Ramon Vazquez:

Good afternoon, ladies and gentlemen, and thank you very much for participating in Mills's 4Q11 earnings conference call.

On slide number four we present the highlights for the quarter. We had a record R$193.5 million net revenue, 25.5% growth year on year.

EBITDA amounted to R$76.4 million in the 4Q, a new quarterly record. We reached 39.5% EBITDA margin, the highest in the last two years, and ROIC improved vis-à-vis the last two quarters be equal to 14.2%. This is driven by the higher participation of the construction division and a maturation of the new units of Jahu and Rental.

On slide five we show you the revenue breakdown for the quarter.

The Rental division presented the highest net revenue, representing 28% of the revenues. The Jahu division accounted for 27%. Industrial services 26%, and construction 19%. The mix shows the higher importance of the Jahu and Rental division in Mills's business portfolio.

In relation to the kind of service, 68% of Mills's revenues in the quarter came from equipment rental, 20% to technical services, and 10% to sales. There was a higher volume of sales in the last quarter concentrated in the Jahu and Rental divisions.

On slide six we present the results of the construction division, among them 54% EBITDA margin, R$36.1 million revenues and R$19.5 million EBITDA. These are the highest values in the last 15 months, driven by higher volumes of Rental and also the prices of Rental.

On slide seven, we see that Rental revenues from the construction division increased in R$5.4 million quarter over quarter, and the increase in the volume contributed to R$3.2 million and mix of equipment contributing with an R$2 million increase.

This significant increase in the volume of equipment rented collaborated to the utilization rate, because it went back to levels higher than normal in the last quarter. Due to the high demand in this market, we expect to work with higher than normal utilization rates in the next few quarters.

In slide eight we list some important contracts based on the phase in the evolution of monthly revenues and heavy construction.

At the beginning of this year, we find significant contracts such as the Colider hydropower plant, the stadium for the 2014 Cup in Natal, the BRT Transcarioca in Rio de Janeiro, and the stretches for the line number five of the subway in São Paulo.

Slide number nine, we show you the main projects underway for the construction division, 57% comes from private capital, 24% public capital, and 19% public–private partnerships, and the public sectors, 60% are related to the construction of the stadium for the 2014 World Cup.

Regarding the state of the contract, 24% at the beginning, the first third, 52% halfway, 24% in the last third of the term of the contracts. The average term is equal to 20 months.

Slide ten, we see that 2011 was not a success of the aluminum system launch, an aluminum shoring system, which has advantages regarding lightening and productivity vis-à-vis the conventional system, which is steel.

We are using this product in many different projects, such as line number five of the São Paulo subway, the Mané Garrincha stadium in Brasília, and the data center of the Santander bank in Campinas.

Slide number 11, results of the Jahu division, which reached a record total revenues of R$52.5 million, growing by 33.2% quarter over quarter, impacted by the higher revenues with sales and rental.

There has been an expressive increase in the sales of aluminum forms for the Minha Casa, Minha Vida program in the last quarter, and we already have a strong sales backlog for 2012.

EBITDA was R$23.9 million, EBITDA margin equal to 45.5%.

In the Jahu division, we launched in 2011 two different projects, as you can see on slide number 12: Mast Climbing Platforms, which allow to work in a safe and productive manner in building facades, and also Deck Light, a formwork system for slabs which decreases the use of labor and reduces the execution time.

These launches were very successful, besides the consolidation of the easy-set forms on slide 13, which is an aluminum formwork system, considered by the client as the best technology in existence for concrete walls, and which are used mainly in low-income housing, such as the Minha Casa, Minha Vida units.

On slide 14, we have the results of the industrial services division.

We had R$50.2 million total revenues, dropping quarter over quarter due to the termination of contracts that generated operational losses in the two last quarters of 2011.

Maintenance services contributed 79% of total revenues vis-à-vis 72% in the previous quarter.

The oil and gas sector continues to be the main source of revenues for the division, 40% of the total revenues for the quarter.

EBITDA reached R$2.3 million, EBITDA margin 4.7%, and ROIC -1.2%, all dropping quarter over quarter because there was the cost related to severance due to the demobilization of the terminated contracts.

And we are promoting changes in this division to prepare it to grow in higher value-added services, profitability, including the following actions: (i) partnership with Beerenberg company, (ii) centralization of our operations, (iii) the creation of a prospecting and development of new business area, and (iv) optimization of the existing contracts, which incur additional cost and most probably will have an impact on the results of the 1Q12.

Slide 15, the new products of the industrial services division.

In 2011, we carried out a first job with Petrobras, of the P-40 and P53 platforms. This is a system that allows to carry out welding in a pressurized environment, which avoids the inflow of explosive gases without the need for stoppages in the rigs.

In January 2012 we signed corporation contracts with Beerenberg, a Norwegian company with a strong operation in the North Sea in order to produce and sell and apply their Benarx line products for insulation and fire protection with a great potential in Brazil.

In slide 16, rental. Record shows a revenue of R$54.9 million, 20.4% growth quarter on quarter due to the higher revenues for Rental and sales.

EBITDA R$30.7 million, EBITDA margin 56%, and ROIC 18.6%.

The outlook for the market is of a sound growth in 2012.
As recognition of our work in motorized access market, Mills was nominated for the award of 2012 by international award for powered access that will be held at the end of February and sponsored by KHL, the publishing house, which publishes the main magazines about machines and equipment in the world. And we were nominated for two categories:

1) Best rental company, access rental companies for 2011 we are among the five best in the world;
2) Best training center for 2011 we rank among the four best in the world.

