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Audited Combined Financial Statements as of and for the Years Ended December 31, 2007, 2008 and 2009

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(A free translation of the original in Portuguese)

Report of Independent Auditors

To the Board of Directors and Stockholders
Mills Estruturas e Serviços de Engenharia S.A.

1 We have audited the accompanying "combined" balance sheets of Mills Estruturas e Serviços de Engenharia S.A. ("Company") as of December 31, 2009, 2008 and 2007 and the related "combined" statements of income, of changes in stockholders' equity, of cash flows and of value added for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.

2 We conducted our audits in accordance with approved Brazilian auditing standards, which require that we perform the audit to obtain reasonable assurance about whether the financial statements are fairly presented in all material respects. Accordingly, our work included, among other procedures: (a) planning our audit taking into consideration the significance of balances, the volume of transactions and the accounting and internal control systems of the Company, (b) examining, on a test basis, evidence and records supporting the amounts and disclosures in the financial statements, and (c) assessing the accounting practices used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

3 In our opinion, the financial statements audited by us present fairly, in all material respects, the "combined" financial position of Mills Estruturas e Serviços de Engenharia S.A. at December 31, 2009, 2008 and 2007 and the "combined" results of operations, the changes in stockholders' equity, cash flows and value added for the years then ended, in accordance with accounting practices adopted in Brazil.

Mills Estruturas e Serviços de Engenharia S.A.

4 The "combined" financial statements mentioned above were prepared taking into account that the process of corporate reorganization of the companies, that integrate the group Mills Estruturas e Serviços de Engenharia S.A., completed on January 30, 2009, in accordance with Note 1 to the financial statements and was considered to have taken effect as from December 31, 2006.

Rio de Janeiro, February 8, 2010

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.

"Combined" Balance Sheets at December 31
In thousands of reais

(A free translation of the original in Portuguese)

	2009	2008	2007
Assets			
Current			
Cash and cash equivalents	1,575	1,758	1,674
Accounts receivable (Note 3)	71,504	51,539	26,456
Inventories	1,382	455	156
Taxes recoverable (Note 4)	25,727	6,606	1,559
Prepaid expenses	218	1,065	1,423
Other assets	4,051	1,731	733
	104,457	63,154	32,001
Non-current			
Long-term receivables			
Accounts receivable (Note 3)	4,413	5,216	6,117
Taxes recoverable (Note 4)	173	173	11
Deferred taxes (Note 9)	10,038	10,397	12,470
Judicial deposits (Note 10)	5,960	6,527	2,086
	20,584	22,313	20,684
Investments	—	2	2
Property and equipment (Note 5)	275,988	246,958	79,462
Intangible assets (Note 6)	39,265	39,146	542
	335,837	308,419	100,690
Total assets	440.294	371.573	132.691
Liabilities and stockholders' equity			
Current			
Suppliers	11,713	13,585	8,584
Loans and financings (Note 7)	56,811	47,430	10,790
Salaries and social charges	14,716	13,184	8,403
Income tax and social contribution (Note 9)	74	2,513	1,885
Tax Recovery Program (REFIS) (Note 11)	786	—	—
Taxes payable	4,737	3,664	2,453
Profit sharing payable (Note 12(a))	13,824	8,523	5,593
Proposed dividends (Note 13(c))	15,527	7,476	—
Other liabilities	1,252	144	641
	119,440	96,519	38,349
Non-current			
Loans and financings (Note 8)	127,127	142,063	22,202
Provision for contingencies (Note 11)	8,527	22,334	16,923
Taxes payable	375	629	182
Tax Recovery Program (REFIS) (Note 11)	11,008	—	—
Accounts payable—share plan (Note 12(b))	583	414	—
Other liabilities	593	—	99
	148,213	165,440	39,406
Stockholders' equity (Note 13)			
Capital	80,681	80,532	46,075
Revenue reserves	86,232	27,303	8,359
Carrying value adjustments	5,728	1,779	1,446
Accumulated deficits	—	—	(944)
	172,641	109,614	54,936
Total liabilities and stockholders' equity	440,294	371,573	132,691

The accompanying notes are an integral part of these financial statements.

Mills Estruturas e Serviços de Engenharia S.A.

"Combined" Statements of Operations
Years ended December 31
In thousands of reais, unless otherwise indicated

(A free translation of the original in Portuguese)

	2009	2008	2007
Gross revenue from sales and services rendered	459,654	337,651	220,120
Cancellations and discounts	(18,020)	(10,936)	(9,563)
Taxes on sales and services	(37,441)	(27,337)	(18,243)
Net revenue from sales and services rendered (Note 14)	404,193	299,378	192,314
Cost of products sold and services rendered (Note 15)	(169,603)	(143,829)	(120,622)
Gross profit	234,590	155,549	71,692
Operating expenses			
General and administrative (Note 16)	(108,791)	(84,744)	(48,786)
Operating profit before equity results and financial income	125,799	70,805	22,906
Results from investments			
Amortization of goodwill	—	(4,232)	—
Provision for losses	—	—	(5,452)
Financial result (Note 17)			
Financial expenses	(24,682)	(20,540)	(6,480)
Financial income	307	2,273	931
Profit before taxation	101,424	48,306	11,905
Income tax and social contribution (Note 9)			
For the year	(25,915)	(15,645)	(6,726)
Deferred taxes	(7,121)	(2,073)	5,368
Net income for the year	68,388	30,588	10,547
Number of shares at the end of the year (in thousands)	87,421	—	—
Net income per thousand shares at the end of the year—R$	0,78	—	—

The accompanying notes are an integral part of these financial statements.

Mills Estruturas e Serviços de Engenharia S.A.

"Combined" Statements of Changes in Stockholders' Equity
In thousands of reais, unless otherwise indicated

(A free translation of the original in Portuguese)

	Subscribed	Unpaid	Revenue reserves			Carrying value adjustments	Retained earnings (accumulated deficit)	Total
			Legal	For Investment	Special			
At January 1, 2007	4,404	(414)	—	8,359	—	1,446	16,791	30,586
Dividends paid from income of the previous year and income for the year—R$ 0.54 per thousand shares	—	—	—	—	—	—	(6,197)	(6,197)
Capital increase—subscription of new shares	20,000	—	—	—	—	—	—	20,000
Net income for the year	—	—	—	—	—	—	10,547	10,547
Appropriation from net income								
Capital increase—capitalization of income	22,085	—	—	—	—	—	(22,085)	—
At December 31, 2007	46,489	(414)	—	8,359	—	1,446	(944)	54,936
Capital subscription	—	77	—	—	—	—	—	77
Carrying value adjustment	—	—	—	—	—	333	—	333
Dividends paid from income of the previous year—R$ 0.23 per thousand shares	—	—	—	—	—	—	(3,224)	(3,224)
Capital increase—subscription of new shares	34,380	—	—	—	—	—	—	34,380
Net income for the year	—	—	—	—	—	—	30,588	30,588
Appropriations from net income	—	—	—	—	—	—	—	—
Constitution of statutory reserves from net income	—	—	1,495	17,449	—	—	(18,944)	—
Proposed dividends—R$ 0.55 per thousand shares	—	—	—	—	—	—	(7,476)	(7,476)
At December 31, 2008	80,869	(337)	1,495	25,808	—	1,779	—	109,614
Constitution of goodwill income reserves incorporated from Itapoã	—	—	(1,495)	1,515	6,763	—	—	6,783
Capital subscription	—	15	—	—	—	—	—	15
Capital increase—subscription of new shares	134	—	—	—	—	—	—	134
Carrying value adjustment	—	—	—	—	—	3,949	—	3,949
Realization of special reserve—fiscal amortization of the goodwill incorporated from Itapoã	—	—	—	—	(1,394)	—	1,394	—
Net income for the year	—	—	—	—	—	—	68,388	68,388
Appropriations from net income:								
Constitution of statutory reserves on net income	—	—	3,419	50,121	—	—	(53,540)	—
Proposed dividends and interest on capital—R$ 0.18 per thousand shares	—	—	—	—	—	—	(16,242)	(16,242)
At December 31, 2009	81,003	(322)	3,419	77,444	5,369	5,728	—	172,641

The accompanying notes are an integral part of these financial statements.

Mills Estruturas e Serviços de Engenharia S.A.

"Combined" Statements of Cash Flows
Years Ended December 31
In thousands of reais

(A free translation of the original in Portuguese)

	2009	2008	2007
Cash flows from operating activities			
Net income before taxation	101,424	48,306	11,905
Adjustments			
Depreciation and amortization	31,854	22,965	7,483
Provision for contingencies	(3,432)	4,558	—
Profit sharing	13,824	8,692	5,609
Write-off operations with associated companies and investments	2	—	5,451
Provision for expense with share option	4,060	805	—
Interest, monetary and exchange variations on loans, contingencies and judicial deposits	21,013	18,112	7,283
	67,321	55,132	25,826
Changes in assets and liabilities			
Accounts receivable	(18,890)	(21,913)	(4,870)
Inventories	(927)	(300)	(65)
Taxes recoverable	(19,121)	(5,018)	143
Judicial deposits	(170)	(303)	(244)
Other assets	(1,474)	21	818
Suppliers	(1,872)	4,031	4,310
Salaries and social charges	1,532	2,611	1,033
Taxes payable	819	607	626
Other liabilities	(1,959)	(6,567)	(1,390)
	(42,062)	(26,831)	361
Cash from operations	126,683	76,607	38,092
Interest paid	(19,180)	(12,668)	(3,797)
Income tax and social contribution paid	(28,334)	(16,761)	(5,462)
Net cash provided by operating activities	79,169	47,178	28,833
Cash flows from investing activities and with subsidiaries			
Acquisition of property and equipment and intangible assets	(61,881)	(171,594)	(55,118)
Residual value of property, equipment and intangible assets written-off	879	2,941	589
Purchase of Jahu	—	(60,107)	—
Cash flows used in investing activities	(61,002)	(228,760)	(54,529)
Cash flows from investing activities			
Capital subscription	149	34,457	20,000
Amortization of loans	(42,918)	(11,980)	(3,503)
New loans	31,895	162,412	15,940
Dividends paid	(7,476)	(3,223)	(6,197)
Net cash provided by (used in) financing activities	(18,350)	181,666	26,240
Increase in cash and cash equivalents	(183)	84	544
Cash and cash equivalents at the beginning of the year	1,758	1,674	1,130
Cash and cash equivalents at the end of the year	1,575	1,758	1,674

The accompanying notes are an integral part of these financial statements.

