Mills 4Q14 and 2014 results

Investor Relations

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Mills: Positive free cash flow of R$ 116 million in a challenging year

Rio de Janeiro, March 10th, 2015 - Mills Estruturas e Serviços de Engenharia S.A. (Mills) presented in 2014 R$ 794.2 million of net revenues and free cash flow of R$ 116.1 million. This is the first time Mills achieved positive cash generation, after years of high investments, which enabled its organic growth, geographic expansion, and manly, its leadership in its markets.

Mills started facing new challenges in 2014. Uncertainties in the economy and in the political sphere have had negative impacts on the markets where it operates, since its clients have reduced investments, postponed projects and slowed the pace of construction works. This market behavior influenced directly its performance, and the investment and tactical plans were revised and adjusted to the new scenario.

With the political and economic scenario still marked by uncertainties in 2015, we will focus our efforts on improving operational efficiency, in order to increase our profitability and become more competitive. We are prepared for a challenging year, with a more suitable corporate structure, comfortable levels of liquidity and a competent and committed team to search for business opportunities, synergies and value creation for our clients.

The highlights of Mill's performance in 2014 were:

- Rental revenues of R$ 663.3 million, at a similar level to 2013.
- Net revenues of R$ 794.2 million, 4.6% below 2013, negatively impacted by a reduction in revenues from sales and technical assistance.
- Record net revenue of R$ 370.8 million in the Rental business unit, 3.8% higher than 2013.
- EBITDA[a] of R$ 335.7 million, with a year-over-year reduction of 16.7% due to higher maintenance costs and allowance for doubtful debts.
- Net earnings of R$ 64.3 million, negatively impacted by higher depreciation and financial expenses.
- Excluding non-recurring effects*, EBITDA would total R$ 350.2 million, with EBITDA margin of 44.1%, and net earnings would reach R$ 81.7 million.
- Return on invested capital (ROIC)[b] of 6.6%, or 7.5% excluding non-recurrent effects, against 14.1% in 2013.
- Capex[c] of R$ 199.1 million, of which R$ 172.1 million for rental equipment.
- Positive free cash flow[d] of R$ 116.1 million, of which R$ 118.7 million in the second half of 2014.
- Opening of four new Rental branches, totaling 30 branches in the end of 2014.
- Nominated for the "Pioneer of motorized access" award, in the IAPA Awards.

in R$ million	4Q13 (A)	3Q14 (B)	3Q14* (C)	4Q14 (D)	(D)/(C) %	(D)/(A) %	2013 (E)	2014 (F)	2014* (G)	(F)/(E) %	(G)/(E) %
Net revenue	210.1	191.5	191.5	181.9	-5.0%	-13.4%	832.3	794.2	794.2	-4.6%	-4.6%
EBITDA	102.4	66.7	79.0	55.6	-29.6%	-45.7%	403.1	335.7	350.2	-16.7%	-13.1%
EBITDA margin (%)	48.7%	34.8%	41.3%	30.6%			48.4%	42.3%	44.1%		
Earnings from continuing operations	46.8	3.2	11.3	-6.2	-155.2%	-113.3%	167.7	64.3	81.7	-61.7%	-51.3%
Earnings from discontinued operations	-1.2	-	-	-			4.9	-	-		
Net earnings	45.6	3.2	11.3	-6.2	-155.2%	-113.6%	172.6	64.3	81.7	-62.8%	-52.6%
ROIC LTM (%)	14.1%	9.4%	9.9%	6.6%			14.1%	6.6%	7.5%		
Capex	93.9	19.5	19.5	22.6	15.6%	-75.9%	499.3	199.1	199.1	-60.1%	-60.1%

Table 1.A – Key financial indicators.

*Excluding non-recurring effects of R$ 21.7 million in 2014 net income and R$ 14.5 million in EBITDA, of which R$ 12.3 million in the third quarter.

The financial and operational information presented in this release, except when otherwise indicated, is in accordance with accounting policies adopted in Brazil, which are in accordance with international accounting standards (International Financial Reporting Standards - IFRS).

Business Perspective

2014 finished with the lowest level of activity in the infrastructure sector since 2011, when this indicator was launched, with negative prospects, as indicated by the expected level of activity, according to research conducted by the National Confederation of Industry (CNI – Confederação Nacional da Indústria), which reached 45.2[1] points in February 2015.

BNDES (Banco Nacional de Desenvolvimento Econômico e Social) disbursements for infrastructure totaled R$ 58.1 billion from January up to November of 2014, 10% above the same period of 2013, while approvals totaled R$ 66.4 billion in the same period, with an increase of 21%.

According to BNDES, investments in Brazil will reach R$ 1.5 trillion between 2015 and 2018, of which R$ 598 billion in infrastructure – the sector that accounts for the highest growth compared to 2010-2013 period, driven by the package of logistics concessions launched by the federal government in 2012, which includes R$ 187 billion in highways, railways and ports. However, there are major uncertainties regarding its execution, which depends on better planning and on the definition of the concession model and financing terms.

Even though there is no interruption, with return of equipment from infrastructure projects in which we are involved, there are uncertainties regarding the ongoing investigations and the fiscal adjustment measures, being the projects with public resources the most risky ones. In order to mitigate our risk in relation to companies that are being investigated, we are: (i) prioritizing projects that offer less risk of interruption; (ii) diversifying our client base; and (iii) reducing, or at least, keeping our credit risk.

In the residential construction market, the situation is still challenging. According to CNI research, the activity level finished 2014 below the normal, with stable prospects, and with the activity level index reaching 48.0[1] points in February 2015. New launches announced by the listed real estate[2] companies presented year over year (yoy) reduction of 18.6% in 2014, while sales fell by 19.9% in the same period. The weak sales raise doubts as to how fast launches will become actual constructions, which usually takes twelve months.

However, growth drivers and the competitive environment in the real estate market did not change, maintaining its attractiveness in the medium and long term, in spite of negative prospects for recovery for this market in the short-term which depends on improvements in the economic activity. Growth drivers are (i) high housing deficit, (ii) increase of housing credit; and (iii) industrialization of construction processes, due to scarcity of labor and increased labor costs.

Regarding the market for motorized access equipment, 4,400 new machines entered the Brazilian market in 2014, an increase of 14.9% compared to the end of 2013, bringing the fleet to a total of 34,400 aerial work platforms and telescopic handlers. However, we estimate that 60% of new motorized equipment is stocked with the manufacturers and, therefore, is not yet part of the market supply for motorized access.