In order to contribute to the training of professionals to operate aerial platforms in Brazil in 2011 we established seven training centers with training courses for operators with international certification by the International Powered Access Federation, IPAF, a nonprofit organization which promotes the safe and effective use of these machines all over the world.

And now we would like to talk about our growth plan.

As you can see on slide number 19, investments in Mills's organic growth amounted to R$430.4 million in 2011.

The 2012 budget includes investments amounting to R$127 million, lower than our sustainable CAPEX for the medium run, with the objective of bringing our leverage back to our target.

It is important to stress that in case the scenario is favorable, we will be able to expand our investments over the year of 2012, when we believe that (i) our main markets, which are infrastructure, real estate, oil and gas, will have a very strong demand in 2012, (ii) we expect to significantly increase our operating cash generation over 2012, driven by investments made in 2011 and the recovery of the heavy construction market, and (iii) we have great flexibility to increase our inventory of equipment, once the time between the decision about the investment and receiving the equipment is around 90 days.

Thank you very much, and now I am available to answer any questions that you might have.

Q&A

Thais Correa, Goldman Sachs:

Good afternoon. Congratulations on the results. I have two questions. One about the heavy construction division, and I would like to understand your view. Do you believe that the 4Q was a point of inflection, and do you believe that from now on the project will continue in the pipeline and accelerating the pipeline, and the demand situation of last year does not repeat itself?

You already have a high utilization rate. Are you going to review the CAPEX for this year, for this division? What kind of utilization rate are you building into your calculations, and what about the impact on the margin, because the margins have been quite high?

And I would like to understand how long this could be sustainable. This is my first question, so this is one question.

Ramon Vazquez:

Regarding the investments that we have been making and that we are programming for 2012, the investments, as we mentioned before, they were subject to review over the year. We would like to converge EBITDA margins vis-à-vis our net revenues and our debt, converge it to one time. This is because we are concerned with the issue of the world market, especially the European situation, in which we have consequences that we do not know to which extent they are going to impact Brazil.

And this is the same decision-making process we had in 2008 when the world crisis hit, and at the time we reduced our investment. And during the 1H09 we were above in the evolution of the market in Brazil, and also the impact that the crisis could have on our activities. And when we saw that the market continued to grow and continued to be strong, then we reviewed our investments in a more significant manner, especially as of the 2H09.

Likewise we have a huge demand in Brazil today, and we saw this reflected in the last quarter of last year, and we will continue to see this over the next few quarters. The construction market and infrastructure market are very active and will become even more active over this year because of the new projects that are being auctioned, and we are participating in some of these tender offers.

As we talked about the hydropower plant, we talked about the São Paulo subway system, we talked also about the Rio de Janeiro BRT. The outlook for this construction market is very good, and depending on how the market is going to evolve, and also based on how the external crisis develops and becomes clearer to us, then we could resume higher investments in infrastructure. Because as I said before, between the moment we make our decisions and having or receiving the equipment, we are talking about something like 90 days, which is a very short term.

Thais Correa:

What about the sustainability of the margins? The margins are high, and do you believe that it will continue to be at the same level? How do you see your margins for the future?

Ramon Vazquez:

We understand that our margins are sustainable, and if you consider historically the construction division always has margins higher than 50%, and we estimate that during this year our margins for the construction division will continue to be higher than 50%.

So, we have a very bullish view of the infrastructure market, and also of our capacity to generate very expressive margins in the construction division this year.

Thais Correa:

About the Rental division, we would like to have a better understanding. You mentioned in the release that the market has been growing quite fast, and we expected this to happen. What about competition, new players, new entrants? We see American entrants in Brazil, and they are going to install production.

Ramon Vazquez:

Regarding American manufacturers establishing themselves in Brazil, this has no impact whatsoever on us, because we buy equipment from only suppliers that we want to buy from. Very often we import directly from the United States, very often we buy directly from the manufacturers who are already here in Brazil. There are already operations in Brazil. And we can buy from anybody that we want. So, as far as American manufacturers installing themselves in Brazil, this is all positive as far as we are concerned, because this brings about a higher utilization of equipment in Brazil and it is good for the market as a whole.

Regarding competitors, we expect competition to increase, of course, but so far we have had no significant impact of competition on us. Our company in 2011 took an even more significant position in this market, and we estimate that today we have something like 27% market share. We are the leaders and the second company has 11%. That is to say the gap between us and our close competitor is even wider today.

On the other hand, we understand that competition should grow for the next few years for this market, and we do not believe this is going to cause a major impact on our margins for this division, because this market is growing at very high rates and will continue to grow at very high rates for the next few years, because the oil platform market is still crawling in Brazil, and it still has a long period of growth ahead.

Thais Correa:

Thank you very much.

Operator:

Thank you very much. As there are no more questions, I would like to give the floor back to Mr. Ramon Vazquez for his final remarks. Mr. Vazquez, you may proceed.

Ramon Vazquez:

Once again I would like to thank you very much for participating in our call about the 4Q11 earnings results, and we are available to you, if you have any additional questions. Thank you very much for your attention.

Operator:

Thank you very much. Mills's conference call is closed. Please disconnect your lines, and have a very good afternoon.