Mills Estruturas e Serviços de Engenharia S.A.

"Combined" Statements of Value Added
Years ended December 31
In thousands of reais

(A free translation of the original in Portuguese)

	2009	2008	2007
Income			
Goods and products sold and services rendered	459,654	337,651	220,120
Cancellation and discounts	(18,020)	(10,936)	(9,563)
Other income (sale of assets)	177	421	484
Allowance for doubtful accounts—reversal/(formation)	(3,521)	(837)	(508)
	438,290	326,299	210,533
Inputs acquired from third parties			
Cost of products and goods sold and services rendered	(7,458)	(5,339)	(2,352)
Materials, energy, outsourced services and others	(59,798)	(56,633)	(43,389)
Write-off of assets for rental	(379)	(1,993)	(422)
Others	(639)	(229)	(3,749)
	(68,274)	(64,194)	(49,912)
Gross value added	370,016	262,105	160,621
Depreciation, amortization and depletion	(31,852)	(18,732)	(7,482)
Net value added generated by the entity	338,164	243,373	153,139
Value added received through transfer			
Goodwill amortization	—	(4,231)	—
Provision for loss (dissolution of investment)	—	—	(5,452)
Financial revenue	307	2,272	931
	307	(1,959)	(4,521)
Total value added to distribute	338,471	241,414	148,618
Distribution of value added			
Personnel and social charges	131,761	99,701	75,909
Direct compensation	104,573	77,924	57,617
Benefits	20,706	16,890	14,516
FGTS	6,482	4,887	3,776
Taxes and contributions	92,479	68,450	33,205
Federal	84,238	61,222	26,877
State	1,301	550	609
Municipal	6,940	6,678	5,719
Third parties' capital remuneration	51,362	42,675	28,957
Interest and exchange variations	30,474	21,010	4,766
Rentals	20,888	21,665	24,191
Own capital remuneration	62,869	30,588	10,547
Interest on capital and dividends	(5,519)	—	—
Retained profits for the year	68,388	30,588	10,547
Value added distributed	338,471	241,414	148,618

The accompanying notes are an integral part of these financial statements.

1 Operations

Mills Estruturas e Serviços de Engenharia S.A. ("Mills" or "Company") is a private limited company, located in the Municipality of Rio de Janeiro—Brazil. The Company operates mainly in the activities of civil construction and industrial maintenance, performing the following main activities:

(a) rental and sales, including exportation, of structures for construction in steel and aluminum, as well as reusable concrete forms, with the optional supply of the related engineering projects, supervision and mounting option;

(b) rental, assembly and disassembly of access scaffoldings in industrial areas.

(c) providing painting, jet spraying, thermal isolation, boiler and refractory services, as well as other services inherent to such activities;

(d) commerce, rental and distribution of aerial working platforms and telescopic operators as well as their parts and components and technical assistance and maintenance of this equipment.

Corporate Events and Reorganizations

- **Discontinuance of the Events Division**

In 2007, the Company discontinued one of its business divisions, called "Events Division", due to the insufficient financial return. However, the residual operations of the division, including the performance of contracts that were in effect when the decision to discontinue its activities was made, had an impact on the financial statements in 2008.

- **Purchase of Kina Participações Ltda. and Jahu Indústria e Comércio Ltda.**

In June 2008, the Company purchased Kina Participações Ltda. and its wholly-owned subsidiary Jahu Indústria e Comércio Ltda., a company that supplies engineering solutions for residential and commercial constructions using shoring structures, scaffoldings and access equipment, and that now makes up the Jahu Division. The results of Kina Participações Ltda. and Jahu Indústria e Comércio Ltda. are consolidated in the financial statements as from July 1, 2008. In August 2008, the two companies were incorporated by Mills, becoming a division of the business.

Corporate Reorganization

Up to December 31, 2008, the Mills Group was made up 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 went through a corporate reorganization process, that included (i) the transformation into a closely held Company, approved on January 29, 2009, and (ii) incorporation of Mills Indústria e Comércio Ltda. ("MIC"), Mills Andaimes Tubulares do Brasil S.A. ("MAT") and Itapoã Participações S.A. ("Itapoã"), approved on January 30, 2009.

The basis of the incorporation was carried out in a way that the Company received the respective book values, the whole of the assets, rights and liabilities of MIC, MAT and Itapoã.

2 Financial Statement Presentation and Principal Accounting Practices

(a) Financial statements presentation

These financial statements were approved by the Board of Directors of Mills Estruturas e Serviços e Engenharia S.A. on February 4, 2009.

The "combined" financial statements were prepared to reflect the equity and financial situation and the comparative operating results, taking into account that the corporate restructuring had occurred as of December 31, 2006. Accordingly, the financial statements are denominated "combined".

The "combined" financial statements cannot be taken as a basis for the purpose of calculating dividends or any other corporate purpose other than supply comparative information about the operating performance of the Company. These financial statements were prepared in order to give information about the historical data of the Company based on the current corporate structure together with the process of public share offering to be accomplished by the stockholders.

The "combined" financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, based on the provisions of Brazilian Corporation Law.

The principal accounting practices adopted in the preparation of these "combined" financial statements match the rules and policies in effect for financial statements ended December 31, 2009, which will be different from those that will be used to prepare the financial statements at December 31, 2010, in accordance with item 2(c) below.

The preparation of the "combined" financial statements requires the use of estimates to record certain assets, liabilities and other transactions. To determine the estimates, management used the best information available in the data of the preparation of the financial statements, as well as its experience in previous or current events, also considering presumptions related to future events. Therefore, the Company's financial statements include estimates related to the selection of the useful life of property and equipment, estimates of the recovery value of the long life assets, provisions for contingent liabilities and income tax, determination of the fair value of financial instruments (assets and liabilities) and similar.

The actual results of transactions and information upon effective realization may differ from those estimates.

(b) Alterations to the Brazilian Corporation Law

Law No. 11,638 was enacted on December 28, 2007, and altered by Provisional Measure ("Medida Provisória—MP") No. 449, of December 4, 2008, amending and introducing new provisions to Brazilian Corporation Law. The main purpose of this law and MP was to amend the Brazilian Corporation Law to allow the process of convergence of the accounting practices adopted in Brazil with those included in the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The adoption of this law and MP is mandatory for annual financial statements for years that began on or after January 1, 2008.

The changes in the Brazilian Corporation Law had the following principal impacts on the financial statements of the Company:

(i) Financial instruments—the Company contracted derivative financial instruments in order to protect transactions carried out in foreign currency. The derivative financial instruments were recognized initially by their fair value; transaction costs, when directly attributable, were recognized in the result of the year.

(ii) Present value adjustment—certain short and long-term accounts receivable were adjusted to present value, based on specific interest rates that reflect the nature of these assets considering the term, risk, currency and prefixed receipt condition, based on the initial balance of the transition date as permitted by the Brazilian Accounting Pronouncements Committee (CPC) Technical Pronouncement 13—"First-time Adoption of Law No. 11,638/07 and MP No. 449/08". The effects of the present value adjustments arising from the first-time adoption of Law No. 11,638 and MP No. 449/08 were charged to accumulated profit or loss, and those related to transactions carried out after this date with a corresponding entry to the result for the year.

(iii) Financial lease—the assets acquired through a financial lease, leased to the respective financial institutions by the Company, were recorded in property and equipment and the correspondent balances payable, in "Loans and financings".

(iv) Intangible assets—certain intangible assets existent in the Company, recognized before the first-time adoption of Law No. 11,638/07 and MP No. 449/08, and that meet the specific requirements of CPC Technical Pronouncement No. 04—"Intangible asset", were reclassified from the property and equipment account group to the intangible assets specific account group.

(v) Share purchase option plan—the Company recognized the share purchase option plan in the stockholders' equity and in the result for the year.

The Company opted for the preparation of the transitional balance sheet as of January 1, 2007, which is the starting point for the accounting of the effects of the changes in the Brazilian Corporation Law introduced by Law No. 11,638/07 and MP No. 449/08.

(c) Description of the principal accounting practices adopted

The principal accounting practices adopted in the preparation of these "combined" financial statements are described below:

(i) Cash and cash equivalents

These comprise cash, bank deposits and short-term investments with high liquidity falling due within three months or less, readily convertible in a known cash amount and with immaterial risk of change in value, besides the limits used of guaranteed accounts. The balance used of the guaranteed accounts is included in loans under current liabilities in the balance sheet.

(ii) Financial instruments

Classification and measurement

The Company classifies its financial assets according to the following categories: measured at fair value through income, loans and receivables, held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets when first recorded.

Financial assets measured at fair value through income

These are financial assets held for active and frequent trading. Derivatives are also classified as held for trading, unless they have been designated as hedge instruments. These assets are classified as current assets.

Gains or losses arising from the fair value variations of financial assets measured at fair value through income are recorded in the statements of income in "financial result" in the period they occur, unless the instrument has been contracted in connection with another instrument. In this case, the variations are recognized in the same line item in the statements of income as that affected by this other instrument.