[1] Values above 50 indicate a prospect of growth of activity in the sector for the next six months.
[2] Cyrela, Direcional, Even, Eztech, Gafisa, Helbor, MRV, PDG, Rodobens and Tecnisa.

We believe in a strong growth potential for the motorized access market in Brazil due to the growing possibilities of its use, due to productivity gains and safety issues. Fall is the leading cause of fatal accidents, in Brazil and in the United States. The aerial platform is ranked the safest equipment to execute works in heights, with the lowest number of accidents, amongst different ways to access heights. Therefore, aerial platforms should substitute less safe access equipment, as concerns with safety increase in Brazil.

Revenue

Net revenue reached R$ 794.2 million in 2014. Rental revenues remained stable, reaching R$ 663.3 million, while sales revenues and technical assistance decreased R$ 20.8 million (20.6%), and R$ 13.4 million (62.4%), respectively. In 2013, we sold a large volume of equipment to the Belo Monte hydroelectric power plant and to the "Minha Casa, Minha Vida" housing program (MCMV), and we participated in the *Cinta Costeira* project, in Panamá, with high technical assistance revenues.

The client's decision to buy or rent equipment depends on the period and the characteristics of the construction. For long-term and horizontal constructions, with the same type of equipment used over and over again, buying is a better option, such as the industrialized constructions which use aluminum formworks for low-income housing projects and large hydroelectric power plants. In this last case, the contractors usually buy equipment which will be used during the whole construction period and rent equipment used only at some stages of the project. In Rental, we sell semi-new equipment in Brazil or overseas in order to adjust the size and the average age of the fleet, depending on the market conditions.

We generate technical assistance revenues when there is a need for handling of rented equipment by Mill's specialized labor, in specific cases with very complex equipment and increased operating risk, such as the launching of beams.

Net revenue reached R$ 181.9 million in the fourth quarter of 2014 (4Q14), 5.0% lower quarter-over-quarter (qoq). Rental revenues totaled R$ 149.4 million, 7.5% lower qoq, due to lower prices in the Rental business unit. Lower rental volumes were responsible for R$ 3.6 million of this reduction, whereas price and mix were responsible for R$ 8.4 million.

Costs and Expenses

The cost of goods and services sold (COGS), excluding depreciation, totaled R$ 209.5 million in 2014, stable yoy, in which the main items are: personnel (30%), costs of sales (25%) and materials (21%).

General, administrative and operating expenses (G&A), excluding depreciation, amounted to R$ 249.0[3] million, 14.8% higher yoy, mainly affected by allowance for doubtful debts (ADD). ADD represented 5.3% of net revenues in 2014, against 2.0% of last year.

In general, we recognize as ADD 50% of receivables with 61 to 120 days overdue balance, 100% of receivables overdue for more than 120 days and 100% of debts under legal collection. With regard to clients with lower credit risk, we recognize as ADD 100% of receivables overdue for more than 180 days.

Due to a more conservative posture in relation to the possible scenarios of current investigations, and not because of real payment issues, we in the last quarter downgraded the credit risk of those clients and consortiums, regardless as if they are majority or minority participants, who are somehow related to current investigations. This credit downgrade alone generated an increase of R$ 8.9 million in 4Q14 ADD. Exposure to investigated companies in our net receivables amounted to R$ 37 million at the end of 2014. It is worth highlighting there was no significant change in the average term for receivables from these clients in 4Q14.

In 4Q14 COGS, excluding depreciation, presented a 19.0% qoq drop, reaching R$ 51.5 million, influenced, above all, by lower sales volumes. G&A, excluding depreciation, amounted to R$ 74.7 million, negatively impacted by a R$ 13.5 million increase in ADD.

As a result of the operational synergy from the Real Estate and Heavy Construction business units, we will see improvement in operational efficiency and, consequently, a reduction in unit costs for maintenance. In the last months, we had intense

[3] G&A which is the sum of the Rental, Heavy Construction and Real Estate business units.

maintenance activities, in spite of weaker demand, to equalize deferred maintenance of our equipment. From the second half of 2015, we should normalize the maintenance activity, with a respective cost reduction.

Furthermore, we have some initiatives underway in order to reduce Company expenses, such as (i) a leaner corporate structure and, thus, the disposal of some administrative and management positions; (ii) procurement centralization; and (iii) insourcing of some third-party services, such as IT; among others.

Non-recurring items

In 2014 there were non-recurring items with a negative effect of R$ 21.7 million, of which (i) R$ 7.1 million from the Industrial Services business unit due to the recognition of indemnity, related to events that happened before the completion of the sale, although the request for indemnity occurred this year; (ii) R$ 12.3 million from Easy Set formwork cost adjustments; and (iii) R$ 2.3 million in cost provision and adjustments from the raw material and goods for resale inventories.

In 4Q14 Mills conducted an inventory check of its raw material and goods for resale accounts, whose values, in the balance sheet for September 30, 2014, totaled R$ 4.1 million and R$ 15.7 million, respectively. After the conclusion of the inventory check, the following accounting adjustments were made:

a) Transfer of R$ 6.2 million from the equipment for resale inventory account to the fixed assets account, with no effect on the income statement, except for the beginning of depreciation of this equipment;
b) Constitution of a slow turnover inventory provision of R$ 2.0 million, related to raw material and goods for resale which are in our warehouse, however, they have not been used after 365 days. Therefore, adopting a conservative approach, we made a cost provision equal to book value and, whenever this equipment is used or sold in the future, there will be a reversal of this provision.
c) An adjustment of R$ 0.3 million in sales costs, related to a supplementary cost from goods which were not yet written off.

Consequently, the results of this inventory presented a negative non-recurring and non-cash impact of R$ 2.3 million in 4Q14 results. The raw material and goods for resale accounts ended 2014 with a balance of R$ 2.0 million and R$ 8.2 million, respectively, net of slow turnover inventory provision.

It is worth mentioning that we also performed the usual processes of inventory check in our PP&E, with no adjustments in this balance sheet account.

EBITDA

Cash generation, as measured by EBITDA, reached R$ 335.7 million in 2014. Excluding non-recurring items effects in 2014[4], EBITDA would be R$ 350.2 million, with a 13.1% yoy drop. EBITDA margin was 42.3% in 2014, or 44.1% excluding non-recurring items, versus 48.4% in 2013.

