the Company for certain equipment import transactions are intended to hedge against exchange rate fluctuation risks during the period between the time an order is placed and the time the equipment is delivered in Brazil.

(b) NDF transactions can be summarized as follows:

	3/31/2014		
Type	Notional Notional amount	Fair value	Amounts receivable/ payable
NDF	86,737	(688)	(688)
Forward foreign exchange currencies contracted:			
2.29 to 2.42 (USD)			
3.25 to 3.27 (EURO)			

	12/31/2013		
Type	Notional amount	Fair value	Amounts receivable/ payable
NDF	168,419	7,516	7,516
Forward foreign exchange currencies contracted:			
2.22 to 2.42 (USD)			

(c) Swap

The hedge transaction, for the exchange swap agreement, contracted by the Company is intended to hedge against the exposure of the borrowing of US$16.9 million (see Note 12) to exchange rate fluctuations. The exchange swap for this transaction consisted in the swap of the exchange rate fluctuation plus interest of 2.31% p.a. for CDI plus 0.29% p.a. As at March 31, 2014, the fair value payable on this transaction was R$2,601 (R$267 as at December 31, 2013).

(d) Derivatives fair value calculation method

Derivatives are measured at present value at the market rate, on the base date of the future flow calculated using the contractual rates through maturity. For capped or double-index contracts, the Company also takes into consideration the option embedded in the swap contract.

(e) Hedge effectiveness calculation method

The Company's hedge transactions are aimed at hedging against foreign exchange fluctuations on its machinery and equipment imports. These transactions are classified as hedge accounting.

The Company evidences the effectiveness of these instruments using the Dollar offset method, which is commonly used by derivatives market players. This method consists of comparing the present value, net of future exposures in foreign currency, of commitments assumed by the Company with the derivatives contracted for such foreign exchange hedging.

As at March 31, 2014, no ineffectiveness was recognized in profit for the period as a result of the Company's hedging transactions.

(f) Gains and losses for the period

Since the Company evidences the effectiveness of the conducted hedge accounting swap transactions, the losses and gains on these derivative transactions are recognized as a balancing item to the hedged assets (property, plant and equipment) as part of the initial cost of the assets at the same time the asset is accounted for. As at March 31, 2014 the amount of R$1,135 was transferred from equity and deducted from the initial cost of the equipment.

The allowance for unrealized losses is recognized in other liabilities in the balance sheet, as a balancing item to valuation adjustments to equity, in equity.

As at March 31, 2014, total unrealized gains on currency futures, recognized in "Other comprehensive income", accumulated in equity, in line item "Valuation adjustments to equity" and related to such future purchases scheduled, amounted to a negative R$227 (R$5,188 as at December 31, 2013). The Company expects that the purchases will occur in the next year, when the amount then deferred in equity will be included in the carrying amount of the imported equipment.

(g) Embedded derivatives

All contracts with potential derivative instrument clauses or securities are assessed by the Company's Finance Manager together with the legal counsel team before their execution, for guidance regarding any effectiveness testing, the definition of the accounting policy to be adopted, and the fair value calculation method.

Currently, the Company is not party to any contracts with embedded derivatives.

(h) Value and type of margins pledged as guarantees

The current foreign currency-denominated derivative transactions do not require the deposit of any margin calls.

25.4. Sensitivity analysis

The following table shows a sensitivity analysis of financial instruments, including derivatives, describing the risks that could lead to material losses for the Company, with the most probable scenario (scenario I) according to management's assessment, considering a one-year time horizon. In addition, two other scenarios are provided, as established by the Brazilian Securities Commission (CVM), by means of Instruction 475/2008, in order to present a 25% and 50% stress of the risk variable considered, respectively (scenarios II and III):

			Effect on profit		
Debt	Indicator	Current	Probable	25%	50%
BNDES	TJLP	(22,232)	(1,404)	(1,419)	(1,434)
Leasing	CDI	(5,542)	(2,471)	(2,533)	(2,594)
Working capital	CDI	(38,608)	(4,110)	(5,100)	(6,085)
1st issue of debentures	CDI	(282,975)	(22,126)	(28,380)	(34,555)
2nd issue of debentures					
1st series	CDI	(162,892)	(18,044)	(22,764)	(27,417)
2nd series	IPCA	(125,075)	(14,827)	(16,532)	(18,415)
	Total	(637,324)	(62,982)	(76,728)	(90,500)
			Change	21.83%	43.69%

	3/31/2014		
Scenarios	Probable	Scenario II	Scenario III
Rates		25%	50%
CDI (%) (i)	12.00%	15.00%	18.00%
TJLP (%) (ii)	5.00%	6.25%	7.50%
IPCA(%) (iii)	5.84%	7.30%	8.76%
US$ (iv)	2.55	3.19	3.83

The sensitivity analysis presented above takes into account changes in a certain risk, keeping the other variables, associated with other risks, constant.

26. INSURANCE

It is the Company's policy to constantly monitor the risks inherent in its operations. Accordingly, the Company takes out insurance, whose nature and coverage as at March 31, 2014 are indicated below.

Type of insurance	Insured amounts (in thousands of reais)
Rental equipment	959,263
Property	279,830
Civil liability	50,600
Civil liability of officers	30,000
Vehicles	2,972

27. NON-CASH TRANSACTIONS

As at March 31, 2014, the Company made an installment purchase of equipment amounting to R$52,197 as part of its non-cash investing activities. Accordingly, this investment is not reflected in the statement of cash flows (December 31, 2013 - R$32,837).

On March 31, 2014, the Company made low of overdue bills up to 5 years in the amount of R $ 4,083 not reflected in the statement of cash flows.

As at March 31, 2014, the balance of R$688 related to derivative financial instruments is not reflected in the statement of cash flows.

28. EVENTS AFTER THE REPORTING PERIOD

On April 2, 2014, the Company announced its intention of offering simple, nonconvertible, unsecured debentures in the amount of R$200 million, with maturity in five years. The debentures will be issued in a single series and remunerated by a certain percentage to be defined according to the bookbuilding procedure and, in any case, limited to 109.25% of the DI rate.