Loans and receivables

These comprise loans granted and receivables which are non-derivative financial assets with fixed or determinable payments, not quoted on an active market. Loans and receivables are included in current assets, except for those with maturity of more than 12 months after the balance sheet date (these are classified as non-current assets). The Company's loans and receivables comprise loans granted to associated companies, trade accounts receivable, other accounts receivable and cash and cash equivalents, excluding short-term investments. Loans and receivables are recorded at amortized cost, based on the effective interest rate method.

Assets held to maturity

These are basically financial assets that cannot be classified as loans and receivables, because they are quoted on an active market. In this case, these financial assets are acquired with the purpose and financial ability of being held in the portfolio up to their maturity. They are evaluated at the acquisition cost, plus earnings obtained with a contra-entry to income for the year, based on the effective interest rate method.

Fair value

The fair value of investments with public quotations are based on current purchase prices. For financial assets without an active market or public quotation, the Company determines fair value through valuation techniques, which consist of the use of recent transactions with third parties, the reference to other substantially similar instruments, the analysis of discounted cash flows and option pricing models which make the greatest use possible of information from the market and the least use possible of information from Company management.

Derivative instruments and hedge activities

Initially, derivatives are recognized at fair value at the date when the derivative agreement is signed and, subsequently, recalculated at their fair value, with the fair value variations being recorded in the result, except when the derivative is recorded as a hedge of cash flows.

Although the Company uses derivatives for protection, it does not apply hedge accounting. The fair value of derivative instruments is disclosed in Note 19.

(iii) Trade accounts receivable

The accounts receivable are recognized by the accrual method upon rendering of services and/or sale to clients. The allowance for doubtful accounts is established when there is objective evidence that the Company will not receive the total amount according to the original terms of the accounts receivable. The allowance is calculated based on the analysis of credit risk, which observes the individual situation of the clients, the situation of the economic group to which they belong, the real guarantees for the debts and the evaluation of the legal advisors.

(iv) Inventories

Inventories are stated at the lower amount between cost and net realizable value. The net realizable value is the estimated sales price in the normal course of business, net of the execution costs and selling expenses.

(v) Income tax and social contribution

The current income tax and social contribution expense is calculated in accordance with the legal tax basis in effect in Brazil at the date of the presentation of the financial statements. Periodically, management evaluates positions taken regarding tax matters that are liable to interpretation and recognizes a provision when there is expectation of income tax and social contribution payment according to the tax basis.

Deferred taxes are calculated on income tax and social contribution losses and the temporary differences between the tax calculation bases of assets and liabilities and the respective book values in the financial statements. The currently defined tax rates of 25% for income tax and 9% for social contribution are used to calculate deferred tax assets.

Deferred tax assets are recognized to the extent that it is probable sufficient future taxable profit will be available to be offset by temporary differences and/or tax losses, considering projections of future income based on internal assumptions and future economic scenarios which may, therefore, suffer changes.

(vi) Judicial deposits

The deposits are stated at historical cost and presented in non-current assets (Note 10).

(vii) Property and equipment: own use and rental and operating use

The major part of the income of the companies arises from equipment rental, whether through only rental or rental together with assembly and disassembly.

The property and equipment (own use) consists mainly of the facilities to store the equipment mentioned above, offices, furniture, improvements and equipment necessary for the operation of these facilities.

These are stated at historical cost less depreciation. Historical cost includes expenses directly assigned to acquisition of assets of property and equipment.

Subsequent costs are incorporated to the net value of the property and equipment or recognized as a specific item, as appropriate, only if the economic benefits associated to these items are probable and the values reliably measured. The residual balance of the substituted item is written-off. Other repairs and maintenance costs are allocated directly to the results when incurred.

The depreciation is calculated on the straight-line method, at rates disclosed in Note 5, which take into account the estimate of the assets' useful lives. Land is not depreciated.

Gains and losses on sales are determined by comparing the sales amounts with the book value and are included in the operating result.

The assets' residual amounts and the estimated useful lives are reviewed and adjusted, if appropriate, at each closing date of the balance sheet. In the appraisals and calculations carried out by the Company, the useful lives used have proved to be very accurate estimates of the real utilization of the equipment and assets.

(viii) Intangible assets

Computer programs (software)

These are stated at acquisition cost, less the accumulated amortization and losses due to the reduction of the recoverable amount, when applicable. The intangible assets comprise software applications.

Costs associated with the development and maintenance of these software applications are recorded as expenses when they are incurred.

The software applications are amortized over the useful life of 5 years (Note 6).

Goodwill

This refers to the goodwill verified in the purchase of Jahu and Kina. This goodwill is supported by future profitability (recorded in intangible assets) and was amortized up to December 31, 2008.

(ix) Impairment of assets

Property and equipment and other non-current assets, including goodwill and intangible assets, are reviewed annually to identify evidence of unrecoverable losses, and also whenever events or alterations in the circumstances indicate that the book value may not be recoverable. In this case, the recoverable value is calculated to verify if there is any loss. In the event of loss, it is recognized at the amount by which the book value of the asset exceeds its recoverable value, which is the higher between the fair value less cost to sell and the value in use of an asset.

(x) Leases

The Company leases certain items of property and equipment. The lease of items of property and equipment in which the Company substantially holds all the risks and benefits of the property of the assets is classified as a finance lease.

A finance lease is recorded in property and equipment by the lower value between the fair value of the leased property and the present value of the payment of the installments of the lease.

The assets acquired through a finance lease are depreciated by the straight-line method by the lower between the useful life of the asset and the time of the finance lease contract (Note 5).

The balances of the financial leases are presented in the current liabilities and non-current liabilities, in the account "Loans and financings".

(xi) Provisions

Provisions are recognized when the Company has a legal or constructive present obligation as a result of past events, it is probable that a cash outflow is necessary to settle the obligation, and a reliable estimate of the amount can be made.

The provisions for contingencies are recorded by the amount of probable losses, considering the nature of each contingency (Note 10). The management, supported by the opinion of its legal advisors, understands that the constituted provisions are sufficient to cover eventual losses with on-going lawsuits. On the provisions for contingencies are due monthly charges using the correction index of the rate of the Special System for Settlement and Custody ("Sistema Especial de Liquidação e Custódia—SELIC"). The provision increments are recognized as expenses in the result.

(xii) Profit sharing

Profit sharing is recognized throughout the year, being disbursed in the following year. The amount of the profit sharing distribution is 25% of the net income, less the remuneration on the stockholders capital, excluding non-operating items.

(xiii) Share-based payments remuneration

The Company offers to its employees and executives share-based payments remuneration plans to be converted in ordinary shares of the Company, according to which the Company receives the services in consideration for the share purchase option. The fair value of options granted is recognized as an expense, during the period in which the right is obtained, i.e., the period during which specific vesting conditions must be met. At the date of the balance sheet, the Company revises the estimated number of options which will vest and, subsequently, recognizes the impact of the change in initial estimates, if any, in the statement of income with a contra-entry to stockholders' equity on a prospective basis.

(xiv) Loans and financings

Loans and financings are initially recognized at fair value, upon receipt of funds, net of transaction costs. Subsequently, the borrowings are presented at amortized cost, that is, plus charges and interest in proportion to the period incurred ("pro rata temporis").

Loans and financings are classified in current liability except for the installments that can be unconditionally settled after 12 months from the end of the year of the financial statements.

(xv) Foreign currency translation

Transactions in foreign currency are translated into reais using the exchange rates effective on the transaction dates. Balance sheet account balances are translated at the exchange rate in effect on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the results.

(xvi) Revenue recognition

Sales revenue is recognized when significant risks and benefits of ownership of goods are transferred to the purchaser. The Company's policy of revenue recognition, therefore, is the date on which the product is delivered

to the purchaser. Income from services rendered is recognized based on the phase of execution of the services carried out up to the balance sheet date, in accordance with the percentage of total services to be carried out, providing that all the costs related to services can be reliably measured.

Interest income is recognized in proportion to the time elapsed, taking into consideration the outstanding principal and the effective rate during the period up to the maturity, when this revenue will be credited to the Company.

(d) Accounting pronouncements and interpretations of standards that are not yet effective

The accounting pronouncements and interpretations of standards listed below were published and are mandatory for years beginning on or after January 1, 2010. In addition, other pronouncements and interpretations were also published, which alter the accounting practices adopted in Brazil, within the process of convergence with international standards. The standards below are only those that could (or should) affect the Company's financial statements in a more significant manner. Under the terms of these new standards, the figures for 2009, presented herein, should be restated for comparison purposes when the 2010 financial statements are prepared. The Company did not elect early adoption of these standards for the year ended December 31, 2009.

Pronouncements

- CPC 15—Business Combinations
- CPC 20—Borrowing Costs
- CPC 22—Segment Information
- CPC 24—Subsequent Events
- CPC 25—Provisions, Contingent Liabilities and Assets
- CPC 27—Property, Plant and Equipment
- CPC 32—Taxes on Profit
- CPC 33—Employee Benefits
- CPC 38—Financial Instruments: Recognition and Measurement
- CPC 39—Financial Instruments: Presentation
- CPC 40—Financial Instruments: Disclosure

Interpretations

- ICPC 03—Complementary Aspects of Leasing Operations
- ICPC 04—Scope of CPC 10—Share-based Payment
- ICPC 05—CPC 10—Share-based Payment
- ICPC 08—Accounting for Proposed Dividends
- ICPC 10—Clarifications of CPC 27 and CPC 28

Given the nature of the Company's operations, the pronoucements and interpretations above can impact the operations of 2010. Based on a preliminary assessment, it is not expected that they will create a material effect in the comparative financial statements.