EBITDA totaled R$ 55.6 million, with EBITDA margin of 30.6% in 4Q14. Excluding non-recurring items and the credit downgrade of some clients, EBITDA would be R$ 66.8 million, a 34.8% drop yoy. EBITDA margin would reach 36.7%, versus 48.7% in the fourth quarter of 2013 (4Q13).

Net Earnings

Net earnings amounted to R$ 64.3 million in 2014, versus R$ 167.7 million of net earnings from continuing operations in 2013. In 2013 there was a net positive effect of R$ 8.2 million in the net earnings from continuing operations due to the sale of the Industrial Services business unit. Excluding extraordinary items for both periods, net earnings in 2014 would total R$ 81.7 million, against net earnings from continuing operations of R$ 159.5 million in 2013.

The yoy reduction in net earnings are explained by a reduction of R$ 52.8 million in EBITDA, excluding non-recurring items, and by the increase of depreciation (R$ 37.3 million) and negative financial result (R$ 20.8 million) figures. The financial result was a

[4] For more information, refer to the *Non-recurring items* section.

negative R$ 67.6 million in 2014, against a negative R$ 46.8 million in 2013, due to higher gross debt level and interest rates in the period.

Mills presented a net loss of R$ 6.2 million in 4Q14, negatively impacted by: (i) allowance for doubtful debts due to clients downgrade (R$ 8.9 million); (ii) non-recurring items resulting from inventory adjustments (R$ 2.3 million); and by non-deductible tax items (R$ 12.8 million). Excluding two first mentioned above, net earnings would total R$ 4.9 million in 4Q14. In the current quarter, there was the recognition of interest on equity from the investments in Rohr of R$ 1.8 million.

ROIC

ROIC reached 6.6% in 2014 or 7.5% excluding non-recurring items[4], against 14.1% in 2013. This drop is mainly related to a higher idle capacity in the three business units and to an increase in the Rental and Heavy Construction asset base.

Debt indicators

Mills' total debt was R$ 745.4 million as of December 31, 2014. At the end of the year our net debt[(e)] position was R$ 551.7 million, versus R$ 585.1 million at the end of the third quarter of 2014 (3Q14).

Our debt is 21% short-term and 79% long-term, with an average maturity of 2.4 years, at an average cost of CDI+0.68%. In terms of currency, 100% of Mills' debt is in Brazilian Reais.

Our leverage, as measured by net debt/LTM EBITDA, was at 1.6x as of December 31, 2014. The total debt/enterprise value[(f)] was 42%, while interest coverage, as measured by LTM EBITDA/LTM interest payments, was 4.8x.

The debt amortization schedule includes payment of R$ 206 million as principal and interest in 2015, of which a payment of R$ 44 million was already made in January, without rolling over, reducing our gross debt.

In February, Moody´s agency downgraded Mills' corporate credit rating from “Ba2” to “Ba3”, with a “negative” prospect instead of “stable”. According to the report, the downgrade was driven by possible impacts in the Heavy Construction sector due to current investigations, macroeconomics uncertainties and by negative prospects for the real estate market in Brazil.

Although so far there is no interruption, with return of equipment, in infrastructure construction jobs, in which we are involved, there are uncertainties about the development of current investigations and, therefore, we are being cautious; reducing expenses and preserving cash.

Even in a negative scenario, the Company does not see liquidity risk, being capable of honoring its financial obligations, with no need to access the credit market in 2015, and keeping its debt indicators within contractual parameters.

Free Cash Flow

In 2014, cash generated by operations was higher than the investments needed, with a net balance of R$ 116.1 million, of which R$ 45 million in 4Q14. Mills invested R$ 199.1 million in 2014, of which R$172.1 million in rental equipment, more than half of it being in the first quarter of 2014, due to Rental and Heavy Construction growth prospects. The Rental business unit was responsible for 52.9% of the investments, the Heavy Construction business unit for 23.2% and the Real Estate business unit for 9.4% of investments.

Mills invested R$ 22.6 million in 4Q14, of which R$ 16.8 million in rental equipment, mostly for the acquisition of new balanced cantilever equipment, that will be used in the Joá Elevated road duplication, in Rio de Janeiro, related to the 2016 Olympic games. The Heavy Construction business unit was responsible for 53.7% of the investments made, Real Estate for 18.8% and Rental for 8.2%.

Because of the nature of our business, in times of lower investments such as the second half of 2014 and the prospects for 2015, the Company tends to be a cash generator.

In 2015, we will significantly reduce our investment levels to a maximum amount of R$ 40 million, being the majority of it for improvements in maintenance processes and facilities of our branches. In Heavy Construction and Real Estate, we will invest in maintaining the actual fleet, with the acquisition of spare parts to keep the equipment mix. In the Rental business unit we will continue the geographic expansion, using the existing fleet.

Because of the characteristics of Heavy Construction and Real Estate equipment, and because of the need for a more relevant investment in rebuilding only after the equipment in the Rental business is seven years old, the Company may execute lower investments for a few years, if necessary, without reducing its operational capacity.

Additionally, in 2015 we have started our efforts to sell semi-new equipment, mainly in Rental and Real Estate business units.

Share buyback program

On November 10th, 2014 Mills' Board of Directors approved a program to repurchase common shares of Mills' issuance, with the objective of acquiring up to 4,000,000 shares, with a deadline of 365 days as of the date of approval, for treasury and subsequent cancellation or alienation, including in the context of any exercise of options under its stock option program, in the case of exercise of options. Up to December 31st, 2014, the Company acquired and kept in treasury 1,182,900 shares, with a total value of R$ 11 million.

Performance of the business units

Rental

Net revenue from the Rental business unit amounted to R$ 370.8 million in 2014, a new annual record, 3.8% above 2013. Higher volume of rented equipment contributed R$ 11.6 million of the R$ 16.2 million expansion yoy, or 5.3%, of rental revenues yoy, while price and mix were responsible for an increase of R$ 4.7 million.

Net revenues totaled R$ 83.9 million in 4Q14, with a 7.8% qoq reduction and a 13.6% yoy decline. Revenues from rental of equipment amounted to R$ 71.8 million, with a decrease of R$ 7.9 million, or 10.0%, qoq, while price and mix were responsible for R$ 11.7 million partially offset by the R$ 3.8 million increase due to higher rented volumes. Utilization rate continued below normal levels, although it showed improvement compared to 3Q14.

We opened two new branches: one in Cubatão, in São Paulo state, and other in Juiz de Fora, in Minas Gerais state, reaching four new units in 2014, totaling 30 branches.

EBITDA reached R$ 196.7 million in 2014, in line with 2013. EBITDA margin was 53.0%, versus 56.3% in 2013, while ROIC was 11.5%, versus 18.2% in 2013, both negatively affected by a lower utilization rate.

EBITDA totaled R$ 33.2 million in 4Q14, with an EBITDA margin of 39.6% negatively affected by reduction of prices and increase in ADD, which reached 9.1% of revenues, versus 3.6% in the first nine months of 2014. As mentioned in the *Costs and expenses* section, due to a more conservative approach, and not because of real payment issues, in the last quarter we downgraded clients that are somehow related to current investigations, which caused an impacted of R$ 3.2 million in the Rental ADD. Excluding the effects of this credit risk reclassification, EBITDA would total R$ 36.4 million, with an EBITDA margin of 43.4%.

This year we are among the three finalists for “Powered Access Pioneer” in the IAPA Awards, an international recognition of our efforts to disseminate the use of aerial work platforms in Brazil. We have already won two IAPA Awards: (i) in the “Access Rental Company of the Year” category in 2012; and (ii) in the “IPAF Training Center of the Year” category in 2014.

Heavy Construction

Rental revenues for Heavy Construction totaled R$ 177.4 million in 2014, with a 4.8% increase yoy. Total revenue amounted to R$ 211.0 million in 2014, a slight drop of 2.7% yoy, reflecting a 29.7% reduction in revenues from sales, technical assistance and others, since the number of constructions that favor this kind of revenue were fewer in 2015, as described in the *Revenues* section.

In 2014, there was the demobilization of relevant construction projects, such as the *Jirau* hydroelectric power plant, the *Abreu e Lima* refinery and airports, while construction works initiated, such as Vale's *S11D* project, the north beltway and subway lines from São Paulo and Salvador, had mobilization speeds below expectations, due to several delays, weakening our utilization rate and rental revenues.

In 2014, we launched the stave lifting cart car equipment, used on the Laguna Bridge, in Santa Catarina state.

We signed important contracts over the year, with a significant expansion of our backlog, compared to last year. Usually the average term of our contracts is 24 months and actual rental revenues depend on the progress of the construction, over which we have no control. Revenues from signed contracts expected for 2015 will come, mainly, from logistics construction projects, including urban mobility and highways, besides industrial projects.

Net revenues reached R$ 52.5 million in 4Q14, in line with the previous quarter. Utilization rate decreased qoq and was below normal levels, and lower rented volumes contributed with R$ 2.6 million to the reduction in rental revenues, partially offset by the positive net effect of price and mix of R$ 1.6 million.

The main projects of 4Q14, in terms of revenue were:

- South and Southeastern regions: Olympic Park, BRT *Transcarioca* and subway line 4, in Rio de Janeiro; *Viracopos* airport, subway line 5, Gold monorail line, north beltway, in São Paulo; Pedro I Avenue duplication and Vale, CSN and Gerdau projects, in Minas Gerais; and Laguna bridge, in Santa Catarina.
- Midwest, North and Northeastern region: *Belo Monte*, *Jirau* and *Colíder* hydroelectric power plants; *Norte-Sul* and *Transnordestina* railroads; Transposition of the *São Francisco* river; Salvador subway and Paraguaçu shipyard, in Bahia; the *Companhia Siderúrgica do Pecém* steel mill, in Ceará; Vale´s S11D project, in Pará and Maranhão; and Cuiabá's VLT, in Mato Grosso.

EBITDA was R$ 88.9 million in 2014, with a 17.7% yoy reduction, reflecting, above all, a significant increase in ADD, from 1.5% of revenues in 2013 up to 6.4% in 2014. EBITDA margin was 42.1%, versus 49.8% in the last year, while ROIC suffered a reduction from 19.2% in 2013 to 9.9% in 2014.

EBITDA reached R$ 16.3 million in 4Q14, with an EBITDA margin of 31.0%. As mentioned in the *Costs and expenses* section, due to a more conservative approach, and not because of real payment issues, last quarter, we downgraded clients that are somehow related to the current investigations, which caused an impacted of R$ 4.5 million in the ADD of this business unit. Excluding the effects of this credit risk reclassification, EBITDA would total R$ 20.8 million, with an EBITDA margin of 39.6%.

Real Estate

Net revenue from Real Estate amounted to R$ 212.4 million in 2014, a 17.7% decline yoy, negatively impacted by a decrease of R$ 35.3 million, or 17.9%, in rental revenues and of R$ 11.0 million, or 25.3%, in sales revenues.

Net revenue totaled R$ 45.4 million in 4Q14, 6.5% lower qoq. Rental revenues decreased R$ 3.1 million qoq, of which the lower rented volume was responsible for R$ 4.8 million, partially offset by a positive effect of R$ 1.7 million in price and mix.

Since the second half of 2013, the Brazilian Real Estate market has been deteriorating, influenced by political and economic uncertainties, higher interest rates and weakness of economic activity. Perspectives for this market in 2015 continue to be negative. Therefore, to minimize these cyclical effects in our results, we have three main goals: (i) increase operational efficiency, (ii) enlarge market coverage and (iii) sell semi-new equipment.

By centralizing the maintenance operations for Real Estate and Heavy Construction equipment, we are seeking improvement in operational, and thus, a reduction of the maintenance unit cost, which should be noticed as of the second half of 2015, when we should have equalized our deferred equipment maintenance. Furthermore, we will be capable of better serving our clients, with greater speed and accuracy in the delivery of our equipment, which are success factors in the Real Estate market, mainly for large volumes, which include major real estate developers.

EBITDA reached R$ 50.1 million in 2015, with an EBITDA margin of 23.6% and ROIC of 0.4%. Excluding non-recurring items[4], EBITDA would total R$ 64.5 million, with an EBITDA margin of 30.4% and ROIC of 2.5%. There was a COGS reduction of 27.8% yoy, reflecting mainly lower sale costs and equipment maintenance, due to higher idle capacity, while G&A increased 5.5%, mostly due to the higher ADD level - 5.0% of net revenues in 2014, versus 2.8% in 2013.

In 4Q14, EBITDA amounted to R$ 6.1 million, with an EBITDA margin of 13.5%, affected by higher ADD, which reached 10.9% of net revenues because of client downgrade, not necessarily linked to current investigations, versus 3.5% in the first 9 months of 2014. Excluding non-recurring items[4], EBITDA would be R$ 8.2 million, with an EBITDA margin of 18.1%.