3 Accounts Receivable

	2009	2008	2007
Division construction	34,729	23,800	14,111
Division Jahu	7,608	4,059	—
Division maintenance and assembly	27,826	20,497	14,026
Division rental (Mills Rental)	7,002	5,964	—
Events	7,500	7,875	9,581
Allowance for doubtful accounts	(7,767)	(4,186)	(3,420)
Present value adjustment	(981)	(1,254)	(1,725)
	75,917	56,755	32,573
Current	71,504	51,539	26,456
Non-current	4,413	5,216	6,117

In December 2007, a transfer was made from property and equipment to the current assets of R$ 7,842 relating to the assets of the Events Division, whose activities were discontinued. Part of the assets were sold during 2008 and, on February 18, 2009, the sale of the remaining balance was negotiated for an amount of R$ 5,700, through an agreement signed with the company Montalvão, Vieira e Dutra Estruturas, Eventos e Serviços Ltda. The remaining balance (loss) was, therefore, adjusted by R$ 441 in order to equal the value of the transaction, and as it is a long-term sale, most of the amount was included in long-term receivables. The sale value will be received in a maximum of 8 years, and the installments will be adjusted in accordance with the percentage variation of the Amplified Consumer Price Index ("Índice de Preços ao Consumidor Real—IPCA").

On December 31, 2009, the outstanding balance amounts to R$ 5,488 (2008—R$ 5,886 and 2007—R$ 6,117), net of present value adjustment, being R$ 1,075 in the current and R$ 4,413 in the non-current.

4 Taxes Recoverable

	2009	2008	2007
Tax for Social Security Financing (COFINS) and Social Integration Program (PIS) to offset	18,561	4,281	64
Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) to offset	4,753	167	1
Value-Added Tax on Sales and Services (ICMS) to offset	517	236	89
Others	2,069	2,095	1,416
	25,900	6,779	1,570
Current	25,727	6,606	1,559
Non-current	173	173	11

The credits of the Social Integration Program ("Programa de Integração Social—PIS") and Tax for Social Security Financing ("Contribuição para o Financiamento da Seguridade Social—COFINS") refer basically to the amounts recoverable on acquisitions of property and equipment and they will be offset against the federal tax obligations of PIS and COFINS non-cumulative as from the payment of January 2010 and the expectation is that they will be made up to July 2010.

In 2009, the Company changed the utilization of these credits, appropriating 1/48 or 1/12, according to the applicable legislation, instead of taking advantage during the property and equipment depreciation period, practice adopted up to 2008.

5 Property and equipment

	Equipment for rental and operating use	Leased assets	Rental equipment to capitalize	Total rental equipment	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Storage facilities	Furniture and utensils	Construction in progress	Total assets own use	Total P&E
Cost of the gross P&E													
At December 31, 2006	89,864	7,349	1,479	98,692	798	1,375	2,063	456	496	1,998	145	7,331	106,023
Acquisition	20,031	7,679	25,906	53,616	46	—	361	636	2	131	—	1,176	54,792
Disposal	(1,700)	—	—	(1,700)	(9)	—	—	(448)	—	(1)	—	(458)	(2,158)
Transfers	15,702	—	(15,702)	—	—	—	—	—	—	—	—	—	
Reclassification to long-term receivables	(12,065)	(1,673)	—	(13,738)	—	—	—	—	—	(12)	—	(12)	(13,750)
At December 31, 2007	111,832	13,355	11,683	136,870	835	1,375	2,424	644	498	2,116	145	8,037	144,907
Balance of Jahu's incorporation	33,431	—	725	34,156	757	105	1,117	—	—	633	43	2,655	36,811
Acquisition	61,817	45,120	53,326	160,263	2,613	6,834	628	134	11	415	149	10,784	171,047
Disposal	(2,930)	—	—	(2,930)	(329)	—	(4)	—	—	(39)	(2)	(374)	(3,304)
Transfers	58,188	(49)	(58,142)	(3)	42	—	—	—	—	2	(41)	3	—
At December 31, 2008	262,338	58,426	7,592	328,356	3,918	8,314	4,165	778	509	3,127	294	21,105	349,461
Acquisition	8,523	27,579	22,894	58,996	671	—	724	74	75	406	478	2,428	61,424
Disposal	(2,027)	(291)	(282)	(2,600)	—	—	(12)	(76)	—	—	—	(88)	(2,688)
Transfers	16,425	4,441	(21,017)	(151)	—	119	1	(2)	—	38	(119)	37	(114)
At 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
Accumulated depreciation													
At December 31, 2006	(57,656)	(3,218)	—	(60,874)	(418)	(452)	(1,593)	(239)	(426)	(1,629)	—	(4,757)	(65,631)
Depreciation	(6,019)	(800)	—	(6,819)	(50)	(46)	(193)	(113)	(16)	(55)	—	(473)	(7,292)
Disposal	1,294	—	—	1,294	—	—	—	275	—	—	—	275	1,569
Reclassification to long-term receivables	4,903	1,003	—	5,906	—	—	—	—	—	3	—	3	5,909
At December 31, 2007	(57,478)	(3,015)	—	(60,493)	(468)	(498)	(1,786)	(77)	(442)	(1,681)	—	(4,952)	(65,445)
Balance of Jahu's incorporation	(19,513)	—	—	(19,513)	(545)	—	(901)	—	—	(493)	—	(1,939)	(21,452)
Depreciation	(13,968)	(3,625)	—	(17,593)	(230)	(78)	(311)	(132)	(17)	(115)	—	(883)	(18,476)
Disposal	2,609	—	—	2,609	249	—	1	—	—	11	—	261	2,870
At December 31, 2008	(88,350)	(6,640)	—	(94,990)	(994)	(576)	(2,997)	(209)	(459)	(2,278)	—	(7,513)	(102,503)
Depreciation	(23,047)	(7,293)	—	(30,340)	(364)	(98)	(416)	(145)	(10)	(143)	—	(1,176)	(31,516)
Disposal	1,722	55	—	1,777	—	—	7	26	—	—	—	33	1,810
Transfers	94	31	—	125	—	—	—	—	—	(11)	—	(11)	114
At December 31, 2009	(109,581)	(13,847)	—	(123,428)	(1,358)	(674)	(3,406)	(328)	(469)	(2,432)	—	(8,667)	(132,095)
Annual depreciation rate—%	10	10	—	—	10	4	20	20	10	10	—	—	—
Net P&E													
At December 31, 2006	32,208	4,131	1,479	37,818	380	923	470	217	70	369	145	2,574	40,392
At December 31, 2007	54,354	10,340	11,683	76,377	367	877	638	567	56	435	145	3,085	79,462
At December 31, 2008	173,988	51,786	7,592	233,366	2,924	7,738	1,168	569	50	849	294	13,592	246,958
At 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

The equipment for rental can be summarized as: access scaffoldings (Tubos Mills and Elite), molds (Molds Noe e Aluma), shorings (MillsTour and Aluma), aerial working platforms (JLG and Genie) and telescopic operators.

In 2007, 2008 and 2009, the Company acquired various equipment for rental to increase its capacity for rendering services, basically with resources provided by third-parties (in 2007, resources arising from the increase in capital were substantially used). The disposals that occurred in these years are related to the sale of assets.

The depreciation of the period, absorbed in cost of production and services rendered and in general administrative expenses, amounts to R$ 30,342 (2008—R$ 17,593 and 2007—R$ 6,819) and R$ 1,174 (2008—R$ 883 and 2007—R$ 473), respectively.

Certain items of property and equipment are granted as collateral for loans and financings (Note 7).

Review of estimated useful lives

As required by Technical Interpretation ICPC 10 of the Brazilian Accounting Pronouncements Committee, approved by Federal Accounting Council (CFC) Resolution 1263/09, the Company concluded its first periodical review with the objective of revising and adjusting the estimated economic useful lives of its property and equipment items used to calculate depreciation, as well as to determine the residual value of the property and equipment items of the equipment for rental group. To conduct this analysis, the Company, based on the evaluation of the responsible technicians, issued an Appraisal Report dated November 23, 2009, approved in the Meeting of the Board of Directors. The responsible technicians considered the operational plan of the Company for the coming years, internal records, such as the level of maintenance and use of the items, and external references, such as technologies available, manufacturers' recommendations, user manuals and life expectancy rates of assets. The estimated remaining useful lives of asset items, of the equipment for rental group, calculated is in accordance with the depreciation rates currently used by the Company, therefore, the depreciation rate will not be changed as from January 1, 2010.

6 Intangible assets

	Software	Trademarks and patents	Goodwill paid on acquisition	Total intangible assets
Cost of intangible assets (gross)				
At December 31, 2006	1,030	15	—	1,045
Acquisition	326	—	—	326
At December 31, 2007	1,356	15	—	1,371
Balance of the incorporation of Jahu	1,065	11	—	1,076
Acquisition	548	—	42,317	42,865
Disposal	(389)	—	—	(389)
At December 31, 2008	2,580	26	42,317	44,923
Acquisition	427	30	—	457
At December 31, 2009	3,007	56	42,317	45,380
Accumulated amortization				
At December 31, 2006	(630)	(6)	—	(636)
Amortization	(192)	(1)	—	(193)
At December 31, 2007	(822)	(7)	—	(829)
Balance of the incorporation of Jahu	(459)			(459)
Amortization	(256)	(1)	(4,232)	(4,489)
At December 31, 2008	(1,537)	(8)	(4,232)	(5,777)
Amortization	(336)	(2)	—	(338)
At December 31, 2009	(1,873)	(10)	(4,232)	(6,115)
Annual amortization rates—%	20	10	—	—
Net intangible assets				
At December 31, 2006	400	9	—	409
At December 31, 2007	534	8	—	542
At December 31, 2008	1,043	18	38,085	39,146
At December 31, 2009	1,134	46	38,085	39,265

7 Loans and financings

The loans and financings were used to acquire equipment and are indexed to the Interbank Deposit Certificate ("Certificado de Depósito Interfinanceiro—CDI") or to Long-term Interest Rate ("Taxa de Juros de Longo Prazo—TJLP"). All the loans were denominated in reais.

The loans indexed to the CDI were increased from 1.0% to 4.50% per year and with the amortization of the principal and interest on a monthly basis up to January 17, 2014.

The financings of equipment for rental were contracted with TJLP charges, plus 3.5% to 7.5% per year and amortized on a monthly basis up to October 15, 2012.

The loans and financings in December 31 are as follows:

		2009			2008			2007		
	Rates and conditions—%	Current liability	Non-current liability	Total	Current liability	Non-current liability	Total	Current liability	Non-current liability	Total
Financings with financial institutions (operation indexed to CDI)	Indexed to CDI plus interest from 1.0 to 4.5 per year	32,036	69,515	101,551	30,601	98,210	128,811	2,382	2,625	5,007
Financings with financial institutions (operation indexed to TJLP)	Indexed to TJLP plus interest from 3.3 to 7.5 per year	2,052	2,230	4,282	2,748	4,104	6,852	5,454	13,153	18,607
		34,088	71,745	105,833	33,349	102,314	135,663	7,836	15,778	23,614

The Company's management judges that the loans and financings that are recognized in the financial statements at their accounting value are substantially similar to the market value.

The maturity of the long-term installments is as follows:

	2009	2008	2007
2009	—	—	7,665
2010	—	32,259	4,575
2011	30,487	29,421	3,007
2012	24,264	23,564	531
2013	13,339	13,336	—
2014	3,655	3,734	—
	71,745	102,314	15,778

Financial lease

This is, substantially, related to agreements for the purchase of property and equipment for rental with terms of between 36 and 60 months, with maturity up to 2015 and indexed to the CDI plus 1.0% to 5.40% per year. This obligation is guaranteed by the leased assets themselves.

	2009		2008		2007	
Financial institution	**Current liability**	**Non-current liability**	**Current liability**	**Non-current liability**	**Current liability**	**Non-current liability**
Banco ABN Amro Real S.A.	79	—	209	77	180	247
Banco ABN Amro Real S.A.	724	1,239	641	1,755	—	—
Banco Alfa S.A.	5,282	6,410	4,774	10,417	825	4,898
Banco Bradesco S.A.	4,186	10,832	3,085	9,865	59	83
Banco Itaú S.A.	81	—	218	70	188	252
Banco Itaú S.A.	1,931	5,449	1,034	5,366	377	205
Banco Rodobens S.A.	13	—	29	11	27	37
Banco Safra S.A.	327	483	411	721	356	28
Banco Santander S.A.	2,460	7,767	—	—	119	—
Banco Unibanco S.A.	654	1,807	587	2,212	45	—
HSBC Bank Brasil S.A.	5,715	17,112	2,994	8,822	762	674
Tópico Eventos Ltda.	—	—	—	—	16	—
Banco de Lage	126	365	99	433	—	—
Banco do Brasil	1,144	3,918	—	—	—	—
	22,723	55,382	14,081	39,749	2,954	6,424

The Company's management judges that the finance leases that are recognized in the financial statements at their accounting value are substantially similar to the market value.

The maturity of the long-term installments is as follows:

	2009	2008	2007
2009	—	—	2,516
2010	—	13,609	2,164
2011	21,720	13,147	1,744
2012	17,207	8,999	—
2013	11,999	3,994	—
2014	4,453	—	—
2015	3	—	—
	55,382	39,749	6,424

The following guarantees were offered regarding the loans and financings:

	2009	2008	2007
Guarantees granted			
Real estate	—	1,000	1,000
Pledge of trade bills	2,616	3,016	3,016
Receivables	10,368	1,000	—
Collateral	35,355	31,893	—
Statutory lien	107,899	79,231	31,470
Total of real guarantees	156,228	116,140	35,486
Promissory notes	87,710	64,647	25,537

The promissory notes are enforceable guarantees and serve as additional guarantees regarding loans and financings.

8 Related Parties

(a) Transactions and balance

	2008	2007
Loans with managers	69	107

The loans existent in 2008 between Mills Estruturas e Serviços de Engenharia S.A. and some of its managers were received and there were no new loans during 2009.

(b) Remuneration of management personnel

The amounts related to the remuneration of the members of the Board of Directors of the Company are as follows:

	2009	2008	2007
Salaries and charges—Board of Directors	2,270	3,455	2,197
Fees of the Administrative Council	567	889	374
Profit sharing	1,615	831	235
Share-based payments	2,522	502	—
	6,974	5,677	2,806

On December 31, 2009, the Company had consulting service agreements with certain members of the Administrative Council and Board of Directors amounting to R$ 55 per month.

9 Income Tax and Social Contribution

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

The reconciliation between the expense of income tax and social contribution at the nominal and effective rates is as follows:

	2009	2008	2007
Net income before income tax and social contribution	101,424	48,306	11,905
Nominal rate of income tax and social contribution	34%	34%	34%
Income tax and social contribution at nominal rate	(34,484)	(16,424)	(4,048)
Social contribution tax losses	—	4,316	347
Effect on the income tax and social contribution arising from the adjustments to net income			
Interest on capital	1,876	—	—
Provisions not deductible	(528)	(6,390)	2,934
Difference of tax burden			
Taxable Profit x Presumed Profit (MAT)	100	833	(311)
Others	—	(53)	(280)
Total income tax and social contribution, current and deferred	(33,036)	(17,718)	(1,358)

(b) Composition of income tax and social contribution

The composition of the taxes recoverable presented in the non-current assets is as follows:

	2009	2008	2007
Net tax credit (*)	2,491	—	—
Present value adjustment	334	427	587
Other provisions	135	788	—
Allowance for doubtful accounts	1,440	660	657
Finance lease	2,475	1,435	(74)
Provisions for contingencies	3,163	7,087	5,152
Social contribution tax losses	—	—	6,148
	10,038	10,397	12,470

(*) The tax credit is comprised of the tax benefit of the corporate reorganizations mentioned in Note 1, amounting to R$ 5,369, net of the deferred income tax liability regarding the temporary difference of the non accounting amortization of the goodwill created by the purchase of Jahu.

(c) Estimated period of realization

It is expected that deferred tax assets, net of deferred tax liabilities, will be realized as follows:

	2009	2008	2007
2008	—	—	2,245
2009	—	2,243	2,300
2010	1,953	2,023	5,590
2011	2,422	1,803	1,030
2012	1,472	1,803	1,030
2013	1,472	1,803	275
2014 onwards	2,719	722	—
	10,038	10,397	12,470

As the income tax and social contribution taxable bases arise not only from the profit that may be generated, but also from the existence of non-taxable income, non-deductible expenses, tax incentives and other variables, there is no immediate correlation between the Company's net income and the income subject to income tax and social contribution. Therefore, the expectation of the use of deferred tax assets should not be used as the only indicator of future income of the Company.

Transitional Tax System

The Transitional Tax System ("Regime Tributário de Transição—RTT") will be effective until enactment of the law that will address the tax effects of the new accounting methods, while seeking to maintain tax neutrality.

The system is optional for calendar years 2008 and 2009, as long as the following are observed: (i) the RTT must be applied to both 2008 and 2009, not to only one calendar year; and (ii) the election of the RTT must be declared in the Federal Corporate Income Tax Return (DIPJ).

The Company opted for the RTT in 2008. Consequently, for income tax and social contribution for net income calculation purposes in 2009 and 2008, the Company used the prerogatives defined in the RTT.

10 Contingencies and Judicial Deposits

(a) Composition of the contingencies and judicial deposits

On the dates of the financial statements, the Company had the following liabilities and corresponding judicial deposits, related to contingencies:

	Provision for contingencies			Judicial deposits		
	2009	2008	2007	2009	2008	2007
National Institute of Social Security—INSS	909	173	154	383	383	419
PIS/COFINS—rental	—	15,436	14,508	—	736	—
ISS—rental	—	—	—	3,810	3,822	—
Civil liability	803	422	433	—	—	—
Labor claims	1,420	1,270	1,220	1,011	910	1,004
IRPJ/CSLL—Jahu	4,708	4,466	—	—	—	—
Others	687	567	608	756	676	663
	8,527	22,334	16,923	5,960	6,527	2,086

(b) Changes in the contingencies

The changes in the provision for contingencies are as follows:

	2009	2008	2007
At the beginning of the year	22,334	16,923	15,761
Additions	938	4,559	474
Monetary restatements	1,420	994	931
Deductions			
Reversals	(58)	(142)	(243)
Enrollment in REFIS (Note 11)	(16,107)	—	—
At the end of the year	8,527	22,334	16,923

(c) Nature of contingencies

The Company has been judicially questioning the payment of various taxes based, mainly, on the argument of unconstitutionality of their creation and collection.

Based on the position of their external legal advisors, provisions for all the lawsuits were made, whose loss probability was estimated as probable for the Company, and management understands that the provisions constituted are sufficient to cover eventual losses with the on-going lawsuits.

On December 31, 2009, the tax credits of the Company are totally recognized amounting to R$ 8,527. Part of the reduction is due to the disposal of credits created from tax contingencies (PIS/COFINS/IRPJ/CSSL) included in the payment by installment program provided in Law No. 11,941/2009 (Note 11).