Teleconference and Webcast

Date: Wednesday, March 11, 2015

Time: 11 am (NY time) / 12:00 pm Rio de Janeiro time / 3:00 pm London time

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Webcast: www.mills.com.br/

Tables

Table 2 – Net revenue per type

in R$ million	4Q13 (A)	3Q14 (B)	4Q14 (C)	(C)/(A) %	(C)/(B) %	2013 (D)	2014 (E)	(E)/(D) %
Rental	176.6	161.4	149.4	-15.4%	-7.5%	674.2	663.3	-1.6%
Technical support services	4.8	1.3	1.3	-74.0%	-0.1%	21.4	8.1	-62.4%
Sales	22.5	19.1	18.6	-17.5%	-2.6%	101.3	80.5	-20.6%
Others	6.1	9.8	12.7	108.7%	30.1%	35.3	42.3	19.9%
Total net revenue	**210.1**	**191.5**	**181.9**	**-13.4%**	**-5.0%**	**832.3**	**794.2**	**-4.6%**

Table 3 – Net revenue per business unit

in R$ million	4Q13	%	3Q14	%	4Q14	%	2013	%	2014	%
Heavy construction	58.6	27.9%	51.9	27.1%	52.5	28.9%	217.0	26.1%	211.0	26.6%
Real estate	54.2	25.8%	48.6	25.4%	45.4	25.0%	258.0	31.0%	212.4	26.7%
Rental	97.2	46.3%	91.0	47.5%	83.9	46.1%	357.3	42.9%	370.8	46.7%
Total net revenue	**210.1**	**100%**	**191.5**	**100%**	**181.9**	**100.0%**	**832.3**	**100.0%**	**794.2**	**100.0%**

Table 4 – Cost of goods and services sold (COGS) and general, administrative and operating expenses (G&A), ex-depreciation

in R$ million	4Q13	%	3Q14	%	3Q14*	%	4Q14	%
Costs of job execution[g]	23.7	22.0%	23.3	18.6%	23.3	20.6%	22.4	17.7%
Costs of sale of equipment	13.0	12.1%	19.1	15.2%	11.3	10.0%	10.5	8.3%
Costs of asset write-offs	2.3	2.1%	6.4	5.1%	1.8	1.6%	3.9	3.1%
Equipment storage[h]	11.9	11.0%	14.9	11.8%	14.9	13.1%	14.7	11.5%
COGS	50.9	47.2%	63.6	50.7%	51.3	45.3%	51.5	40.6%
G&A	56.8	52.8%	61.9	49.3%	61.9	54.7%	75.4	59.4%
Total COGS + G&A	**107.7**	**100.0%**	**125.5**	**100.0%**	**113.2**	**100.0%**	**126.9**	**100.0%**

in R$ million	2013	%	2014	%	2014*	%
Costs of job execution	92.8	21.6%	92.1	19.7%	92.1	20.3%
Costs of sale of equipment	68.0	15.8%	53.2	11.4%	43.2	9.5%
Costs of asset write-offs	8.9	2.1%	13.7	2.9%	9.1	2.0%
Equipment storage	42.6	9.9%	50.6	10.8%	50.6	11.1%
COGS	212.3	49.5%	209.5	44.8%	195.0	43.0%
G&A	216.9	50.5%	258.5	55.2%	258.5	57.0%
Total COGS + G&A	**429.2**	**100.0%**	**468.0**	**100.0%**	**453.5**	**100.0%**

*Excluding non-recurring items. For more information, refer to the *Non-recurring items* section.

Table 5 – EBITDA per business unit and EBITDA margin

in R$ million	4T13	%	3T14	%	3T14*	%	4T14	%
Heavy Construction	29.3	28.6%	21.4	32.1%	21.4	27.1%	16.3	29.3%
Real Estate	17.1	16.7%	-4.7	-7.0%	7.7	9.7%	6.1	11.0%
Rental	56.0	54.7%	50.0	74.9%	50.0	63.2%	33.2	59.7%
Total EBITDA	**102.4**	**100.0%**	**66.7**	**100.0%**	**79.0**	**100.0%**	**55.6**	**100.0%**
EBITDA margin (%)	**48.7%**		**34.8%**		**41.3%**		**30.6%**	

in R$ million	2013	%	2014	%	2014*	%
Heavy Construction	108.1	26.8%	88.9	26.5%	108.1	26.8%
Real Estate	93.8	23.3%	50.1	14.9%	93.8	23.3%
Rental	201.2	49.9%	196.7	58.6%	201.2	49.9%
Total EBITDA	**403.1**	**100.0%**	**335.7**	**100.0%**	**403.1**	**100.0%**
EBITDA margin (%)	**48.4%**		**42.3%**		**48.4%**	

*Excluding non-recurring items. For more information, refer to the *Non-recurring items* section.

Table 6 – Reconciliation of EBITDA

in R$ million	4Q13 (A)	3Q14 (B)	3Q14* (C)	4Q14 (D)	(D)/(A) %	(D)/(C) %
Results of continuing operations	**46.8**	**3.2**	**11.3**	**-6.2**	**-113.3%**	**-155.2%**
Financial result	-13.5	-17.8	-17.8	-14.8	9.9%	-16.6%
Income tax and social contribution expenses	-12.7	-1.7	-5.8	-3.0	-76.5%	-49.0%
Operational Results before Financial Result	**73.0**	**22.7**	**34.9**	**11.6**	**-84.1%**	**-66.7%**
Depreciation	37.5	43.3	43.3	43.4	15.6%	0.2%
Expenses (revenues) related to the Industrial services former business unit	-8.2	0.7	0.7	0.7	-108.2%	-7.4%
EBITDA	**102.4**	**66.7**	**79.0**	**55.6**	**-45.7%**	**-29.5%**

in R$ million	2013 (E)	2014 (F)	2014* (G)	(F)/(E) %	(G)/(E) %
Results of continuing operations	**167.7**	**64.3**	**78.8**	**-61.7%**	**-53.0%**
Financial result	-46.8	-67.6	-67.6	44.4%	44.4%
Income tax and social contribution expenses	-65.7	-26.1	-26.1	-60.3%	-60.3%
Operational Results before Financial Result	**280.2**	**157.9**	**172.5**	**-43.6%**	**-38.4%**
Depreciation	131.0	168.3	168.3	28.4%	28.4%
Expenses (revenues) related to the Industrial services former business unit	-8.2	9.5	9.5	-216.4%	-216.4%
EBITDA	**403.1**	**335.7**	**350.2**	**-16.7%**	**-13.1%**

*Excluding non-recurring items. For more information, refer to the *Non-recurring items* section.