The main contingencies under discussion can be summarized as follows:

(i) National Institute of Social Security ("Instituto Nacional do Seguro Social—INSS")

In 2000, the Company was assessed by the INSS, which assigned to Mills the co-responsibility for social security debts owed by professional corporations, who did not pay the social security contributions due in accordance with Law No. 8,212/91. The Company's management presented its defense and five disputes had a favorable outcome for the Company and the corresponding assessment notices were annulled. For the others debts, considering the change in the prognosis motivated by the sentence of the first court level on November 31, 2009, the Company provided R$ 719 regarding the matter involving the arbitration of part of the Tax Notification Debt Entry ("Notificação Fiscal de Lançamento de Débito—NFLD") No. 35.102.800-5, whose object is the debt due by way of additional contribution to Tax Administration System ("Sistema de Administração Tributária—SAT") bound for the special pension financing and R$ 190 regarding the other assessments.

(ii) PIS/COFINS—location

In the period from May 2002 to May 2004, the Company compensated against the payment of Tax for Social Security Financing ("Contribuição para o Financiamento da Seguridade Social -COFINS") and Social Integration Program ("Programa de Integração Social—PIS"), income tax and social contribution the contributions paid in the period from September 1993 to January 1999, related to the leasing and assembly of own assets rented, taking as a basis the decision of the Supreme Court that does not consider the leasing of moveable assets as the rendering of services. The Company does not have a writ of mandamus nor an injunction to support this procedure, maintaining, thus, a provision equivalent to the main amount of these liabilities, plus fines and interest. At December 31, 2008 this amounted to R$ 15,436 (R$ 14,508 in 2007).

The management decided to include the mentioned debts in the new Tax Recovery Program ("Programa de Recuperação Fiscal") established in 2009 and, accordingly, the balance at December 31, 2009 is being presented in the current liability by R$ 786 and in the non-current liability by R$ 11,008 (Note 11).

(iii) Labor suits

The Company is defending several labor suits. The chances of a favorable outcome are considered probable in the majority of suits and, based on the opinion of its external legal advisors, it maintains only a provision for those judged as a probable loss.

(iv) Service tax on rental of movable properties

In October 2001, the Company filed suits in several municipalities in which it operates with the purpose of recovering the Service Tax ("Imposto sobre Serviços de Qualquer Natureza—ISS") collected since 1991 levied on the rental of movable properties. The suits are in progress, waiting for a judicial decision. After the publication of the Complementary Law No. 116/2003, as from August 2003, Mills interrupted the ISS collection on the rental of movable properties, continuing to tax the ceding of scaffoldings and other structures on a temporary basis.

The former Jahu filed suits questioning the ISS incidence on the rental of movable assets and made judicial deposits, even after Law No. 116/2003. There are no provisions for this deposit, because of the probability of success (in some municipalities, it has already occurred).

(v) Income tax and social contribution

The Federal Revenue Secretariat issued tax assessment notices against Mills do Brasil Estruturas e Serviços Ltda. and the Company, questioning the procedures adopted in the assessment of the income tax and social contribution for calendar-years 1988, 1991 to 1994 and 1997. Supported by external legal advisors, the management expect to obtain a favorable outcome and, therefore, established a provision of only R$ 82 in 2009 (R$ 74 in 2008 and R$ 66 in 2007), equivalent mainly to the suits' costs. At December 31, 2009, the restated amount of these suits was approximately R$ 44.900 (R$ 43,700 in 2008 and R$ 42,000 in 2007). In the lawsuit that represents the highest value amongst these (R$ 40,100 in 2009, R$ 39,028 in 2008 and R$ 37.613 in 2007), that deals mainly with the supposed lack of tax on income between 1992 and 1993, the tax payers' council decided for the suspension of the sentence and ordered an indepth diligence study, in light of a technical report brought on the assessments by Mills. In 2009, the diligence study was concluded by the Tax Authority and, in a trial on January 28, 2010, the spontaneous appeal filed against decision of the Federal Revenue Officer was fully granted, annulling the totality of the debt that was the object of the tax assessment notice.

On the other hand, Jahu was assessed for depreciating its assets in five years and for the nondeductibility of the expenses with service providers, besides income tax at source on the amounts paid to them. Jahu has a technical report that supports the depreciation in five years, and because of this, the lawyers believe that the chance of loss is low. The other amounts that make up the assessment amounting to R$ 4,708 (2008—R$ 4,466, updated value), were provided for.

(vi) Civil liability suits

The Company has various suits filed against them regarding civil liability suits and suits for damages. Supported by external legal advisors, management constituted a provision of R$ 803 (2008—R$ 422 and 2007—R$ 433), for probable losses.

(d) Possible losses

The Company has suits of a tax, civil and labor nature, involving risks of loss classified by the management as possible, based on the opinions of legal advisors, for which there is no provision, corresponding to the composition and estimate below:

	2009	2008	2007
Tax			
IRPJ/CSLL/PIS/COFINS	8,540	1,780	8,779
INSS	59	59	59
ISS	528	730	730
ICMS	455	45	45
Labor	10,787	4,077	3,734
Civil	1,547	1,183	1,183
Others	18	27	27
	21,934	7,901	14,557

(e) Stated of limitation

The tax returns of legal entities are subject to review for a period of five years. Other taxes, contributions and charges of a fiscal and social security nature are also subject to reviews for different prescriptive periods.

11 Tax Recovery Program (REFIS)

In November 2009, the Company applied for the Tax Recovery Program, established by Law No. 11,941/09 and Provisional Measure No. 470/2009, to finance its tax liabilities through a special payment and installment system for tax and social security obligations.

The general conditions for this installment program are summarized as follows:

(a) Installments payable in 180 months.

(b) Obligations included in the program:

	Provisions for contingency			
	Principal amount	Fine	Interest	Total
PIS	1,182	236	1,016	2,434
COFINS	4,887	977	4,391	10,255
IRPJ	1,176	235	917	2,328
CSLL	550	110	430	1,090
	7,795	1,558	6,754	16,107

	Deductions			
	Principal amount	Fine	Interest	Total
PIS	71	14	52	137
COFINS	487	97	485	1,069
IRPJ	—	—	—	—
CSLL	410	82	322	814
	968	193	859	2,020

	Installment payment			
	Principal amount	Fine	Interest	Total
PIS	1,111	222	964	2,297
COFINS	4,400	880	3,906	9,186
IRPJ	1,176	235	917	2,328
CSLL	140	28	108	276
	6,827	1,365	5,895	14,087
Reduction of fine and interest	—	—	—	(2,293)
Total of the installment payment	—	—	—	11,794

In face of the new jurisprudential orientation, signed in the High Court of Justice ("Superior Tribunal de Justiça—STJ") (1st Section of STJ—trial in September 2009 of the Appeal to the Superior Court of Justice No. 929.521), reconciled the understanding about the COFINS incidence on revenue accrued with the operation of movable assets rental, in which the chances of loss is probable, the Company decided to pay the debt in installments amounting to R$ 11,794, already reduced by the reduction of the charges (fine and interest) regarding the suits that deal with this matter, whose chances of loss are probable, excluding the suits, amounting

to R$ 2,020, on which there was tacit approval from DECOMP on the part of the tax authority, because more than five years have elapsed since its protocol, according to the provisions of Article No. 74 of Law No. 9,430/1996, where the Company considers as probable the chances of success against future judicial demands.

The installments are related to the debts of PIS and COFINS between April 2002 and May 2004, and CSLL from November 2003, January 2004 and April 2004 that were offset with PIS and COFINS credits on rental paid in the period from September 1993 to January 1999 related to the rental and assembly of own assets rented, based on the decision of the Supreme Court ("Supremo Tribunal Federal—STF") that, when the offset began, did not consider rental of movable assets as service rendering. The Company does not have a writ of mandamus nor injunctions to endorse this procedure, therefore, maintains a provision equivalent to the principal amount of these liabilities, plus fine and interest. On December 31, the amount was R$ 16,107 (R$ 15,436 in 2008 and R$ 14,508 in 2007).

(c) The gain corresponding to the decrease in fines and arrears interest, previously recorded in liabilities, amounting to R$ 2,293 thousand, was recorded in the result.

As a consequence of the enrollment in REFIS, the Company is obliged to pay the installments without a delay of no more than three months, as well as to withdraw charges and renounce any plea on which the mentioned suits are based on, under penalty of immediate cancelation of the payment in installments and, consequently, loss of the benefits previously mentioned.

12 Benefit to employees

(a) Profit sharing

The provision for employees' and executives' participation in results is constituted on an accrual basis, being accounted for as an expense. The determination of the amount, which is paid in the year following the recording of the provision, considers the program of goals established with the trade union, through a collective bargaining agreement, in accordance with Law No. 10,101/00 and with the Company's by-laws.

(b) Share purchase option plan

The Company has share purchase option plans, approved by a General Meeting, with the objective of integrating the executives in the development process of the Company in the medium and long-term. These plans are managed by the Company and the grants are approved by the Administrative Council.

Description of the plans

- **2002 Plan**

On August 1, 2002, this plan was approved by the Extraordinary General Meeting being granted on the same date, and exercised on August 31, 2002, and it consists of a mechanism for the purchase of ordinary shares of the Company. There were acquired 612,157 thousand shares of Mills Andaimes Tubulares do Brasil S.A (MAT), the former holding of the group that merged into Mills Estruturas e Serviços de Engenharia S.A. on January 30, 2009. On December 31, 2009, these shares are equivalent to 3,920 shares of Mills Estruturas e Serviços de Engenharia S.A., by the price (strike price) of R$ 2.2632 per thousand shares, for annual payments in 10 years, with the first installment falling due April 30, 2003, and the value due is adjusted by the Referential

Rate ("Taxa Referencial—TR"). The beneficiaries of this plan had a lock up period of 3 years of services to be rendered as from the grant date, therefore, as from September 1, 2005, with the right to sell their shares at the equity value, or wait to sell them in the event of a public offering of the shares of the Company. If the public offer does not occur until July 9, 2011, the shareholders have the right to sell (put), and the Company has the obligation to repurchase them, at the evaluation equivalent to 6.6 times the EBITDA (Earnings before interest, taxes on income, depreciation and amortization) of the previous year, less the net debt at the end of the previous year, however, the annual disbursement of the Company with the repurchases is limited to 2% of the net worth per year, to be paid in 8 monthly quotas.