Table 7 – Investment per business unit

in R$ million	4Q13	Realized 3Q14	4Q14	2014 (A)	Budget 2014 (B)	(A)/(B) %
Rental equipment						
Heavy Construction	29.4	9.1	12.1	47.5	37.0	128.4%
Real Estate	4.2	1.7	4.2	19.3	25.0	77.2%
Rental	50.4	3.0	0.5	105.3	169.0	62.3%
Rental equipment	**84.0**	**13.8**	**16.8**	**172.1**	**231.0**	**74.5%**
Corporate and use goods	9.9	5.7	5.8	27.1	42.1	64.3%
Capex Total	**93.9**	**19.5**	**22.6**	**199.1**	**273.1**	**72.9%**

Table 8 – Rental financial indicators

in R$ million	4Q13 (A)	3Q14 (B)	4Q14 (C)	(C)/(A) %	(C)/(B) %	2013 (D)	2014 (E)	(D)/(E) %
Net revenue								
Rental	86.1	79.7	71.8	-16.6%	-10.0%	307.7	324.0	5.3%
Technical support services, sales and others	11.1	11.3	12.2	9.9%	7.7%	49.6	46.8	-5.6%
Total net revenue	**97.2**	**91.0**	**83.9**	**-13.6%**	**-7.8%**	**357.3**	**370.8**	**3.8%**
COGS, ex-depreciation	21.6	23.5	25.5	18.0%	8.7%	86.8	91.7	5.6%
G&A, ex-depreciation	19.5	17.5	25.2	29.2%	43.6%	69.3	82.5	19.0%
EBITDA	56.0	50.0	33.2	-40.7%	-33.5%	201.2	196.7	-2.3%
EBITDA margin (%)	57.7%	54.9%	39.6%			56.3%	53.0%	
ROIC (%)	18.2%	14.5%	11.5%			18.2%	11.5%	
Capex	51.9	3.6	1.9	-96.4%	-48.5%	270.5	108.7	-59.8%
Invested Capital[i]	540.3	683.8	704.6	30.4%	3.0%	540.3	704.6	30.4%
Rental net PP&E	489.6	584.3	590.8	20.7%	1.1%	489.6	590.8	20.7%
Others	50.7	99.6	113.9	124.6%	14.3%	50.7	113.9	124.6%
Depreciation	17.7	20.9	21.0	18.8%	0.5%	60.5	80.9	33.7%

Table 9 – Heavy Construction financial indicators

in R$ million	4Q13 (A)	3Q14 (B)	4Q14 (C)	(C)/(A) %	(C)/(B) %	2013 (D)	2014 (E)	(E)/(D) %
Net revenue								
Rental	46.6	44.4	43.4	-6.8%	-2.3%	169.3	177.4	4.8%
Technical support services, sales and others	12.1	7.5	9.1	-24.4%	21.8%	47.7	33.6	-29.7%
Total net revenue	**58.6**	**51.9**	**52.5**	**-10.5%**	**1.2%**	**217.0**	**211.0**	**-2.7%**
COGS, ex-depreciation	12.9	13.1	12.1	-5.8%	-7.8%	49.2	48.3	-1.8%
G&A, ex-depreciation	16.5	17.4	24.1	46.1%	38.8%	59.7	73.8	23.7%
EBITDA	29.3	21.4	16.3	-44.4%	-23.9%	108.1	88.9	-17.7%
EBITDA margin (%)	49.9%	41.2%	31.0%			49.8%	42.1%	
ROIC (%)	19.2%	13.3%	9.9%			19.2%	9.9%	
Capex	29.5	9.5	12.1	-58.9%	27.0%	107.6	48.2	-55.2%
Invested Capital	283.5	334.8	348.1	22.8%	4.0%	283.5	348.1	22.8%
Rental net PP&E	224.4	250.0	252.6	12.6%	1.0%	224.4	252.6	12.6%
Others	59.1	84.8	95.5	61.5%	12.6%	59.1	95.5	61.5%
Depreciation	8.5	10.2	10.2	19.8%	-0.4%	30.5	39.8	30.7%

Table 10 – Real Estate financial indicators

in R$ million	4Q13 (A)	3Q14 (B)	3Q14* (C)	4Q14 (D)	4Q14* (E)	(D)/(A) %	(D)/(B) %	(E)/(A) %	(E)/(C) %
Net revenue									
Rental	44.0	37.3	37.3	34.2	34.2	-22.2%	-8.3%	-22.2%	-8.3%
Technical support services, sales and others	10.3	11.3	11.3	11.2	11.2	9.3%	-0.5%	9.3%	-0.5%
Total net revenue	**54.2**	**48.6**	**48.6**	**45.4**	**45.4**	**-16.2%**	**-6.5%**	**-16.2%**	**-6.5%**
COGS, ex-depreciation	16.4	27.0	14.7	13.9	11.8	-15.2%	-48.6%	-28.0%	-19.8%
G&A, ex-depreciation	20.8	26.3	26.3	25.4	25.4	22.3%	-3.1%	22.3%	-3.1%
EBITDA	17.1	-4.7	7.7	6.1	8.2	-64.1%	-231.1%	-51.8%	7.6%
EBITDA margin (%)	31.5%	-9.6%	15.7%	13.5%	18.1%				
ROIC (%)	8.1%	2.1%	3.8%	0.4%	2.5%				
Capex	4.5	2.1	2.1	4.2	4.2	-4.9%	97.7%	-4.9%	97.7%
Invested Capital	463.8	485.5	486.5	469.5	469.5	1.2%	-3.3%	1.2%	-3.5%
Rental net PP&E	331.1	327.9	328.3	317.1	317.1	-4.2%	-3.3%	-4.2%	-3.4%
Others	132.7	157.6	158.3	152.4	152.4	14.9%	-3.3%	14.9%	-3.7%
Depreciation	11.3	12.2	12.2	12.2	12.2	7.6%	0.0%	7.6%	0.0%

in R$ million	2013 (F)	2014 (G)	2014* (H)	(G)/(F) %	(H)/(F) %
Net revenue					
Rental	197.2	161.8	161.8	-17.9%	-17.9%
Technical support services, sales and others	60.8	50.5	50.5	-16.9%	-16.9%
Total net revenue	**258.0**	**212.4**	**212.4**	**-17.7%**	**-17.7%**
COG´s, ex-depreciation	76.3	69.5	55.1	-8.9%	-27.8%
G&A, ex-depreciation	87.9	92.7	92.7	5.5%	5.5%
EBITDA	93.8	50.1	64.5	-46.6%	-31.2%
EBITDA margin (%)	36.4%	23.6%	30.4%		
ROIC (%)	8.1%	0.4%	2.5%		
Capex	92.1	20.7	20.7	-77.5%	-77.5%
Invested Capital	463.8	469.5	469.5	1.2%	1.2%
Rental net PP&E	331.1	317.1	317.1	-4.2%	-4.2%
Others	132.7	152.4	152.4	14.9%	14.9%
Depreciation	40.1	47.5	47.5	18.6%	18.6%

*Excluding non-recurring items. For more information, refer to the *Non-recurring items* section.