- **Top Mills Special Plans and CEO Special Plan**

These plans were approved by the Administrative Council on November, 27, 2007, and ratified by the Extraordinary General Meeting on May 28, 2008. Between January 1, 2008 and January 1, 2009, 140,825 share purchase options were granted of the former company MAT, corresponding on December 31, 2009, to 902 thousand options of Mills Estruturas e Serviços de Engenharia S.A. These options will be converted into shares, at the price of R$ 12.0294 per thousand adjusted by the Amplified Consumer Price Index ("Índice de Preços ao Consumidor Ampliado—IPCA") between January 2008 and their exercise date, at the time of the public offer of the Company or as from July 10, 2011, if the offer does not occur. On the other hand, the beneficiaries are obliged to render services to the Company between the date of the grant of the plan and for three years after the date of the public offer or July 10, 2011, that is the lock up period of this instrument will, at the maximum, be until July 10, 2014. If the public offer does not occur, the beneficiaries will be able to sell, and the Company is obliged to repurchase the shares by the valuation equal to the 2002 plan, but the annual disbursements are limited to 5% of the EBITDA of the previous year, also to be paid in 8 monthly quotas.

- **Former-CEO Plan**

In this plan, 24,000 thousand options of the former MAT were granted on May 1, 2008, corresponding on December 31, 2009, to 154 thousand options of Mills Estruturas e Serviços de Engenharia S.A. This plan is equal to the Top Mills Plan and special CEO plan described above, including the exercise price, except for the fact that there is no "lock up period".

- **Mills Rental Executive Plan**

The plan was granted on December 29, 2008, also with options of the former MAT, for the main executives of the Rental division, which started operating in January 2008. The exercise of the options is conditioned to the achievement of two EBITDA goals. In the first tranche of shares of the plan, options equivalent to U$$ 387,500 were distributed, conditioned to the achievement by the division of an EBITDA of R$ 11 million. In the second tranche, options equivalent to U$$ 1,162,500 were distributed, conditioned to the achievement by the division of an EBITDA of R$ 22 million. The number of options correspondent to these values is obtained translating the above values to reais by the rate of the last day of the year in which the goal was achieved, and dividing the value in reais by the value per share correspondent to the valuation of Mills of 6.6 times the EBITDA less the net debt of the same year in which the goal was achieved. To this quantity is added a small quantity to make the "gross up" corresponding to the Income Tax Withheld at Source of 15%. The exercise price of these options is R$ 3.95 per thousand, updated by the IPCA since January 2007 up to the exercise date. On the occasion of the granting of the plan, it was estimated that the first goal would be obtained on December 31, 2008 and December 31, 2009 the second goal, resulting in the granting of 137,031 thousand options of the old MAT, corresponding on December 31, 2009 to 78 thousand options of Mills Estruturas e Serviços de Engenharia S.A. The first goal was

actually attained on December 31, 2008 resulting in the issue and purchase of 199,853 shares of Mills Estruturas e Serviços de Engenharia S.A., through a capital increase approved at the Extraordinary General Meeting held on October 1, 2009 amounting to R$ 134. At December 31, 2009 an amount of R$ 67 was unpaid.

Pricing and accounting of the plans

In order to price the cost of the component of the plans regarding its equity component, the Company determined the volatilities applicable to each one, the rates free of risk and the stock prices based on valuations of 6.6 times the EBITDA less the net debt in the period of each plan. The model used to calculate the premiums is the Black-Sholes-Merton.

To price the component of debt of the plans, we use the projections of EBITDA and net debt of the Company on the dates expected for the puts, brought to current value.

Regarding the 2002 Plan, because it is a simple mechanism of the purchase of ordinary shares, the options, already exercised, are totally considered as equity instruments and recorded in the accounts of reserves of carrying value adjustment, in the stockholders' equity. The installments that the beneficiaries still owe are recorded in stockholders' equity as unpaid capital.

The Company classified the other plans as compound instruments, since they include a debt component (right/possibility of receiving the payment in cash if the public offer does not occur) and a capital component (right/ possibility of receiving the payment in equity instrument if the public offer occurs) in which the choice of settlement is out of the control of the Company and the beneficiary. In order to price the fair value of the debt component, it was considered how much the Company would disburse, at present value, according to the multiple of EBITDA described above, weighted by the probability of occurrence of the public share offering, being the resulting value accounted for in the long-term liabilities. These percentages are reviewed every year and the corresponding debt component are adjusted in order to reflect the new percentage.

The equity component was priced only at the time of the grant and is not remeasured to fair value every balance date. The equity component and the debt component are appropriated every plan, considering its respective lock up period, based on the management's best estimate on their final date. The lock up period, considered by the management, considers the scenario of occurrence of public offer in 2010.

The table below presents the accumulated balances of the plans in each year in the equity accounts and the effects in the results of the years.

	2009(*)	2008	2007
2002 Plan			
Reserves of carrying value adjustment	1,446	1,446	1,446
Subscribed capital	573	491	414
Unpaid capital	(255)	(337)	(414)
Historical price of the year (per thousand)	—	—	2,2628
Number of shares (thousands)	3,920	612,157	612,157
Top Mills Plan, CEO Special Plan and Ex-CEO Plan			
Probability of occurrence of share offering	95%	85%	75%
Reserves of carrying value adjustment	418	69	—
Debt installment (long-term liability)	309	195	—
Total debt + reserve	727	264	—
Historical price of the year (per thousand)		12.0294	—
Number of unexercised options (thousands)	1,055	121,755	—
Mills Rental Executive Plan			
Probability of occurrence of share offering	95%	85%	75%
Reserves of carrying value adjustment	3,864	322	—
Debt installment (long-term liability)	275	219	—
Total debt + reserve	4,138	541	—
Historical price of the year (per thousand)	—	3.9500	—
Number of unexercised options (thousands)	658	137,031	—
Number of exercised options (thousands)	219	—	—
Subscribed capital	134	—	—
Unpaid capital	(67)	—	—
Total recorded as debt	583	414	—
Total recorded as equity	5,728	1,837	1,446
Annual effect in the result	4,060	805	—

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

These plans represent together a dilution of 6.7% for the other shareholders.

13 Stockholders' Equity

(a) Subscribed Capital

On December 31, 2009, the capital is represented by 87,420,577 shares, being 63,429,629 ordinary shares and 23,990,948 preferred shares Class "A", all normative and with no par value. Each preferred share Class "A" will give the right of one vote on the resolutions at the General Meeting and has priority in the distribution of dividends and in the redemption of capital, without premium, in the case of liquidation.

Of the total subscribed capital, 11,995,474 preferred shares Class A belong to foreign stockholders.

	Shareholders	Number of shares (in thousands)	Percentage
Resident in the country—ordinary shares	Participação e Empreend Staldzene S.A.	63,427	72,55
Resident in the country—ordinary shares	Others	2	0,01
Resident in the country—preferred shares	Península Fundo de Investimentos em Participações	11,996	13,72
Resident abroad—preferred shares	Natipriv Global L.L.C	11,996	13,72
		87,421	100.00

The capital of the foreign resident, registered with the Brazilian Central Bank ("Banco Central do Brasil—BACEN"), according to RDE-IED ("Registro Declaratório Eletrônico—Investimento Interno Direto") No. IA072228 amounts to US$ 16,778,805.46.

Each ordinary and preferred share gives the holder the right to vote on the resolutions at the general meetings.

(b) Profit reserve

The legal reserve is constituted annually at 5% of net income for the year and cannot exceed 20% of the capital. The purpose of the legal reserve is to ensure the integrity of capital and can be used only to offset losses and increase capital.

The investment reserve refers to the remaining balance of retained earnings, retained for the project of business growth established in the Company's investment plan, according to the capital budget proposed by the Company's managers, to be approved by the Stockholders General Meeting in conformity with Article 196 of Brazilian Corporation Law.

The special reserve refers to the tax benefit created by the corporate reorganization mentioned in Note 1.

(c) Proposed dividends and interest on capital

According to the Statute, the shareholders are entitled to a minimum mandatory dividend of 25% of the net income for the year, calculated in accordance with the Brazilian Corporation Law.

On December 31, 2009, the Company credited to its shareholders interest on capital amounting to R$ 5,519. According to Article 9 of Law No. 9,249/1995, a legal entity will be able to deduct, for the purpose of determining taxable profit, the interest paid or credited individually to the owner, partners or shareholder, as capital remuneration, calculated on the accounts of the stockholders' equity and limited to the change, pro rata dia, of the Long-term Interest Rate ("Taxa de Juros de Longo Prazo—TJLP"). Therefore, the value credited by the Company as interest on capital is within the legal limit of deductibility.

The proposal of dividends recorded in the Company's financial statements, subject to approval of the stockholders in the General Meeting, calculated under the terms of the Brazilian Corporation Law, especially as regards Articles 196 and 197, is as follows:

	2009	2008	2007
Net income for the year	68,388	30,588	10,547
Transfer to legal reserve	(3,419)	(1,529)	—
Calculation basis of dividends	64,969	29,059	10,547
Minimum mandatory dividends—25%	16,242	7,265	2,637
Dividends paid with profit of the actual year	—	—	5,000
Interest on capital proposed for payment in the next year	5,519	—	—
Dividends proposed for payment in the next year	10,723	7,476	—
Total dividends proposed for payment in the next year(*)	16,242	7,476	—
Percentage dividends of the year on net income for the year—%	25.0%	24.4%	47.4%

(*) The value recorded in the current liability is net of income tax withheld at source on the interest on the capital of R$ 714.

The remittance of dividends and the capital repatriation for companies resident abroad are liable to the foreign capital legislation, which requires the recording of the investments and of the reinvestments of profit with the BACEN.

14 Net revenue from sales and services rendered

The information related to consolidated net revenue from sales and services rendered shown below only refers to the nature of income by type of service:

	2009	2008	2007
Rental	282,904	193,173	109,289
Sales	12,594	9,476	3,684
Technical assistance	103,871	91,430	75,052
Indemnities	4,824	5,299	4,288
	404,193	299,378	192,314

15 Cost of Products Sold and Services Rendered

	2009	2008	2007
Cost of construction(*)	131,482	119,031	111,029
Cost of equipment sales	7,458	5,339	2,352
Depreciation of assets for sale	30,338	17,592	6,819
Cost of assets for rental sold and written-off	325	1,867	422
	169,603	143,829	120,622

(*) The costs of construction are related to the expenses with personnel for assembly and disassembly of the assets rented, when this assembly is carried out by Mills itself, the equipment subleased from third parties,

when the Mills' inventory is insufficient for the demand, for the freight of equipment transport between subsidiaries and to expenses with material used in the constructions, from individual protection equipment (EPI) to wood, paints and insulators. In quantitative terms, the Mills' operatives are substantially allocated to this area, numbering 2,563 employees on December 21, 2009 (unaudited), 2,218 employees on December 31, 2008 (unaudited) and 1,948 employees on December 31, 2007 (unaudited).

16 General and Administrative Expenses

	2009	2008	2007
Warehouse expenses	15,210	8,909	7,369
Expenses with coordination of contracts (*)	57,122	46,011	25,520
Administrative expenses	15,061	13,838	8,169
Depreciation assets in use	1,174	883	473
Amortization of intangible	338	257	193
Employees' profit sharing	13,824	8,692	5,609
Share plans	4,061	805	—
Other administrative expenses	2,001	5,349	1,453
	108,791	84,744	48,786

(*) The expenses with coordination of contracts regard the expenses with the management of each contract of the Company, comprising the project and engineering teams from the commercial department, which on December 31, 2009, had 554 professionals (unaudited), in 2008, 340 professionals (unaudited) and in 2007, 131 professionals (unaudited). These expenses correspond substantially to salaries, charges and benefits, and the remaining comprises expenses with travel, representation and communication.

17 Financial Results

(a) Financial income

	2009	2008	2007
Income from interest of receipts of bills in arrears	446	268	449
Income from financial investments	441	165	346
Obtained discounts	42	71	106
Monetary variation assets	5	6	11
Result of the swap operations, net	(634)	1.680	—
Others	7	83	19
	307	2.273	931

(b) Financial expenses

	2009	2008	2007
Interest on loans	15,719	12,563	2,182
Provisional Contribution on Financial Activities—CPMF	—	23	1,003
Interest on leasing	7,658	4,443	557
Interest on current account overdrafts	—	193	314
Interest—others	477	638	220
Bank tariffs	416	573	188
Tax on Financial Transactions—IOF	59	2,180	79
Present value adjustment	(272)	(471)	1,725
Others	625	398	212
	24,682	20,540	6,480

18 Liabilities and commitments

The Company has equipment purchase orders with foreign suppliers amounting approximately to US$ 34 million (2008—US$ 2 million), all of them with payments expected during 2010. According to Note 19(g), the Company contracted derivative instruments to protect from exchange rate variation between the order date and the settlement date of these liabilities.

19 Financial Instruments

(a) Identification and valuation of financial instruments

The Company maintains various financial instruments, mainly cash and cash equivalents, including financial investments, trade notes receivable, accounts payable to suppliers and loans and financing. Additionally, the Company also utilizes derivative financial instruments, especially swap transactions.

Considering the nature of instruments, excluding derivative financial instruments, fair value is basically determined by the application of the discounted cash flow method. The amounts recorded in current assets and liabilities have immediate liquidity or fall due, mostly, within three months. Considering the term and characteristics of these instruments, which are systematically renegotiated, the book values approximate the fair values.

(b) Cash and cash equivalents, financial investments, accounts receivable, other current assets and accounts payable

The amounts recorded approximate their realizable values.

(c) Financing

The book value of loans and financings in reais with rates linked to the CDI and TJLP variation approximates the market value.

The Company's operations are carried out in accordance with the strategy previously agreed on by the Board of Directors. These operations are carried out with banks with acknowledged liquidity, which minimizes the risks.

When applicable, the financial assets are adjusted by the estimated realization values, which approximate their market value. The book value of financial liabilities, plus charges, approximates the market value because they comprise, in the majority of cases, the long-term portion of financings.

The main market risk factors that potentially can affect the Company's business are the following:

(d) Exchange risk

The exchange risk arises from the imports of aerial platforms and telescopic operators. Between the time of the order and of the nacionalization, it is possible to take up to six months, and in this interval, the Company and its subsidiaries are liable to rate fluctuations.

On December 31, 2009, the Company had liabilities in foreign currency amounting to:

	2009	
	Foreign currency	Reais
Liabilities		
Suppliers in US$	260	453
Net exposure	260	453

On December 31, 2008 and 2007, the Company did not have assets and liabilities in foreign currency.

(e) Interest rate risk and monetary restatement

This risk arises from the possibility that the Company incurs losses due to fluctuation in interest rates that can increase the financial expenses relating to loans and financing obtained in the market.

Another risk that the Company faces is the non-correlation between the monetary restatement rates of its debts and the accounts receivable. The restatement of prices used does not follow necessarily the increases of interest rates that affect the Company's debt.

The Company manages such risk through policies such as the compliance with the maximum level of debts on the stockholders' equity.

(f) Credit risk

This represents the possibility that the Company incurs losses due to difficulties with receiving the amounts billed to customers. As a characteristic of the industry the companies operate in, the credit risk is reduced due to the fact that the sales are pulverized among a great number of customers.

(g) Derivatives

The derivative instruments contracted by the Company aim to protect the operations of importing equipment in the period between the order and the nacionalization, against the risks of exchange and interest rate fluctuations, and are not used for speculative purposes.

On December 31, the interest rate derivative can be summarized as follows:

	Notional value (national)		Fair value		Values receivable/ payable		Unrealized losses	
Description	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Swap contracts								
Receiving position								
Citibank	—	4,309	—	4,266	—	4,266	—	—
Santander/ABN.	65,969	—	65,950	—	66,053	—	—	—
Paying position								
Citibank	—	4,309	—	4,324	—	4,324	—	(58)
Santander/ABN.	65,969	—	66,294	—	66,192	—	(344)	—

There were no open derivatives on December, 31 2007.

The derivative financial instruments are contracted with top tier financial institutions.

The losses and gains with derivative operations are recognized monthly in the result, considering the fair value (market) of these instruments. The provision for unrealized losses is recognized in the account of other liabilities, in the balance sheet, and the corresponding entry to the carrying value adjustment account, in stockholders' equity, until its realization.

Swap contracts

These are contracted with the main purpose to change the debts index from a foreign currency to the real.

Methodology of calculating fair value of derivatives

These are evaluated at present value, using the market rate of return on the base date, of future contractual cash flows up to the maturity date. For those contracts with limits or dual indices for adjustment, these options included in the swap contract were also considered.

Sensitivity analysis

The table below presents the sensitivity analysis of the financial instruments, including derivatives, describing the risks that may result in material losses for the Company. It describes the most probable scenario (scenario I) according to an evaluation carried out by management, considering a three-month period, when the next financial information, including this analysis, should be disclosed. In addition, in accordance with Securities Commission ("Comissão de Valores Mobiliários—CVM") Instruction 475/08, two other scenarios (II and III) are presented, which contemplate deterioration of 25% and 50%, respectively, in the risk variable selected, when compared to scenario I.

Risk	Instrument/ operation	Probable scenario			
		Description	Balance	Scenario II	Scenario III
Interest rates	Lease—CDI	Increase in the indicator	78,105	81,091	84,163
	Loans—CDI	Increase in the indicator	101,550	103,551	105,537
	Loans—TJLP	Increase in the indicator	4,284	4,354	4,422
			183,949	188,996	194,122

The sensitivity analysis presented above considers changes relating to a certain risk, with all other risk variables unchanged.

20 Insurance

The Company maintains as a policy the monitoring of the risks inherent to its operations. Therefore, the Company contracted insurance against civil liability risks, whose coverage, at December 31, 2009, amounted to R$ 13,000 (2008—R$ 9,000 and 2007—R$ 8,000). This amount was considered sufficient to cover possible casualties.

The Company does not maintain insurance policies contracted to properties and equipment, in the event of damages arising from possible casualties, they will be substantially covered by indemnification according to the amounts provided in the respective rental agreements.

21 Supplementary Financial Information (unaudited)

The Company's management uses the EBITDA as a performance indicator. This information is not part of the financial information, since there are no norms and standardization by the accounting practices adopted in Brazil. The criterion adopted by the Company's management is shown below and the amounts were obtained from the result for the year:

	2009	2008	2007
Operating profit before equity holding and financial result	125,799	70,805	22,906
Depreciation of equipment for rent	30,342	17,592	6,819
Depreciation of assets in use	1,174	883	473
Amortization intangible assets	338	257	193
	157,653	89,537	30,391

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