Table 11 – ROIC Analysis

	Heavy Construction	Real Estate	Rental	Mills
ROIC variation (qoq)				
Operational income after taxes	-307 bps	-170 bps	-267 bps	-273 bps
Rental net PP&E	-10 bps	5 bps	-14 bps	1 bps
Others	-41 bps	2 bps	-30 bps	-9 bps
Total	-346 bps	-169 bps	-302 bps	-279 bps
ROIC variation (yoy)				
Operational income after taxes	-705 bps	-772 bps	-323 bps	-657 bps
Rental net PP&E	-173 bps	25 bps	-288 bps	-102 bps
Others	-218 bps	-33 bps	-191 bps	-81 bps
Total	-929 bps	-772 bps	-673 bps	-749 bps

Glossary

(a) EBITDA – EBITDA is a non-accounting measurement which we prepare and which is reconciled with our financial statement in accordance with CVM Instruction 01/2007, when applicable. We have calculated our EBITDA (usually defined as earnings before interest, tax, depreciation and amortization) as net earnings before financial results, the effect of depreciation of assets and equipment used for rental, and the amortization of intangible assets. EBITDA is not a measure recognized under BR GAAP, IFRS or US GAAP. It is not significantly standardized and cannot be compared to measurements with similar names provided by other companies. We have reported EBITDA because we use it to measure our performance. EBITDA should not be considered in isolation or as a substitute for "net income" or "operating income" as indicators of operational performance or cash flow, or for the measurement of liquidity or debt repayment capacity.

(b) ROIC - (Return on Invested Capital) - Calculated as Operating Income before financial results and after the payment of income tax and social contribution (theoretical 30% income tax rate) on this income, divided by average Invested Capital, as defined below. ROIC is not a measure recognized under BR GAAP, and it is not significantly standardized and cannot be compared to measurements with similar names provided by other companies.

ROIC LTM: ((Net earnings in the last twelve months – (30% IR) + (firms remuneration in which possess minority shareholding)/ (Average Invested Capital in the last thirteen months))

Annual ROIC: (Annual Operational Income – (30% Income Tax Rate) + remuneration from affiliates) / Average Invested Capital of the last thirteen months

(c) Capex (Capital Expenditure) – Acquisition of goods and intangibles for permanent assets.

(d) Net cash flow - Net cash generated by operating activities minus net cash used in investing activities.

(e) Net Debt – Gross debt less cash holdings.

(f) ***Enterprise value (EV)*** – Company value at the end of the period. It is calculated by multiplying the number of outstanding shares by the closing price per share, and adding the net debt.

(g) Job execution costs – Job execution costs include: (a) labor costs from construction jobs supervision and technical assistance; (b) labor costs for erection and dismantling of the equipment rented to our clients, when such tasks are carried out by the Mills workforce; (b) equipment freight costs, when under Mills' responsibility; (d) cost of materials used in the maintenance of the equipment, when it is returned to our warehouse; and (e) cost of equipment rented from third-parties.

(h) Warehouse costs – Warehouse costs includes expenses directly related to the warehouse management, storage, repair and maintenance of equipment to be rented and to be sold, including labor costs, PPEs used in the warehouse activities (handling, storage and maintenance), materials needed (forklift fuel, gases for welding, plywood, paints, timber battens, among others) and machines and equipment maintenance (forklifts, welding machines, water-blasting hoists and tools in general).

(i) Invested Capital – For the Company, invested capital is defined as the sum of its own capital (net equity or shareholders' equity) and capital from third parties (total loans and other liabilities that carry interest, from banks or not), both being average capital from the beginning to the end of the period considered. By business segment, it is the average of the capital invested by the company weighted by the average assets of each business segment (net liquid assets plus PPE – Property, Plant and Equipment). The quarter asset base is calculated as the average of the asset base of the last four months and the annual asset base is calculated as the average of the last thirteen months.

INCOME STATEMENT

in R$ million	4Q13	3Q14	4Q14	2013	2014
Net revenue from sales and services	**210.1**	**191.5**	**181.9**	**832.3**	**794.2**
Cost of products sold and services rendered	(85.7)	(102.7)	(90.7)	(334.9)	(362.4)
Gross profit	**124.4**	**88.7**	**91.2**	**497.3**	**431.8**
Other operational revenues	8.3	-	-	8.3	-
General and administrative expenses	(59.6)	(66.1)	(79.6)	(225.4)	(273.8)
Operating profit	**73.0**	**22.7**	**11.6**	**280.2**	**157.9**
Financial expense	(17.0)	(28.2)	(18.1)	(60.0)	(92.8)
Financial income	3.5	10.4	3.3	13.2	25.2
Financial result	**(13.5)**	**(17.8)**	**(14.8)**	**(46.8)**	**(67.6)**
Profit before taxation	**59.5**	**4.9**	**(3.2)**	**233.4**	**90.3**
Income tax and social contribution expenses	(12.7)	(1.7)	(3.0)	(65.7)	(26.1)
Results of continuing operations	**46.8**	**3.2**	**(6.2)**	**167.7**	**64.3**
Results of discontinued operations	**(1.2)**	**-**	**-**	**4.9**	**-**
Net income	**45.6**	**3.2**	**(6.2)**	**172.6**	**64.3**
Number of shares at the end of the period (in thousands)	127,386	128,058	128,058	127,386	128,058
Net income (R$ per shares)	0.36	0.03	(0.05)	1.4	0.5

BALANCE SHEET

in R$ million	4Q13	3Q14	4Q14
Assets			
Current Assets			
Cash and cash equivalents	25.8	161.1	193.7
Trade receivables	177.4	177.9	156.8
Inventories	36.3	32.0	21.8
Recoverable taxes	38.7	29.8	28.7
Advances to suppliers	0.5	0.2	0.2
Derivative financial instruments	7.5	0.1	1.2
Assets available for sale	26.8	17.0	17.5
Other current assets	6.5	4.7	5.6
Total Current Assets	319.5	422.7	425.3
Non-Current Assets			
Trade receivables	1.4	0.9	1.4
Recoverable taxes	42.8	36.4	32.0
Deferred taxes	-	20.0	24.9
Deposits in court	10.1	10.5	10.4
Other trade receivables	47.3	34.0	34.9
	101.5	101.7	103.7
Investment	87.4	87.4	87.4
Property, plant and equipment	1,224.5	1,230.9	1,200.1
Intangible assets	68.4	76.0	76.1
	1,380.3	1,394.3	1,363.7
Total Non-Current Assets	1,481.8	1,496.0	1,467.4
Total Assets	**1,801.2**	**1,918.7**	**1,892.7**

in R$ million	4Q13	3Q14	4Q14
Liabilities			
Current Liabilities			
Suppliers	37.9	18.6	16.5
Borrowings and financings	12.8	46.4	49.6
Debentures	112.5	109.6	105.3
Salaries and payroll charges	19.2	25.3	19.4
Income tax and social contribution	-	2.9	2.5
Tax refinancing program (REFIS)	1.0	1.0	1.0
Taxes payable	7.1	4.7	4.0
Profit sharing payable	18.7	-	-
Dividends and interest on equity payable	41.0	21.8	21.8
Derivative financial instruments	-	1.2	-
Other current liabilities	4.9	2.1	1.0
Total Current Liabilities	255.0	233.6	221.2
Non-Current Liabilities			
Borrowings and financings	58.7	15.7	14.9
Derivative financial instruments	0.3	-	-
Debentures	448.2	573.3	575.5
Provision for tax, civil and labor risks	10.6	12.8	12.6
Deferred taxes	2.5	-	-
Tax refinancing program (REFIS)	9.4	9.2	9.1
Total Non-Current Liabilities	529.7	611.0	612.1
Total Liabilities	784.7	844.6	833.3
Stockholders' Equity			
Capital	553.2	563.3	563.3
Earnings reserves	447.9	447.9	487.0
Capital reserves	10.2	17.3	8.8
Valuation adjustments to equity	5.2	0.3	0.2
Retained earnings	-	45.4	-
Total Stockholders' Equity	1,016.5	1,074.1	1,059.4
Total Liabilities and Stockholders' Equity	**1,801.2**	**1,918.7**	**1,892.7**

Cash Flow

in R$ million	3Q14	4Q14	2013	2014
Cash flow from operating activities				
Net income before taxation	**4.9**	**(3.2)**	**240.6**	**90.3**
Adjustments				
Depreciation and amortization	43.3	43.4	136.9	168.3
Provision for tax, civil and labor risks	1.5	(1.9)	1.4	1.0
Accrued expenses on stock options	2.4	2.5	10.0	9.5
Profit sharing payable	(1.7)	-	18.7	-
Gain on sale of property, plant and equipment and intangible assets	(12.0)	(10.4)	(46.7)	(43.8)
Capital gain on disposal of investment	-	-	(8.3)	-
Marketable securities income	18.9	25.6	56.4	80.6
Allowance for doubtful debts	8.7	22.2	17.2	42.3
Others	12.3	3.4	1.3	15.8
	73.3	**84.9**	**186.8**	**273.6**
Changes in assets and liabilities				
Trade receivables	12.9	(2.2)	(44.5)	(22)
Inventories	(2.0)	0.2	(9.4)	(3.3)
Recoverable taxes	8.6	6.6	27.7	29.5
Deposits in court	(0.1)	0.2	1.8	0.4
Other assets	3.4	(0.4)	5.6	1.7
Suppliers	1.0	(0.3)	(1.4)	0.4
Salaries and payroll charges	1.0	(5.8)	6.3	0.2
Taxes payable	(0.6)	(0.7)	(11.4)	2.6
Other liabilities	(3.2)	(1.2)	(3.6)	(4.2)
	21.1	**(3.7)**	**(28.8)**	**5.2**
Cash from operations	**99.3**	**78.0**	**398.6**	**369.2**
Lawsuits settled	(0.2)	-	(0.7)	(0.6)
Interest paid	(16.8)	(23.0)	(48.8)	(69.7)
Income tax and social contribution paid	(10.7)	(7.6)	(65.5)	(38.9)
Profit sharing paid	-	-	(20.1)	(18.6)
Net cash generated by operating activities	**71.6**	**47.4**	**263.4**	**241.4**
Cash flow from investment activities				
Marketable securities	-	-	159.6	-
Advances on assets held for sale	-	-	25.2	-
Purchases of property, plant and equipment and intangible assets	(31.0)	(18.3)	(514.4)	(214.8)
Proceeds from sale of property, plant and equipment and intangible assets	16.8	15.7	71.5	61.6
Proceeds from sale of SI business unit	16.6	-	-	27.9
Net cash proceeded from (applied on) investment activities	**2.4**	**(2.6)**	**(258.1)**	**(125.3)**
Cash flow from financing activities				
Capital contributions	0.3	(0.0)	15.6	10.1
Shares in treasury	-	(11.0)	-	(11.0)
Dividends and interest on capital invested paid	(3.3)	-	(41.8)	(46.7)
Repayment of borrowings	(3.6)	(1.2)	(38.5)	(300.6)
Borrowings raised	-	-	41.0	400.0
Net cash generated by (used in) financing activities	**(6.6)**	**(12.2)**	**(23.7)**	**51.7**
Increase (decrease) in cash and cash equivalents	**67.3**	**32.6**	**(18.4)**	**167.9**
Cash and cash equivalents at the beginning of the period	**93.7**	**161.1**	**44.2**	**25.8**
Cash and cash equivalents at the end of the period	**161.1**	**193.7**	**25.8**	**193.7**

This press release may include declarations about Mills' expectations regarding future events or results. All declarations based upon future expectations. rather than historical facts. are subject to various risks and uncertainties. Mills cannot guarantee that such declarations will prove to be correct. These risks and uncertainties include factors related to the following: the Brazilian economy. capital markets. infrastructure. real estate and oil & gas sectors. among others. and government rules that are subject to change without previous notice. To obtain further information on factors that may give rise to results different from those forecasted by Mills. please consult the reports filed with the Brazilian Comissão de Valores Mobiliários (CVM. equivalent to U.S. "SEC").